



ECONOMIC DEVELOPMENT COMMITTEE

DATE: February 6, 2018 (Tuesday)
TIME: 5:30 – 7:30 p.m.
LOCATION: Room 209
Portland City Hall

1. **Communication: Minutes of previous meetings held on October 3, 2017, October 24, 2017, and November 28, 2017.**
2. **Public Hearing and vote to recommend to the City Council a lease at 94 Free Street and Spring Street Parking Garage Revenue Sharing Agreement to support the Maine Mariners Eastern Conference Hockey Team League.**
 - a. See enclosed memorandum from Greg Mitchell with proposed Lease and Parking Garage Revenue Sharing Agreement.
NOTE: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to discuss real estate negotiations for the proposed lease of City property and proposed financial appropriations associated with the proposed parking garage agreement and provide guidance to staff.
3. **Public Hearing and vote to recommend to the City Council adding additional properties to the City Waterfront Tax Increment Financing District.**
 - a. See enclosed memorandum with Waterfront Draft TIF District Amendments from Greg Mitchell
4. **EDC Work Plan Accomplishments during 2017, and Highlighted Items for possible carryover to 2018 for review and discussion.**
 - a. See enclosed memorandum from Greg Mitchell.
5. **Executive session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide City staff general policy guidance regarding the following:**
 - a. **Proposed 44 Hanover Street Purchase and Sale and Lease Agreements; and,**
 - b. **Possible sale of City property located adjacent to the Maine Turnpike and Westbrook Street.**

Councilor Justin Costa/Chair

Next Meeting Date: February 20, 2018

Minutes
Economic Development Committee
October 3, 2017

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, October 3, 2017 at 5:30 p.m. in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor David Brenerman and members Councilors Pious Ali and Spencer Thibodeau. Also present from the City Council was Mayor Ethan Strimling. Present from the City staff were Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item #1: Review and accept Minutes of previous meeting held on September 5, 2017.

On motion made and seconded, the Committee voted unanimously (3-0) to accept the Minutes as published.

Item #2: Public hearing and vote on recommendation to City Council on the Economic Development Committee's proposed amendments to the City Tax Increment Financing Policy.

Mr. Mitchell introduced this item as having first been reviewed by the EDC at its April 18, 2017, meeting and several meetings thereafter. He then summarized the proposed Amendments as directed by this Committee for TIF projects using Credit Enhancement Agreements (CEA). The proposed amendments are contained in the packet in redline and clean versions, including:

- no changes to the City Green Building Code section;
- a new section added for State Prevailing Wage Requirement;

- a new section for Equal Employment Opportunities and Nondiscrimination;
- increasing the capture rate and term for Affordable Housing TIF projects to the maximum allowed, or 30-years and up to a 75% capture;
- additional Reporting Requirements; and,
- housekeeping amendments.

Mr. Mitchell said that the EDC is recommending, instead of including a requirement for participating in an apprentice and/or job training program in the TIF policy, that the City explore creating an apprenticeship/internship program, not only for construction trades, but to address other broader business needs in the community, utilizing funding from area-wide TIF districts. TIF districts would need to be amended by the City Council and MDECDC to include this as an allowable use, which it is allowed under Maine State TIF statute.

Lastly, because of legal issues limiting employment to Portland residents, staff is recommending the EDC have the City Manager and/or his/her designee undertake an analysis of the costs associated with the City undertaking a Employment Disparity Study, with the results provided to the EDC before a certain date.

Mayor Strimling said he appreciated the work done to date to get to this point. He had hoped to have the apprentice program included in the TIF policy, but can further discuss at the Council review, discussion, and vote.

Chair Brenerman opened the meeting for public comment.

Jason Shedlock, Executive Director of the Maine State Building & Construction Trades Council, said that he appreciated the Committee's work on this. He represents 5,000 working men and women across the state, and the Council supports the proposed amendments for paying State Prevailing Wage, Affordable Housing, and the EEO and study. It also supports

strengthening the Apprentice Program language, endorsing job training which would assist in the State's shortage of skilled labor.

Mr. Dale of Springvale, Maine supported the hiring of local residents.

Chair Brenerman, seeing no other public comment, closed the public comment session.

Councilor Ali made a motion to forward the proposed TIF policy amendments to the Council for approval; Councilor Thibodeau seconded the motion.

Councilor Ali made a motion to add an additional amendment, along with Mayor Strimling, specifically:

“(v) Participation in Apprentice and/or Job Training Program

The firms employed in the construction phase of a TIF-assisted project must either participate in, or have one or more employees who participate in, an apprenticeship program registered with and approved by the Maine or U.S. Departments of Labor for the duration of the construction phase of the TIF-assisted project.”

Councilor Thibodeau seconded the motion for discussion purposes.

Councilor Ali suggested that any business receiving TIF funding to participate in an apprenticeship program, or hire someone who has gone through such a program.

Councilor Thibodeau appreciated the amendment, but having the other proposed additional City-sponsored job training program, not only for construction trades, is a better approach. He indicated that he would not support this proposed additional amendment.

Chair Brenerman said that he would not support the proposed additional amendment, agreeing with Councilor Thibodeau on the proposed City job training program funding by area-wide TIF Districts for construction and other training.

Chair Brenerman then asked for a vote on the amendment to the main motion and it failed 1-2 (Brenerman, Thibodeau).

Chair Brenerman asked for a vote on the main motion and it passed unanimously (3-0).

The Committee expressed their thanks to staff and those who participated in this discussion to get to this point.

Chair Brenerman discussed the legal issues identified with hiring Portland residents, veterans, minorities, etc., and that Corporation Counsel advised that an Employment Disparity Study should be undertaken to determine if there is an issue. Once done, the Committee could revisit the issue.

Councilor Thibodeau agreed that the study was warranted.

On motion made and seconded, the Committee voted unanimously to have the City Manager and/or his/her designee undertake an analysis of the costs and benefits associated with the City undertaking an Employment Disparity Study. The results of this analysis should be provided to the EDC on or before January 2018.

Chair Brenerman asked about the Committee's thoughts about a proposed workforce training program.

Councilor Thibodeau said that he would need further guidance on a workforce training program, including a budget.

Councilor Ali agreed, noting that he would also want further conversations with those in the construction industry.

Mr. Mitchell said that staff can explore models and amend area-wide TIF Districts to support funding. This could be part of this Committee's work plan for next year.

A motion was then made and seconded to send a communication to the City Council regarding the proposed Workforce Training Program and the use of area-wide municipal TIF revenues to fund such a program, with the EDC to provide a recommendation to the City Council

for such a program and proposed amendments to area-wide TIF Districts to support the program. This motion passed unanimously (3-0).

Item #3: Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to discuss real estate negotiations for the sale of City properties listed below and provide guidance to staff:

- a) **44 Hanover Street;**
- b) **55 Portland Street; and,**
- c) **Riverside Street**

Chair Brenerman asked if there was any public comment on the Committee going into executive session. Seeing none, the public comment session was closed.

Chair Brenerman said that the Committee would first take up items (a) and (b), with the City's real estate brokers in attendance during this executive session.

Councilor Ali made a motion to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations and provide guidance to staff for:

- (a) Sale of 44 Hanover Street; and**
- (b) Sale of 55 Portland Street.**

Chair Brenerman seconded the motion and it passed at approximately 6:30. At approximately 7:02, the Committee came out of executive session, and the City's real estate brokers left the meeting.

Councilor Ali then made a motion to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations and provide guidance to staff for:

- (c) Sale of seven acres of City-owned property at Riverside Street.**

Chair Brenerman seconded the motion and it passed unanimously at approximately 7:03. At approximately 7:20, the Committee came out of executive session.

The Committee discussed meeting date options, and all agreed for meetings to be held on November 15 and November 20, 2017. The meeting was then adjourned.

Respectfully, Lori Paulette

Economic Development Committee
October 24, 2017

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, October 24, 2017 at 5:30 p.m. in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor David Brenerman and member Councilor Pious Ali; member Councilor Spencer Thibodeau could not be present. Present from the City staff were Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item #1: Review and accept Minutes of previous meeting held on September 19, 2017.

Chair Brenerman noted a typo on p. 2 at the bottom to change “affordability” to “affordable”. On motion then made and seconded, the Committee voted unanimously to accept the Minutes as amended.

Item #2: Review and vote to recommend to City Council Amendment to Downtown TOD TIF to accommodate one new Affordable Housing TIF District.

Mr. Mitchell said that the City received an Affordable Housing (AH) TIF District Application from Portland Housing Authority (PHA) for an affordable housing project at 58 Boyd Street for a term of 30 years and a 50% capture rate. Because this parcel is in the Downtown TOD TIF, which is in year 3 of a 30-year term, the parcel needs to be taken out of the Downtown TOD TIF and be a freestanding AH TIF district so that it can have a term of 30 years. Mr. Mitchell noted that the 58 Boyd Street property is tax exempt, which will have no affect on the Original Assessed Value (OAV) of the Downtown TOD District, and with it being .5 acres, has a negligible effect on the overall acreage in the Downtown TOD TIF District. Therefore, the

proposed amendments, in redline version in the packet, are minimal. He also noted that the EDC's recommended TIF Policy Amendments are an Exhibit in the Downtown TOD TIF, which Amendments are on the Council's Agenda for November 6th.

In response to Chair Brenerman, Mr. Mitchell said that the Downtown TOD TIF geography abuts the Bayside TIF District; they are separate TIF Districts.

Chair Brenerman asked if there was any public comment. There being none, the public comment session was closed.

Councilor Ali made a motion to forward this item to the City Council with a recommendation for approval; Chair Brenerman seconded the motion and it passed unanimously.

Item #3: Review and vote to recommend to City Council establishment of Affordable Housing TIF District located at 58 Boyd Street.

Ms. Davis summarized PHA's proposed 58 Boyd Street AH project as constructing a 55-unit multi-family apartment building on this site it owns. As part of the financing, PHA submitted an AH TIF District application to the City, which, if approved, would be for a 30-year term, with a 50% capture resulting in an average annual TIF revenue of \$71,486 to be used to offset project operating costs. The proposed project will become taxable. The remaining 50% of the new taxes would go to the City General Fund. She then described the make-up of the 55-units as being 44 affordable to households earning below 60% of Area Median Income (AMI) and 11 will be market rate apartments. This meets the Council's goal of access to efficient rental that is affordable for working and low-income families. The City will also realize an average annual tax sheltering savings of approximately \$21,138.

Ms. Davis handed out the underwriter's analysis of the project which supports the recommendation for approval. If approved, this will assist PHA in its application to MSHA for

LIHTC with up to 5 points. She also noted that the Housing Committee met and supports it HOME funding request.

Chair Brenerman asked where the TIF revenue funds show up in the pro forma, and Ms. Davis indicated p. 16 of 20 as a revenue.

Chair Brenerman opened the meeting for public comment.

Mark Adelson, Executive Director of PHA, thanked the Committee for its support, noting that AH TIF is an important resource for PHA.

Noting no further public comment, Chair Brenerman closed the public comment session.

Chair Brenerman said that this is an important step utilizing the proposed TIF Policy Amendments to allow for AH TIFs to go for the maximum term of 30 years and at 75% capture rate over those 30 years.

Councilor Ali made a motion to forward this to the City Council with a recommendation for approval. Chair Brenerman seconded the motion and it passed unanimously.

Item #4: Review and vote to recommend to City Council establishment of an Affordable Housing TIF District located at Deering Place – 61 Deering Street and 510 Cumberland Avenue.

Ms. Davis summarized this AH TIF application from Avesta noting that Avesta is proposing to renovate and construct an 80-unit mixed-income rental housing development on this site they own. As part of the financing, Avesta submitted an AH TIF District application, which, if approved, would be for a 30-year term, with a 75% capture resulting in an average annual TIF revenue of \$147,981 to be used to offset project operating costs. The proposed project will become taxable. The remaining 25% of the new taxes would go to the City General Fund. She then described the make-up of the 80-units as 15 efficiency units, 40-1-bedroom units, 12 2-bedroom units, and 13 3-bedroom units, which will be affordable to households earning 40%,

50% and 60% of AMI. This meets the Council's goal of access to efficient rental that is affordable for working and low-income families. The City will also realize an average annual tax sheltering savings of approximately \$43,519.

Ms. Davis handed out the underwriter's analysis of the project which supports the recommendation for approval. If approved, this will assist Avesta in its application to MSHA for LIHTC with up to 6 points. She also noted that the Housing Committee met and supports its HOME funding request.

Chair Brenerman asked, for both projects, if the underwriter noted any issues, as well as differences in sources and uses of funds, and Ms. Davis indicated that the underwriter had no issues and thought both projects were well done. They are different projects so have different funding sources and revenues.

Chair Brenerman opened the meeting for public comment.

Patrick Hess of Avesta thanked the Committee for its consideration of this request, particularly at a time when Portland needs this kind of housing. He appreciated the City's support.

Seeing no further public comment, Chair Brenerman closed the public comment session.

Chair Brenerman asked about affordable housing and market rate housing working together in the same project, and Mr. Hess said that there are no problems; vacancy rates are below 2%. They are mixed in together with no differences in finishes. He noted that 510 Cumberland will remain 14 units and Avesta will be renovating those.

Chair Brenerman said that this is another good use of AH TIFs.

Councilor Ali made a motion to forward this to the City Council with a recommendation for approval. Chair Brenerman seconded the motion and it passed unanimously.

Item #5: Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to discuss real estate negotiations and provide guidance to staff for:

- a) **Sale of 44 Hanover Street;**
- b) **Sale of 55 Portland Street; and**
- c) **Sale of seven acres of City-owned property at Riverside Street.**

Chair Brenerman asked if there was any public comment on the Committee going into executive session. Seeing none, the public comment session was closed.

Chair Brenerman said that the Committee would first take up items (a) and (b), with the City's real estate brokers in attendance during this executive session.

Councilor Ali made a motion to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations and provide guidance to staff for:

- (a) Sale of 44 Hanover Street; and**
- (b) Sale of 55 Portland Street.**

Chair Brenerman seconded the motion and it passed at approximately 6:02. At approximately 6:30, the Committee came out of executive session, and the City's real estate brokers left the meeting.

Councilor Ali then made a motion to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations and provide guidance to staff for:

- (c) Sale of seven acres of City-owned property at Riverside Street.**

Chair Brenerman seconded the motion and it passed unanimously at approximately 6:31. At approximately 6:45, the Committee came out of executive session and the meeting adjourned.

Respectfully, Lori Paulette

Minutes
Economic Development Committee
November 28, 2017

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, November 28, 2017 at 5:30 p.m. (meeting actually started at 5:50) in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor David Brenerman and member Councilor Pious Ali; Committee member Councilor Spencer Thibodeau could not be present. Also present from the City Council were Councilors Jill Duson, Nick Mavodones, Belinda Ray, and Mayor Ethan Strimling. Also present was Councilor-Elect Kim Cook. Present from the City staff were Port Director Kathy Alves, Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, Waterfront Coordinator William Needelman, Finance Director Brendan O'Connell, and Senior Executive Assistant Lori Paulette.

Item #1: Public Hearing on Proposed Payment in Lieu of Services Policy for Non-Profit Organizations and vote to recommend to the City Council.

Mr. O'Connell said that Portland does not currently have a PILOT policy. Various PILOT Agreements have been negotiated in the past, with no policy in place. The draft policy presented today does factor in what a non-profit provides to the community and is modeled after Boston's policy, noting most larger cities have such policies. There are five basic principles of the draft policy: (1) participation is voluntary; (2) policy to be applied equally to all current and future non-profits groups which have an assessed value of \$2 Million or more; (3) PILOT contributions should offset the cost of basic City services, generally at 25% of assessed value; (4) includes a Services in Lieu of Taxes (SILOT) deduction up to 50%, which takes into

consideration community services provided by the non-profit; and, (5) the new PILOT formula should be phased in over a 5-year period. He then described calculating such PILOT payments.

Mr. O'Connell said that there are about 40 non-profits with an assessed value over \$2 Million, for a total \$778 Million of exempt value for the 40. This \$778 Million of value would equate to a full tax of \$15.8 Million, but 25% in the proposed PILOT policy would be \$4.2 Million, then SILOT's deduction could make it \$2.1 Million off of these non-profits if they were eligible for the full 50% reduction.

Councilor Ali asked about non-profits providing scholarships, and Mr. O'Connell said that USM provides City employees 50% of tuition reimbursement. If it should reimburse City residents, for example, perhaps the SILOT reduction would be at the high end of the scale at 50%.

Councilor Mavodones asked about Maine Law requiring PILOTs, and Mr. O'Connell said that nationwide there are no laws which require PILOT payments, Maine included. This is voluntary and the proposed policy provides guidance to staff to encourage such payments.

Councilor Ray asked about incentives to participate, and Mr. O'Connell said that it would be good public relations for the non-profits.

Chair Brenerman asked about the approved Purchase and Sale Agreements for Public Works properties in Bayside, and Mr. Mitchell said that those Agreements do have a clause that if the properties were sold to a non-profit, taxes would still continue to be paid.

Mayor Strimling asked if a non-profit requested a zone change, could the City require a PILOT as part of the approval, and Mr. Goldman indicated that it could not. In the sale of property, as in Bayside noted previously, the City can make it a condition of sale.

Mayor Strimling said that he generally favors this policy, but would like to see SILOT uses fleshed out more.

Councilor Mavodones said that he would like to see the list of the 40 non-profits Mr. O'Connell previously mentioned.

Chair Brenerman asked if this new policy would be applied to only new non-profits, and Mr. O'Connell said that it would be applied to all, new and old, and phased in over 5 years.

Chair Brenerman then noted that Portland has a high percentage of exempt property from paying taxes at 21% of the total value, and a policy like this would be good for Portland and should be moved forward. He also agreed that a list of services for SILOT should be further fleshed out.

Councilor Mavodones agreed, noting that although modeled after Boston, it needs to be tailored for Portland.

Councilor Ray agreed with the direction this was going, and it is in support of City Council Goals.

Councilor Elect Cook said that it would be interesting to compare those who currently have PILOTs to what they would contribute under the proposed policy.

Mayor Strimling asked about the 21% of tax-exempt property, particularly if the 4% owned by the City was included, and Mr. O'Connell answered in the affirmative; however, the \$778 Million mentioned earlier does not include City property.

Mayor Strimling said that he liked the flexibility of the proposed policy.

Chair Brenerman then opened the meeting for public comment.

Sara of Cedar Street said that she appreciated the interest in this topic and asked if PILOT funds can be earmarked.

George Rheault of Bayside noted that this is triggered by \$2 Million or more of assessed value. With the revaluation being considered for Portland, he asked about the future impacts to the non-profits, noting that the policy may need another look at that time. He also noted that those non-profits with grant funding for social services should be able to appeal because grants get cut.

Noting no further public comment, Chair Brenerman closed the public comment session.

Mr. O'Connell said that normally the City does not like to earmark tax dollars.

Regarding the appeal process question, the non-profit can appeal as it would be voluntary.

Councilor Ray asked about the PILOTs now and how they were administered, and Mr. O'Connell explained the process, including annually sending letters for those payments.

Councilor-Elect Cook asked about enforcement of this proposed PILOT policy, and Mr. Goldman indicated that there is not a standard agreement in place at this time and would look at other such policies.

Councilor Ali expressed concern for those non-profits receiving State and Federal Grants and having those grants cut and their bottom line with a PILOT payment in place.

Councilor Duson noted an appeal process would be an option.

Chair Brenerman noted that this would be an item for next year's EDC, and Committee's consensus was to table this to the next EDC.

Item #2: Public Hearing and vote to recommend to the City Council the purchase and sale agreement for sale of City-owned property at 55 Portland Street.

Mr. Mitchell said that the EDC first started this process to sell Public Works Bayside properties in January this year, with numerous public hearings that followed, including today's. He then described the property, and the new property line to be established in the back, where

parking will be. Access to the property for parking in the rear will be by an easement from the future owner of 44 Hanover Street.

Mr. Mitchell said that Public Works Administration will continue to occupy this property due to a delayed closing on the sale on or before December 31, 2018. This will give staff time to renovate 212 Canco Road to make room for the Administrative Offices.

Mr. Mitchell said that 55 Portland Street is being sold as is, and sales proceeds will help with the relocation.

Mayor Strimling asked about the 44 Hanover Street development, and Mr. Mitchell said that the purchase and sale agreement is getting close to bring to the Council. The building will remain intact and be renovated for smaller commercial/maker spaces.

Mayor Strimling questioned the delayed closing, noting that the buyer could walk. Mr. Mitchell said that both the buyer and the City know the certainty to relocate the Administrative Offices. The City can obtain bids for the work now, followed by construction through the Summer and be ready for occupancy on or before December 31, 2018. Mr. Mitchell also noted that there are standard provisions to terminate for both parties.

Mr. Goldman added that if the buyer walked, the City would retain the \$100K deposit.

Councilor Duson asked about the work to be done at Canco Road to move the offices, and Ms. Alves indicated that it was not major structural work and could be done by November or the first of December.

In response to the Chair, Mr. Ciampi of CBRE/Boulos noted that there are risks for the buyer, but the timing is such that it is good to move forward now.

Councilor-Elect Cook asked for confirmation that moving the lot line in the back would not create a non-conforming lot, and Mr. Mitchell answered that it would not.

Chair Brenerman then opened the meeting for public comment.

George Rheault of Bayside asked about the Purington monument being moved, and whether Zachau was still a partner with Reiche. He also asked if any mechanical services were shared with the next door Public Works property, and how many employees were there now at 55 Portland Street. Regarding expanded parking, he inquired if the basement floor had been considered for additional parking.

Noting no further public comment, Chair Brenerman closed the public comment session.

Mr. Mitchell said that the Purington Monument will be relocated, and that Zachau is no longer a part of this transaction. Regarding expanded parking, it is his understanding that the basement had not been considered. He also noted that there are approximately 55 employees in the building.

Ms. Alves noted that shared mechanical services is only a generator; everything else is separate.

Mr. Mitchell said that both buyers have acknowledged this.

Councilor Ali made a motion to forward this to the City Council with a recommendation that it be approved in substantial form as presented; Chair Brenerman seconded the motion.

Mayor Strimling said that he was comfortable with the deal and purchase price, but expressed concerns for additional housing and was not sure Class B office is what was needed.

Councilor Duson said that she understands the need for housing, but the area needs vibrant mixed use, noting that there is housing in the other sales.

Councilor Ray said that no one proposed housing for 55 Portland or 44 Hanover Street due environmental issues that would make it cost prohibitive for housing development. She

agreed with the mixed uses for a vibrant area, and the foot traffic from these new uses will provide for that.

Chair Brenerman agreed, noting that bids received for 55 Portland Street were for continued use as office space. He also noted a previous attempt to sell 65 Hanover/52 Alder for housing, the City received one bid for \$1.00 due to the costs for housing redevelopment with environmental issues.

Councilor Mavodones also agreed and would support this sale. The Committee spent several months providing guidance to staff not to sell these properties for \$1.00.

Seeing no further discussion, the Committee voted on the motion and it passed unanimously 2-0.

Item #3: Staff presentation on Maine State Pier and Portland Ocean Terminal Redevelopment Concept Plans. No public comment will be taken, at this time, on this item.

Mr. Needelman highlighted the concept for the vision for the future of the Maine State Pier and Portland Ocean Terminal, with a concentration on the northerly end and noting overlaps with Ocean Gateway. Staff was asked for a draft mission statement and a draft updated Policy Statement, both of which are included in the packet. Mr. Needelman added that in 2009 there was a public process where common themes emerged, as they do in the draft policy - for mixed use, marine industrial/transportation use, fish/farmers'/public market, and street retail.

Mr. Needelman said that with Ready Brothers locating in the Maine State Pier in 2009, they have become an anchor tenant, together with the increased cruise ship activity use of the pier. In the past (2007), there was an RFP for mixed use, which brought two proposals for hotel, event, and retail which did not go through. Since then, hotels have been built on the mainland of the peninsula and are no longer considered on the pier.

Mr. Needelman continued saying with the draft new policy statement, together with a proposed concept plan for a marketplace, staff is looking for feedback from the Committee. He then showed slides of the concept of the marketplace, describing how it could be built with covered sidewalks and open space intertwined, together with keeping the existing uses in mind and working with the proposed concept. He also noted that the utility building would be removed and relocated to provide for better vehicular and pedestrian circulation, and a new security plan would be needed. Regarding the second floor with its 28,000 sq. ft. of space, the concept is for offices, events, and meeting space.

Currently, vehicular and pedestrian circulation with the uses in place now are compatible, and Mr. Needelman said that Casco Bay Lines is presently looking into queuing and parking for improvements. With this proposed concept, uses have been selected to minimize parking demand and additional parking needs should be from off site. Mr. Needelman described the 1st floor access and circulation and proposed floor plan of the marketplace. He noted the mezzanine level above the marketplace, and that this concept brings it back to its original design. Regarding the marketplace, Mr. Needelman said that it should provide the types of goods and services that are needed year round and would talk with Islanders in this regard.

Councilor Ali expressed concern with the traffic congestion, particularly with hotels and Wex construction activities and increased traffic once they are completed. Ms. Alves said that this concept plan at the POT is designed to be done to create more foot traffic and without causing a lot more vehicular traffic.

Mr. Needelman indicated the design also includes adding a few parking space for a lot of turnover daily, noting that this is a concept to take to the next level of development.

Councilor Mavodones said that this is a lot of good work, and liked where the concept and scale are going, noting getting the property back to its origins, and agreed that further exploration is needed to get to the next level of development. Managing traffic in the general area is paramount as this will be a destination area for many.

Chair Brenerman said that this is the kind of thing neighbors are hoping for, and the second floor use will be important. He suggested that there be a robust public process as this goes forward.

Councilor Ray also liked the concept design and work done to date on this, and looked forward to an integrated public process.

Mayor Strimling agreed, and noted that past public process should be noted for background and history.

Councilors Ali and Duson also liked the concept and agreed that managing traffic will be very important for the future of the area.

Mr. Needelman said that the next steps are to look at costs for development and management models, as well as more design detail for the second floor. He appreciated the feedback and would be back next year with more updates.

Mayor Strimling suggested a training center on the second floor as an option, and that access to the water is also important with appropriate pedestrian circulation patterns.

Chair Brenerman, noting no further questions or comments, said that this will be an item on next year's work plan for this Committee.

Chair Brenerman closed saying that he enjoyed chairing this Committee and looked forward to hearing about its work next year.

There being no further business, the meeting adjourned at approximately 8:15 p.m.

Respectfully, Lori Paulette



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: January 31, 2018

SUBJECT: Proposed Maine Mariners Commercial Space Lease located at 94 Free Street and Spring Street Parking Garage Revenue Sharing Agreement

I. ONE SENTENCE SUMMARY

A space Lease and Parking Garage Revenue Sharing Agreement are proposed with the Maine Mariners in the City owned Spring Street Parking Garage to support the start-up of an Eastern Conference Hockey League (ECHL) Team

II. BACKGROUND

Since the departure of the Portland Pirates, 2,415 square feet of available commercial ground level space located at 94 Free Street has been marketed by City staff and a commercial broker with very little commercial interest. Filling this space with the Maine Mariners supports the start-up of the ECHL team to play their games at the Cross Insurance Arena.

Additionally, an Agreement to share Maine Mariner game day revenue is proposed similar to the past City agreement with the Pirates, and current agreements with the Red Claws and Sea Dogs.

Both the Lease and the Parking Garage Revenue Sharing Agreement have been negotiated under the direction of the EDC during 2017.

III. INTENDED RESULT AND OR COUNCIL GOAL ADDRESSED

EDC and City Council approval of the Proposed Lease and Parking Garage Revenue Sharing Agreement.

IV. FINANCIAL IMPACT

Highlights of the 94 Free Street Space Lease include:

Term: Up to fifteen (15) years to match the Maine Mariners Lease at the Cross Insurance Arena.

- Rent:**
- i. **Years 1-3: \$4,830 annually or \$2.00 per square foot.**
 - ii. **Years 4-7: \$12,075 annually or \$4.00 per square foot.**
 - i. **Years 8-11: \$14,490 annually or \$6.00 per square foot.**
 - ii. **Years 12-15: \$19,320 annually or \$8.00 per square foot.**

Parking: No employee parking is provided with this Lease. Any parking in the Spring Street Parking Garage or other City facility will be at market rate.

Highlights of the Proposed Spring Street Parking Garage Revenue Sharing Agreement include:

Term: Fifteen years to match the space Lease and Maine Mariners Lease with the Cross Insurance Arena.

Fees: The game night parking rate is \$8.00 per car for the 2018/2019 hockey season. Thereafter, the game rate may be adjusted by mutual agreement.

Revenue Share: For the first seven (7) years, Maine Mariners to receive game day revenue minus security and City staff expenses. Starting year eight (8), game day revenue will be the lesser of the average Revenue Share for the sixth and seven year or all parking garage revenue minus security and City staff expenses. This approach is designed to increase the City's share starting in year eight if game attendance increases from previous years six and seven.

Game Use of Garage: Team players, coaches, and staff will receive complimentary parking passes for hockey related activities.

Season Tickets: Maine Mariners to provide the City four season tickets at no cost.

IV. STAFF ANALYSIS

Based upon the challenges of the leasing 94 Free Street space, City staff recommends approval of the proposed Lease Agreement. Additionally, City staff recommends approval of the proposed Spring Street Parking Garage Revenue Sharing Agreement on the basis of other Portland sport team agreements.

V. RECOMMENDATION

Staff recommends approval of both the proposed Lease and Parking Garage Revenue Sharing Agreement.

VII. LIST ATTACHMENTS

- Proposed Lease
- Proposed Parking Revenue Sharing Agreement

LEASE AGREEMENT

This Lease is made as of the ___ day of _____, 2018, by and between PORTLAND HOCKEY, LLC, a limited liability company organized and existing under the laws of the State of Delaware, having a place of business at 94 Free Street, Portland Maine (hereinafter referred to as “Tenant”), and CITY OF PORTLAND, a Maine Municipality having its principal place of business at 389 Congress St., Portland, Maine (hereinafter sometimes referred to as “Landlord” and sometimes as “City”).

WHEREAS, the Tenant owns an East Coast Hockey League team, which leases use of the Cross Insurance Arena for practices, games and other team-related activities under a Hockey Lease Agreement dated June 13, 2017 (“Hockey Lease”) between Tenant and Cross Insurance Arena (A.K.A. Cumberland County Civic Center) of Portland, Maine; and

WHEREAS, Tenant is in need of office space; and

WHEREAS, Landlord owns real property located at 94 Free Street, Portland, Maine, which is a portion of the Spring Street Building/Garage described below (said portion hereinafter referred to as “Premises”), and desires to lease said Premises to Tenant upon certain terms and conditions set forth herein; and

WHEREAS, Landlord has sufficient right, title and interest in and to the real property, together with the facilities, easements, rights, licenses, and privileges hereinafter granted, and has full power and authority to enter into this Agreement in respect thereof;

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, the sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Premises.

Landlord does hereby lease, demise and let unto Tenant certain portions of the City Building/Garage at 94 Free Street in Portland, Maine, namely the 2,415+/- sq. ft. office space on the first floor of said Garage generally depicted on the diagram attached hereto as Exhibit A, incorporated herein by reference, subject to the conditions and covenants hereinafter provided. Tenant agrees to accept the Demised Premises in "as is" condition without representation or warranty by Landlord as to its condition or fitness for a particular purpose.

2. Term.

a. The term of this Lease shall commence _____, (the “Commencement Date”) and thereafter shall run concurrent with the term of the Hockey Lease such that, subject to the early termination rights set forth

herein, this Agreement shall expire upon expiration or termination of the Hockey Lease.

- b. Any holding over by Tenant at the expiration or earlier termination of this Lease or any extension thereof shall not constitute a renewal of the Lease, but at Landlord's election such holding over shall result in a tenancy-at-will from month to month at the same rent in effect at the expiration of the Lease.

3. Rent.

- a. For the first three years of the lease, the Tenant shall pay to the Landlord as Annual Rent hereunder the sum of Four Thousand Eight Hundred Thirty Dollars NNN (\$4,830).
- b. If the term of the lease is still in effect, the rent for years 4-15 shall be as set forth in the schedule below:
 - i. Years 4-7: \$12,075 annually;
 - ii. Years 8-11: \$14,490 annually;
 - iii. Years 12-15: \$19,320 annually.
- c. This annual rent shall be paid in advance on or before the 1st of each month in twelve (12) monthly installments, and prorated for the fraction of any month.

4. Parking

No parking is included in this Lease. If Tenant's employees desire to park in the Spring Street Parking Garage, or any other City parking facility, they shall be responsible for paying the applicable market rate for all such parking, subject to any other agreements reached between the parties.

5. Obligations of Landlord.

The Landlord shall provide, at Landlord's expense the following services:

- a. Maintenance and repair of the roof, exterior walls and structure of the building of which the Premises are a part, reasonable wear and tear, damage by fire and other casualty only excepted. Provided, however, that if such maintenance or repair is made necessary by fault or neglect of the Tenant or the employees, contractors, agents or invitees of Tenant, such maintenance or repair shall be at the expense of the Tenant and Tenant shall pay all costs therefor.

- b. Maintenance of any Building common areas and any exterior Building grounds and all walkways, including snow and ice removal from the Municipal Parking Garage.
- c. If, during the term of the Lease, it becomes necessary to replace the HVAC system existing in the Premises at the commencement of this Lease, Tenant may do so in its discretion, and, if Tenant decides to do so, Landlord shall contribute the lesser of 50% of documented expenses for a replacement HVAC system or \$5,000.00.
- d. Except as specifically set forth herein, Landlord shall have no obligation to maintain, repair, or replace any aspect of the Premises.

6. Obligations of Tenant.

The Tenant, at the Tenant's sole expense shall:

- a. Determine all zoning information and secure all necessary or required permits and approvals for its proposed use of the Premises. Landlord makes no representations or warranties as to the suitability of, or the ability to obtain regulatory approval for the Premises for Tenant use.
- b. Subject to Landlord's obligations above, provide all HVAC Mechanical Equipment and Fit-up Improvements and be responsible for the cost of any modifications to existing mechanical equipment to serve the Premises along with any fit-up improvements.
- c. Submit any and all intended modifications to the Premises to Landlord for its approval prior to commencement of work. Tenant agrees that all work shall be completed in compliance with all applicable state and municipal building codes and ordinances.
- d. Maintain and keep in good repair (normal wear and tear and damage by fire and other casualty excepted) all aspects of the Premises, including windows and doors, air conditioning/heating system, plumbing, electrical and communication lines, as well any portions of such utility systems used exclusively for the Premises and located in the Building/Garage but outside the Premises. Casualty damage to windows and doors shall be the responsibility of the Tenant.
- f. Properly bag and remove all trash and garbage.
- g. Provide and be responsible for all cleaning and janitorial services within the Premises (only), including the cleaning of exterior windows for the Premises.

- h. Pay and be responsible for all costs associated with utilities pertaining to the Premises including but not limited to all expenses relating to its use of telephone/communication services, internet, electricity, gas, heat, cooling, water and sewer and any submeters required for those utilities.
- i. Replace rugs and repaint the Premises if and when it chooses in its sole discretion.
- j. Tenant shall make no improvements to Premises without prior written approval of Landlord.

7. Use of Premises.

During the term of this Lease, the Premises may be used by Tenant for office and retail space and for no other purposes. Tenant must at all times comply with all applicable federal, state, and local laws, ordinances, codes, regulations and other requirements in its use of the Premises.

8. Assignment/Subletting.

Tenant shall not be permitted to assign this lease or sublet space without the express written consent of Landlord.

9. Casualty Damage.

- a. If the Premises or any part thereof shall be destroyed or damaged by fire or other unavoidable casualty not caused by the Tenant's use of the Premises, so that the same shall be thereby rendered unfit for use, then, and in such case, the Rent hereinabove stated or a just and proportional part thereof, according to the nature and extent of injuries sustained, shall be suspended or abated, until the Premises shall have been put in proper condition for use by Landlord. Provided, however, in the event that restoration is not reasonably possible within ninety (90) days after the occurrence of such damage or destruction, then either Landlord or Tenant shall have the right to terminate this Lease by giving the other party written notice of such termination within thirty (30) days after such damage or destruction, and upon the giving of such notice, the term of this Lease shall cease and come to an end as of the date of such damage or destruction and any unearned rent shall be returned to Tenant.
- b. Tenant shall be responsible for covering the equipment and supplies with such property and casualty insurance as it deems necessary and Landlord shall have no responsibility therefor. Tenant assumes all risk of damage, loss or casualty to Tenant's property, equipment and/or supplies while located at the Premises, even if the cause of such damage is the result of the negligent act or omission of Landlord, its officers or employees. Tenant

shall defend, indemnify and hold the Landlord harmless from any claim arising out of or relating to any damage, loss or casualty to its property, equipment and/or supplies while at the Premises. Any casualty insurance obtained by Tenant for its property, equipment or supplies at the Premises shall include a waiver of subrogation against the Landlord.

10. Return of Premises; Trade Fixtures.

Tenant, at the expiration of the Lease term or earlier termination of this Lease, shall peaceably yield up to Landlord the Premises including any renovations or leasehold improvements installed by Tenant during the term hereof, in good repair in all respects, reasonable use and wear and damage by fire and all other unavoidable casualties excepted. Tenant shall have the right to remove all trade fixtures, equipment and other personal property installed or placed by it at its expense in, on or about the Premises; provided, however, all damage caused by or as a result of such removal shall be repaired by Tenant.

11. Signage.

Tenant, at its sole expense, shall have the right to erect a sign on the Building provided it obtains all necessary permits and approvals. Final design and location of exterior signs shall be subject to Landlord's written approval, which approval shall not be unreasonably delayed or withheld, and shall be in accordance with all local and state governmental laws, ordinances, codes and regulations.

12. Insurance.

The Tenant will maintain at all times during its use and occupancy of the Premises adequate occurrence-based insurance coverage of not less than Two Million Dollars (\$2,000,000) per occurrence for commercial general liability including personal injury and property damage; workers compensation insurance in the amount required by Maine law, including a waiver of subrogation rights; and occurrence-based fire legal liability insurance in the minimum amount of Two Million Dollars (\$2,000,000). The minimum limit may be satisfied through the use of primary and excess/umbrella policies, provided that the excess/umbrella policies will not be more restrictive than the primary policies.

The Tenant shall furnish the Landlord with certificates of insurance indicating compliance with this paragraph in a form satisfactory to Landlord. The certificates shall provide that the coverage may not be cancelled without thirty (30) days advance notice of cancellation to the Landlord, and the Landlord shall be named as an additional insured on all liability policies, but only to the extent caused by, or resulting from, the negligent acts, operations, or omissions of Tenant, its officers, agents, employees, invitees and/or contractors. Liability insurance coverage shall also extend to damage, destruction, and injury to City-owned or City-leased property and City personnel, to the extent caused by, or resulting from negligent

acts, operations, or omissions of Tenant, its officers, agents, employees, invitees, and/or contractors. Tenant shall be responsible for any and all deductible and self-insured retentions under its policies. Tenant's policies shall be primary and any of Landlord's insurance policies shall be noncontributory.

13. Indemnity.

- a. General. To the fullest extent permitted by law, Tenant shall at its own expense defend, indemnify, and hold harmless the Landlord, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments, just or unjust, arising from injury or death to any person, or damage to property sustained by anyone (including but not limited to Landlord employees or property), including but not limited to claims based upon violation of any environmental law or regulation pertaining to hazardous substances, except to the extent that such claims are caused by a negligent act or omission of the Landlord, its officers, agents, servants or employees.

Tenant shall, at its own cost and expense, defend any and all suits or actions, just or unjust, which may be brought against Landlord or in which Landlord may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. In cases in which Landlord is a party, Landlord shall have the right to participate at its own discretion and expense and no such suit or action shall be settled without prior written consent of Landlord. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to Landlord which would otherwise exist.

Without limiting the foregoing, to the fullest extent permitted by law, Tenant hereby agrees to assume all risk of injury, harm or damage to any person or property (including but not limited to all risk of injury, harm or damage to Tenant's officers, agents, employees, contractors, customers or invitees or to their property) arising out of, during, or in connection with the rental or use of the Premises or any portion thereof and the activities hereunder which injury, harm or damage is alleged to be related to the presence of mold at or in the Premises, and to defend, indemnify and hold the Landlord harmless from any such liability, claims, damages, losses or expenses.

- c. Covenant against liens: Tenant shall not cause or permit any lien against the Landlord's property or any improvements thereto to arise out of or accrue from any action or use thereof by Tenant and shall hold the Landlord harmless therefrom; provided, however, that Tenant may in good faith contest the validity of any alleged lien. Upon request of the Landlord,

Tenant shall post a bond warranting payment of any such lien in the event Tenant contests such lien.

- d. Survival. The Terms of this Section shall expressly survive the expiration or termination of this Agreement.

14. Covenants of Landlord.

Landlord covenants that it is the owner in fee of the Premises and can and will provide quiet enjoyment of the Premises during the original and any extended terms of the Lease, and that the Lease is signed by a duly authorized individual.

15. Default.

- a) The occurrence of any of the following shall be an event of default under this Lease (each, an “Event of Default”):
 - i) Failure of a Party to perform any obligations or comply with any terms or conditions under this Lease and such failure continues for a period of fifteen (15) days from such Party’s receipt of written notice from the other Party; provided, however, that if such failure to perform a material obligation is not capable of being cured within fifteen (15) days from receipt of written notice, then such period shall be extended, provided that the defaulting Party commences to cure such failure within thirty (30) days and thereafter diligently continues to cure such failure to completion.
 - ii) Either Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect.
- b) Upon a party’s default and failure to cure, the other party shall have the right, at its option, and in addition to any other remedies, to terminate this Lease by giving the party in default written notice thereof and upon the giving of such notice, this Lease and the term hereof shall cease.
- c) Upon any termination of this Lease, Tenant shall quit and surrender to Landlord the Premises in accordance with the provisions of hereof. If this lease is terminated due to a Tenant uncured default, Tenant shall remain liable to Landlord for all Rent accrued and unpaid up to the date of such termination, as well as all Rent for the remainder of the term as and when it shall come due. Tenant shall pay all reasonable costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable attorneys’ and consultants’ fees, that are incurred by Landlord in enforcing the provisions of this Lease.

16. Notices.

Any notice required to be given under this Lease shall be in writing and shall be hand-delivered or sent by U.S. certified mail, return receipt requested, postage prepaid, addressed to the parties as stated below or such other address as either party may designate in writing to which its future notices shall be sent.

To Tenant:

Portland Hockey, LLC
94 Free Street
Portland, ME 04101
Attn: General Manager

To Landlord:

City Manager
City of Portland
389 Congress Street
Portland, Maine 04101
cc: Parking Manager, same address
Corporation Counsel, same address.

17. Amendment.

Both parties hereto acknowledge and agree that they have not relied upon any statements, representations, agreements or warranties except such as are expressed herein. The terms of this Lease may be modified or amended by the mutual assent of the parties hereto; provided, however, that no such modification or amendment to this Lease shall be binding until in writing and signed by both parties.

18. Inspection and Entry.

The Landlord and/or its agents, may, with reasonable notice, enter to view, show and make any repairs or inspection of the Premises. The Landlord shall have the right of immediate entry without notice in the event of any emergency or if the Tenant fails to pay rent, commits waste, or otherwise fails to comply with terms and conditions hereof.

19. Entire Agreement.

This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes any and all prior agreements and commitments with respect thereto. There are no oral or written understandings, warranties, terms or conditions, and neither Party has relied upon any representation, express or implied, not contained in this Agreement.

20. Severability.

Any term or provision of this Agreement that is or becomes invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or

enforceability of the remaining term and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

21. Successors Bound.

The terms, covenants and agreements herein contained shall be for the benefit of and be obligatory upon the heirs, successors and assigns of the respective parties hereto.

22. Termination For Convenience.

Either party may terminate this Lease on one hundred eighty (180) days' written notice to the other. Upon the effective date of such notice, the Lease shall be terminated with no further obligations hereunder.

23. Governing Law; jurisdiction.

This Lease shall be governed by and construed in accordance with the laws of the State of Maine. All disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts of Cumberland County, State of Maine.

24. Force Majeure.

Neither Tenant nor Landlord shall be deemed in violation of this Lease if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, acts of God, war, acts of superior governmental authority or other reason over which it has no control; provided, however, that the suspension of performance shall be no longer than that required by the force majeure and the party prevented from performance has given written notice thereof to the other party.

25. Counterparts.

This Agreement may be signed in any number of counterparts, which, together, shall represent a fully executed original as if signed by both Parties.

26. Non-Waiver.

No waiver of any breach of any one or more of the conditions of this Lease by the Landlord or Tenant shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder. Nothing in this Agreement constitutes a waiver of any defense, immunity or limitation of liability that may be available to the Landlord, or its officers, agents or employees under the Maine Tort Claims Act (Title 14 M.R.S.A. 8101 et. seq.), and nothing in this Agreement shall

constitute a waiver of other privileges or immunities that may be available to the Landlord.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed as of the day and year first above written.

WITNESS:

PORTLAND HOCKEY, LLC

By: _____

Name: _____

Its: _____

CITY OF PORTLAND

By: _____

Jon P. Jennings
Its City Manager

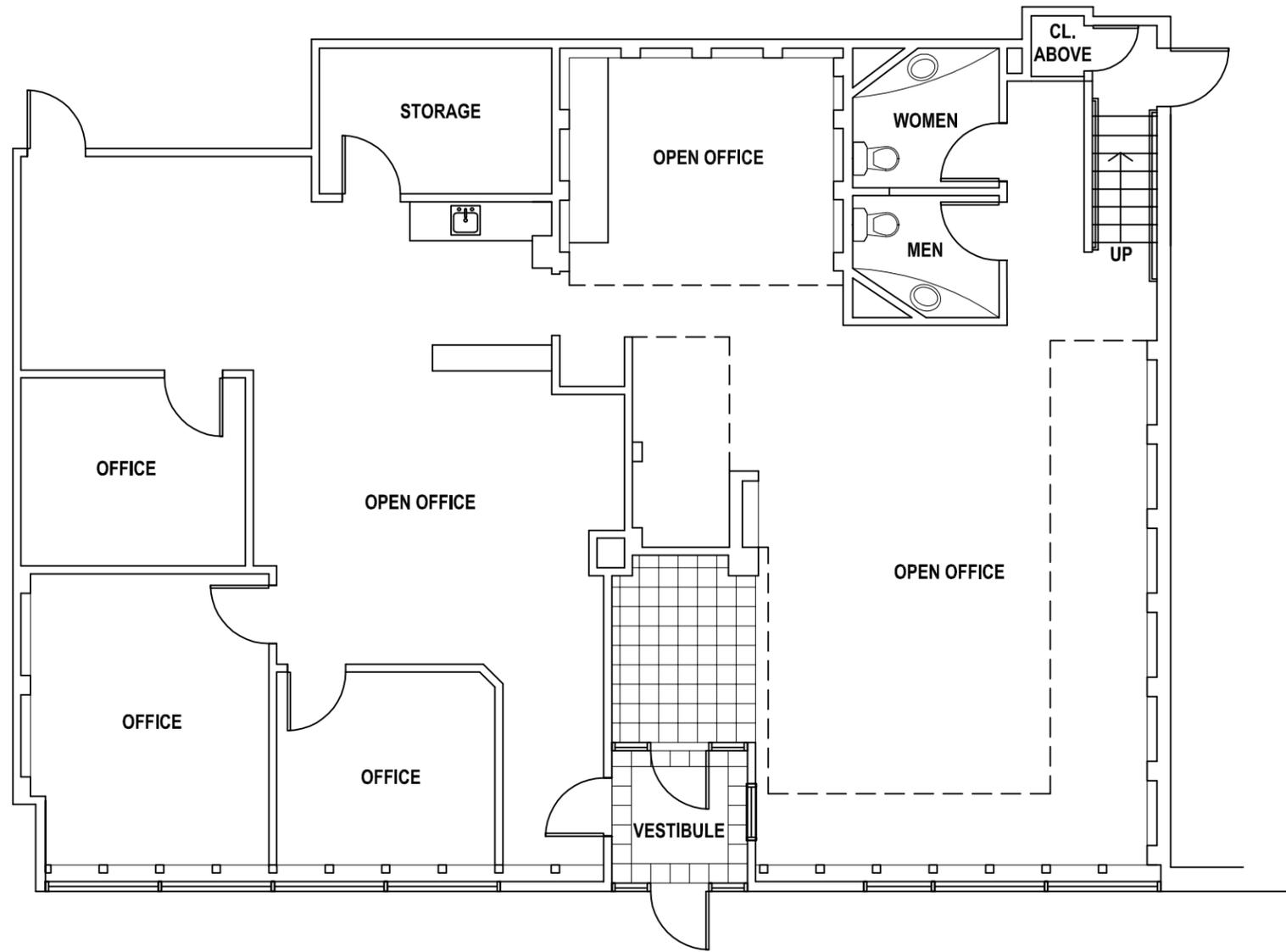
Approved as to form:

Approved as to funds:

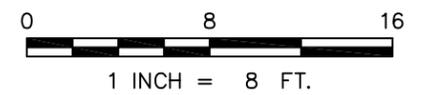
City Corporation Counsel's Office

City Finance Director

EXHIBIT A



FREE STREET



02.01.2018

**AGREEMENT BETWEEN THE
CITY OF PORTLAND
AND
PORTLAND HOCKEY, LLC
RE: PARKING AT SPRING STREET GARAGE**

This **AGREEMENT** is made this ____ day of _____, 2018, by and between the **CITY OF PORTLAND**, a body politic and corporate with an address of 389 Congress Street, Portland, Maine 03101 (hereinafter the "**CITY**"), and the **PORTLAND HOCKEY, LLC**, a limited liability company, organized and existing under the laws of the State of Delaware, having a place of business at 94 Free Street, Portland Maine (hereinafter the "**TEAM**").

WITNESSETH:

WHEREAS, the **TEAM** is an East Coast Hockey League team leasing use of the Cross Insurance Arena for practices, games and other **TEAM**-related activities under a Hockey Lease Agreement dated June 13, 2017 ("Hockey Lease") between **TEAM** and Cross Insurance Arena (A.K.A. Cumberland County Civic Center) of Portland, Maine; and

WHEREAS, the **CITY** and **TEAM** are parties to a certain Lease Agreement dated _____ (the "Lease") for certain space located at 94 Free Street, Portland, Maine, which is a portion of the City's Spring Street Garage (the "Garage"); and

WHEREAS, the City owns and operates the Garage; and

WHEREAS, the **CITY** and **TEAM** desire to enter into an agreement related to parking at the Garage and revenue from Team hockey game attendees during the term of the Lease;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. **Scope:** This Agreement governs the use of the Garage by the **TEAM** and its hockey game attendees during the term of the Lease.
2. **Term and Option to Extend.** The term of this Agreement shall commence on _____, 2018 (the “Commencement Date”) and thereafter shall run concurrent with the term of the Hockey Lease such that this Agreement shall expire upon expiration or termination of the Hockey Lease.
3. **Fees; Revenue Share:** The parking rate for TEAM games shall be \$8.00 per car for the 2018-19 hockey season. Thereafter, such rate may be adjusted subject to the mutual agreement of the **TEAM** and the **CITY**; provided, however, that in the event that the parties do not reach such agreement, the **CITY** may increase the parking rate in its reasonable discretion after the seventh anniversary of the Commencement Date. During the first seven years of this Agreement, all parking revenue collected at the Garage from TEAM game attendees, net of security expenses and staff expenses incurred by the **CITY** in operating the Garage during such games, shall be paid to the **TEAM** in arrears on a monthly basis, together with an accounting of such fee (the “Revenue Share”). In the event that this Agreement remains in effect for more than seven years, then, beginning on the seventh anniversary of the Commencement Date of this Agreement, the Revenue Share to be paid to the **TEAM** for each game will be the lesser of (1) the average of the Revenue Share for the sixth and seventh years of this Agreement on a per game basis (which shall be calculated by dividing the total amount of the Revenue Share for the sixth and seventh years of the Agreement by the total number of home games during the sixth and seventh years of the Agreement), or (2) all parking revenue collected at the Garage from TEAM game attendees, net of security expenses and staff expenses incurred by the **CITY** in operating the Garage during such games.
4. **Garage Use:**
 - a. People attending the **TEAM**’s regular, pre-season, and playoff games may park at the Spring Street Garage during the term of this Agreement as space allows. Nothing in this Agreement guarantees that any parking spaces will be available in the Garage at any given time for **TEAM** players, coaches, staff, or the **TEAM**’s game attendees.
 - b. **TEAM** players, coaches, and staff will receive complimentary parking (hang tags) provided by the **TEAM** and approved by the **CITY**’s Parking Division for only the following hockey-related activities that the players, coaches, and staff are required to attend:
 - Training camp
 - Team Practices
 - Games

- Physical therapy
- Other team requirements

Players shall not receive complimentary parking for friends, relatives, or any non-hockey uses.

TEAM players, coaches, and staff shall park above Level A in the Garage at all times to provide turn-over parking for garage patrons, as well as customers using the Civic Center Box Office.

Notwithstanding anything to the contrary in this Agreement, except as specifically set forth herein, nothing in this Agreement provides, or is intended to provide, free parking or any parking privileges to the TEAM's employees who work in the TEAM's office space that is the subject of the Lease.

- c. **TEAM's** vehicles may be left in the Garage overnight, but will be retrievable only during the Garage's normal operating hours.
 - d. The TEAM shall create complimentary game day parking hang tags or vouchers for use by TEAM office personnel, the spouses or domestic partners of TEAM players, and others. Such hang tags or vouchers shall be good only on game days from 4 hours before the game until the end of the game. The tags or vouchers shall be subject to approval by the Parking Division. Such tags or vouchers do not guarantee availability of parking spaces, only that if space is available, parking will be complimentary.
 - e. **TEAM** management will reinforce on a regular basis with **TEAM** players and staff that all complimentary parking under this Agreement is a privilege, not a right.
 - f. ALL other parking validated by TEAM including student interns will be billed to the TEAM. The Parking Division will provide the TEAM a validation stamp for this purpose.
5. During the term of this Agreement, the **TEAM** shall provide the equivalent of four season tickets at no charge to **CITY** for promotional use.
6. **Assignment.** This Agreement and the rights hereunder may not be assigned.
7. The CITY shall be solely responsible for operating the Garage and TEAM shall have no liability for any claims, costs, lawsuits or liabilities arising out of the City's operation of the Garage.

IN WITNESS WHEREOF, the said **CITY OF PORTLAND** has caused this Agreement to be signed and sealed by Jon P. Jennings, its City Manager, thereunto duly authorized and **PORTLAND HOCKEY, LLC** has caused this Agreement to be signed and sealed by _____, its _____, thereunto duly authorized, the day and date first above written.

WITNESS:

CITY OF PORTLAND

By: _____
Jon P. Jennings
Its City Manager

WITNESS:

PORTLAND HOCKEY, LLC

By: _____

(Print or type name)

Its: _____

Approved as to form:

Approved as to funds:

City Corporation Counsel's Office

City Finance Department



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair Costa and Members of the Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: January 31, 2018

SUBJECT: Proposed Amendment to the Waterfront Tax Increment Financing (TIF) District To Add Parcels 19-A-14 (Wex Project Site), and 31-K-3 and 31-K-103 (Union Wharf Project Site) to the District

I. ONE SENTENCE SUMMARY

The proposed amendment to the Waterfront TIF District adds parcels 19-A-14, 31-K-3, and 31-K-103 to the District which will capture TIF revenues from developments currently under construction.

II. BACKGROUND

On March 18, 2002, the Portland City Council approved the ten-year Waterfront TIF District at 1% capture the first year, followed by 100% capture for the remaining nine year, for the City to retain increased property tax revenue for specified municipal public infrastructure investment. This was followed by an amendment by the City Council on June 7, 2010, for the purposes of:

- Extending the term by 20 years, through FY2032, at the 100% capture rate;
- Reducing the number of TIF investment options;
- Authorize the use of Credit Enhancement Agreements (CEA) within the Waterfront Central Zone; and,
- Established a Sub-District and authorize a CEA with the Developer in furtherance of the Cumberland Cold Storage Project.

At this time, there are currently two projects under construction in the Waterfront TIF District that could provide additional TIF revenue for the District as of April 1, 2018, particularly the WEX office construction project at Hancock and Thames Streets, and the mixed use development at Union Wharf which includes office, restaurants, food court, and open market.

It is noted that later this year City staff intends to recommend adding additional waterfront properties to the TIF District located on Portland's East and West End.

III. INTENDED RESULT

The intended result is for the Economic Development Committee (EDC) to recommend to the City Council amending the TIF District by adding parcels 19-A-14, 31-K-3 and 31-K-103 which would increase TIF revenues the City could realize for investment in public infrastructure projects and Economic Development Department staffing costs.

IV. FINANCIAL IMPACT

In adding these parcels to the Waterfront TIF District, the City would realize increased savings (tax shelter benefits) associated with Portland’s State education aid, State municipal revenue sharing reductions, and savings in the County funding formula. The average tax shelter for Portland is 30%, meaning that for every new property tax dollar, Portland loses 30 cents.

In a review of the estimated savings for the Original TIF District for 30 years, the Sub-District for 20 years, and the Added Parcels for 2018 for the remainder of the District – or 14 years, please see below:

Estimated Tax Sheltering Savings

Original TIF District:	\$4,876,807, or \$162,560 yearly;
Sub-District:	\$1,177,205, or \$58,860 yearly;
Added Parcels in 2018:	\$2,033,122, or \$145,223 yearly; and,
Total of All Three Above:	\$8,087,134, or \$269,571 yearly.

City captured TIF revenue for investment fluctuates with the City budget process. To date through FY2018, this TIF has provided:

General Fund Taxes from OAV:	\$2.34 Million;
General Fund Taxes Non-Captured Value:	\$2.89 Million
TIF Proceeds:	\$4.4 Million, which a portion – or 1 Million to date – has been paid to the CEA associated with the Cumberland Cold Storage project, and remaining goes into City TIF Account for investments – see table in Section V.

Estimates for the remaining term, from FY19 through FY32, at 100% captured value, would provide for \$13.4 Million for City TIF Investments, less payments to the current CEA (Cumberland Cold Storage project) through FY31. This CEA TIF payment over the 20-year term has a maximum cumulative TIF payment is \$2,870,058.

V. STAFF ANALYSIS AND RECOMMENDATION

Specific Investments Allowed in Waterfront TIF District:

Investment projects and estimates, by major category in this TIF District, include the following:

Investment	Estimates
<p>Capital Infrastructure Investments, for example:</p> <ul style="list-style-type: none"> - Pier and Wharf Structural Repair - Local Match for Ocean Gateway Project - Street Improvements (Remedy Traffic Congestion) - Pedestrian Circulation and Amenity Improvements - Dredging - Credit Enhancement Agreements - City Economic Development Staff <p>TOTAL:</p>	<ul style="list-style-type: none"> \$3,200,000 \$1,000,000 \$5,000,000 \$750,000 \$10,000,000 Per Project \$50,000 Annually <p>\$20,450,000 – excluding CEA Projects</p>

Based upon the benefits of TIF sheltering and City investments allowed under this TIF District, staff recommends placing the additional properties - parcels 19-A-14, 31-K-3, and 31-K-103 - into the TIF District and sheltering 100% of the total increased assessed value for the remaining years of the District.

VI. ATTACHMENTS

- Redlines to Waterfront TIF (without attachments)
- Clean Waterfront TIF (with attachments)

City of Portland

Waterfront Economic Redevelopment Program
*Application for FY02 and FY10 Amended Waterfront Tax Increment Financing
Development Districts and Sub-District*

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL
ON JUNE 7, 2010

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL

ON _____

Prepared by:

The City of Portland Economic Development DepartmentOffice
March 13, 2002/Amended and Restated as of June 7, 2010; Amended and Restated
_____, 2018

I. Introduction

The Portland City Council on March 18, 2002, designated five properties as tax increment financing districts (the “Original TIF Districts”) as more specifically described below and adopted the Waterfront Tax Increment Financing Development District Program (the “Original Development Program”). ~~Waterfront Maine Limited Partnership (“Developer”) is the developer of the Cumberland Cold Storage site and building. The Original TIF Districts municipal program was designed for the City to capture 100% of the tax increment for specified allowable uses.~~

~~On June 7, 2010, the Portland City Council approved the Amended and Restated the Original Development Program as follows (“Amended Development Program”), which was approved by the Maine Department of Economic Development and Community Development (“MDECD”) on June 28, 2010, as follows: The City proposes to amend the Original Development Program (as described herein, the “Amended Development Program”) to accomplish the following:~~

- Extend the term by twenty (20) years at 100% capture;
- Reduce the number of TIF investment options;
- Authorize the use of Credit Enhancement Agreements within the Waterfront Central Zone; and
- ~~Establish a Sub-District (the “Sub-District”) within the District and to authorize a Credit Enhancement Agreement with the Developer with respect to the Sub-District in furtherance of the Cumberland Cold Storage Project. defined below (the “Credit Enhancement Agreement”).~~

~~The Cumberland Cold Storage building includes five stories and 100,000± square feet which will be redeveloped as a Class A office building. Building floors 2, 3, 4, and 5 are planned to be used for commercial office space. The first or ground level space is currently restricted to marine use including berthing along the property bulkhead pursuant to existing zoning requirements. Pierce Atwood LLP intends to occupy 70,000± square feet of upper floor use (the “Cumberland Cold Storage Project”).~~

~~On _____, 2018, the Portland City Council further amended the Original TIF Districts to add three properties with the following Chart, Lot, and Block (CBL) numbers (“Added TIF District Properties of 2018”):~~

- ~~- 019-A-014001;~~
- ~~- 031-K-003001; and,~~
- ~~- 031-K-103001.~~

~~The three additional properties include two projects under construction as follows:~~

~~WEX Headquarters (019-A-014001)~~

————This project involves the construction of a 100,000 sq. ft. commercial building for the new headquarters for Wex and its associated 450 quality jobs and an anticipated additional 200 new jobs in the coming future. Of that 100,000 sq. ft. building, there will also be 10,000 sq. ft. for retail on the first floor.

Union Wharf Mixed Use Development (031-K-003001 and 031-K103001);

This project involves the construction of ~~including~~ 42,000 sq. ft. of office, restaurant, and retail use.

History:

The history of the City of Portland is inextricably tied to the waterfront. From tourism to shipbuilding to national defense, the waterfront has been a vital part of the social and economic fabric of Portland. Always, Portland has worked to recognize the unique needs of the harbor, to protect its authentic marine heritage and to provide public access. The product of this commitment comes from the work of a Mayoral Taskforce report entitled “Investing in Our Working Waterfront – Final Report of the Mayor’s Waterfront Task Force on Economic Development”, dated October 2000 (herein referred to as the “Task Force II Report”). An excerpt from its Executive Summary is included here, and the full Report is attached to this application labeled as Attachment #1.

“Portland is a waterfront city. Its harbor is one of the deepest on the East Coast and served as the staging area for the Atlantic Fleet during World War II. Today, it accommodates the largest petroleum trans-shipment operation on the East Coast. The inner harbor is very limited in geography; it is only about two miles in length from Bath Iron Works to Merrill’s Marine Terminal. The wharves that serve the needs of water-dependent businesses are both publicly and privately owned. Over the course of its long history, the Portland waterfront has served as a center of commerce, shipbuilding, cargo and passenger transport, fishing and defense. It has also supported a range of mixed uses, the character of which has changed over time as the City of Portland and its waterfront have evolved.

Portland has a 30-year history of commitment to its working waterfront. The City began planning the future of its waterfront in the early 1970’s, culminating in 1982 with multi-faceted development strategies, including zoning amendments, construction of public facilities, and policies to address berthing and public access. Despite these initiatives, the emergence of the Old Port as a vital retail center and tourist attraction threatened to drive traditional industries from their waterfront locations. A citizen-initiated referendum in 1987 passed by a 2-1 margin, clearly demonstrating the public’s commitment to a working waterfront, and significant limitations were placed on development of the water side of Commercial Street.

Before the development moratorium expired in 1992, the City asked waterfront interests to review the zoning and recommend any changes that might provide more flexibility in renting space, while protecting water-dependent and marine-related uses. While some may argue otherwise, the existing zoning structure strikes a reasonable balance between preserving the "working waterfront" and allowing property owners necessary flexibility in managing their assets. Since the 1980's, Portland and the State of Maine have invested significant public dollars in supporting traditional waterfront activities such as ship repair, commercial fishing, and cargo transfer. At the same time, some private property owners have, for a variety of reasons, lacked the revenues to maintain their piers, resulting in a serious infrastructure problem, which threatens the viability of certain piers as elements of the waterfront economy.

Despite investments in publicly owned waterfront facilities, the City has done little to assist private owners of waterfront property, the uses of which have been limited by public policy, as noted above. This report is the result of a charge issued by then-Mayor Tom Kane to "focus on economic support for the waterfront...and to make the working waterfront work." It is the second of a three-phase process for defining the City's vision for its waterfront."

The Task Force II Report was presented to the City Council and the public, and the Council voted to incorporate it into the Comprehensive Plan on June 4, 2001.

The Task Force II Report identified the unique needs of the waterfront from both an infrastructure and a business development perspective, and several recommendations were made. In order to turn these recommendations into waterfront economic development opportunities, a program to create a funding mechanism through Tax Increment Financing ("TIF") Districts was put in place.

During 2009, twelve private pier owners formed an alliance to propose amendments to Municipal zoning regulations to support more mixed use commercial activity along Portland's waterfront in order to enable private pier owners to generate additional revenue to cover the high costs of maintaining pier infrastructure. The Waterfront Alliance in the Spring of 2010 is in the process of presenting its recommendations to the City Planning Board which will require final approval by the City Council.

II. Development Program

A. Amended Development Program

With the incorporation of the Task Force II Report into the Portland Comprehensive Plan, the City Council formally recognized the unique business development needs of the waterfront. Since a funding mechanism was required to implement the

recommendations of the Report, the City began crafting what ultimately became the Waterfront Capital Improvement and Economic Redevelopment Zone (“WREZ”) Ordinance (see [Attachment #2](#) as passed June 4, 2001, and [Attachment #3](#) as amended December 1, 2008,) whereby any property within the WREZ geographic area, delineated on the attached map (see [Attachment #4](#)), that increased in value by an amount greater than \$400,000 over a two-year period would be subject to inclusion in a TIF application.

By adopting the WREZ Ordinance, the City Council recognized that the non-marine commercial development that has occurred in the Old Port and the surrounding area has benefited through the years from the authenticity of the working waterfront. Said another way, Portland’s downtown became a desirable destination for tourists, retailers, restaurants and high-end office users in part because of the vibrant business of those that depend upon the water for their living. Portland blends a perfect mix of fishing vessels, shipbuilding, chandlery, cargo operations and the like with the lawyers, bankers, dot-com entrepreneurs and tourists. So when a revenue stream was required to maintain and improve the economic vibrancy of the Portland waterfront, the City Council acted in such a way as to nurture this symbiotic relationship by directing the incremental revenues of the new commercial development back to the working waterfront. The result of that action was the adoption of the WREZ Ordinance.

The WREZ Ordinance is intended to be in effect for several years. As such, the designation of the five Original TIF Districts described in the Original Development Program were the first in what the City hopes to be a multiple year program where several additional TIF Districts will be created. The common theme underlying the Original Development Program, this Amended Development Program, and future TIF applications is the implementation of the Task Force II Report findings. As such, the projects described in the Original Development Program and this Amended Development Program are intended to be greater in scope than the five Original TIF Districts could support by themselves. Therefore, the Original Development Program ~~served as, and this Amended Development program, and the -three Added TIF District Properties of 2018 (CBLs 019-A-014001, 031-K003001, and 031-K-103001)~~ will serve as the model for future amendments to the Original Development Program, as amended, as properties become eligible through the WREZ Ordinance.

The activities to be funded through the Original Development Program and this Amended Development Program will be specifically determined on an annual basis upon recommendation by the City Manager for action by the City Council. Therefore, the City of Portland seeks authorization to fund all the activities described in this Amended Development Program so that each year the City Council could prioritize which specific ~~activities~~action to fund.

B. The Projects

The projects to be undertaken are derived from the recommendations of the Task Force II Report which are:

1. Encourage private and public waterfront investments;
2. Provide support to maintain a working waterfront;
3. Support clean, working harbor.

Generally, the activities to be undertaken and the approximate cost associated with each activity are described in Table 1 below.

TABLE 1

Note 1: All citations refer to Title 30-A, chapter 206, Section 5225

<u>Project</u>	<u>Statutory Citation</u>	<u>Estimated Cost</u>
<u>In District: Capital Infrastructure Investments, for example:</u>		
Pier and Wharf Structural Repair	(1)(A)	\$3,200,000
Local Match for Ocean Gateway Project	(1)(A)	\$1,000,000
Street Improvements (Remedy Traffic Congestion)	(1)(A)	\$5,000,000
Pedestrian Circulation and Amenity Improvements	(1)(A)	\$750,000
Dredging	(1)(A)	\$10,000,000
<u>Credit Enhancement Agreements</u>		<u>\$50,000 Annual</u> Per Each Individual <u>CEA</u> Project
<u>In and out of District:</u>		
City Economic Development Staff		
<u>Credit Enhancement Agreements</u>		<u>\$50,000 Annually</u>
<u>Total Estimate of TIF Revenue Expenditure over 30-year term:</u>		<u>\$20,450,000 –</u> <u>excluding CEA</u> <u>Projects</u>

The City recognizes that the full scope of the needs of the Waterfront Economic Redevelopment Program is beyond the funds anticipated to be generated through the five Original TIF Districts described in the Original Development Program and the three Added TIF District Properties of 2018. ~~Since~~ The Original Development Program and this Amended Development Program will serve as the template for future TIF District applications, however, the City again seeks authorization for the full “menu” of economic development activities described above. This is necessary to maintain flexibility and adaptability as the needs of the waterfront are prioritized throughout the life of this Amended Development Program.

Pier and Wharf Structural Repair

The waterfront infrastructure needs are considerable. The Task Force II Report estimates the need for \$1.4 million in repairs to 14 wharves within three years, with an additional \$1.8 million needed over the next 20 years.

Local Match for Ocean Gateway Project

The voters of the State of Maine approved an allocation of roughly \$15 million for the construction of a marine passenger facility, requiring a local match of nearly \$1 million.

Street Improvements (Remedy Traffic Congestion)

With the development of the Ocean Gateway facility, significant transportation improvements will be required to accommodate the increased traffic on the street network along and around the waterfront, with particular emphasis on Franklin Arterial, Commercial Street and India Street.

Pedestrian Circulation and Amenity Improvements

Invest in pedestrian and multi-modal infrastructure to support the working waterfront and improve public access to the waterfront.

Dredging

This recommendation recognizes the environmental and financial burdens caused by combined sewer overflows and storm water pipes that discharge into the harbor. The cost associated with disposing the contaminated dredge material jumps to \$100 per cubic yard vs. \$12 per cubic yard for uncontaminated dredge disposal costs. Placing an additional financial burden on the marine industry, the significant cost of the disposal of the contaminated dredged material allows only a limited ability to recover those costs through increased berthing fees. Since there are considerable public health benefits associated with eliminating the contaminated dredge material they create, the Report recommends that the City devise a strategy to mitigate the effects of this issue, as well as subsidize a portion of the costs of the dredging and disposal of the contaminated material.

Economic Development Staffing

Fund a portion of the cost of City economic development staff involved in supporting waterfront business development activities and administration of the Original Development Program and this Amended Development Program.

Credit Enhancement Agreements

The City Council may approve credit enhancement agreements within the Waterfront Central Zone (as depicted on Attachment #5) within the remaining term of the Amended Development Program to support important private sector projects in compliance with adopted City TIF Policy and where the City Council determines that the public benefits associated with individual projects meet or exceed the current or net present value of the project's share of the TIF proceeds for activities consistent with State law. City Council approved The City TIF Policy limits the Credit Enhancement Agreements to not exceed maximum average percentage of 675% of the incremental taxes up to a 20-year term over the life of the district.

B. C. Sub-District Development Program

The twenty (20) year Sub-District Development Program supports the redevelopment of the Cumberland Cold Storage 100,000± square foot building into a Class A office building. A twenty (20) year Credit Enhancement Agreement with the property owner and developer ~~is proposed to assist~~ with project costs.

DC. The Development District Property

The City Council created the WREZ Ordinance (see Attachments #2 and #3) whereby any property within the geographic area, delineated on the attached map (see Attachment #4), that increased in value by an amount greater than \$400,000 over a two-year period would be considered for inclusion in a TIF application subject to the City Council approval.

1. Original Development District Property

Five such properties were given a TIF District designation by the City Council in 2002 as part of the Original Development Program.

MAP	BLOCK	LOT
019	A	008
029	K	001
029	S	001
030	D	001
041	A	005

2. Sub-District Property

Properties 041-A-016 (0.17 acres) and 041-A-17-18 (1.38 acres) are the ~~subject of this application and are proposed as a~~ Sub-District for the purposes of establishing the

original assessed value and allocating tax increment pursuant to the Credit Enhancement Agreement with the Developer.

The TIF Districts will apply to only new value generated within the Districts and will not affect the current property tax base.

3. Three Added TIF District Properties of 2018

<u>MAP</u>	<u>BLOCK</u>	<u>LOT</u>
<u>019</u>	<u>A</u>	<u>014001</u>
<u>031</u>	<u>K</u>	<u>003001</u>
<u>031</u>	<u>K</u>	<u>103001</u>

EE. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from the five Original TIF Districts ~~and~~, the Sub-District, and the three Added TIF District Properties of 2018 that are created in the WREZ in support of the economic development activities called for in described in this Amended Development Program, and specifically, the activities outlined in Section II-A of this application.

ED. Operational Components

1. Public Facilities

See Section IIA of this application.

2. Uses of Private Property

Subject to the approval of the City Council, the City will consider entering into credit enhancement agreements to support private projects located in the Waterfront Central Zone which meet the criteria set forth in this TIF District Program.

3. ~~2.~~ Plans for relocation of persons displaced by development activities.

No displacement or relocation of persons is associated with this TIF District.

4. Transportation Improvements

See Section IIA of this application.

5. Environmental Controls

The Original Development Program and this Amended Development Program proposes improvements that will comply with all federal, state and local rules and regulations and applicable land use requirements.

36. Plan of Operation

During the life of the five Original Districts, ~~and~~ the Sub-District, and the -three Added TIF District Properties of 2018, the City of Portland, City Council, or their designee, will be responsible for the administration of the Districts.

III. Original Development Program Physical Description

- A. Total acreage of the municipality: 12,386 (taxable acres)
- B. Total acreage of five Original TIF Districts: 3.4 acres
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.03%
- D. Total acreage of all existing and Original TIF Districts in the municipality: 77.6 acres
- E. Percent line D of line A (cannot exceed 5%): 0.63%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____.
 - 3. Acreage suitable for commercial siting = 3.4. Line F3 divided by line B = 100%.
- G. Enclosed municipal maps:
 - 1. Area map showing site location of the five Original TIF Districts in relation to geographic location of municipality (Attachment #6).
 - 2. Site map showing tax map locations and the five Original TIF Districts (Attachments #7A through 7E).

III-A. Sub-District Physical Description

- A. Total acreage of the municipality: 12,386 (taxable acres)

- B. Total acreage proposed for Sub-District: 1.55
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.01%
- D. Total acreage of all existing and proposed TIF Districts in the municipality: 189.92
- E. Percent line D of line A (cannot exceed 5%): 1.53%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____.
 - 3. Acreage suitable for commercial siting = _____. Line F3 divided by line B = 100%.

III-BA. Added TIF District Properties of 2018 Physical Description

The total acreage of the- three Added TIF District Properties of 2018 is 1.675 acres. Exhibit 16 contains financial and statistical information relating to this Amendment required as a prerequisite to designation of the Amended District by the City and approval by MDECD.

~~G.~~—Enclosed municipal maps:

- 1. Area map showing site location of the Sub-District, and the three Added TIF District Properties of 2018, in relation to geographic location of municipality (Attachment #8)
- ~~2. Site map noting Original TIF District, and proposed Sub-District, and Added TIF Districts of 2018 (Attachment #9).~~
- 2. Tax maps showing locations of the three Added TIF District Properties of 2018Sub-District (Attachment #910).

~~3.~~

IV. Original Development Program Financial Plan

A. *Costs and Sources of Revenues*

The five Original TIF Districts comprise an area of approximately 3.4 acres of taxable real and personal property with an original assessed value of \$6,716,410 as of March 31, 2001. The development within the Original TIF Districts is estimated to add an additional \$26,221,692 of new assessed value to the City over the 30 years.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value ~~of the Original TIF Districts~~ to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #11 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Original TIF Districts. Attachment #11 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §~~522554~~ ~~(3)(A)(2)~~.

The Waterfront TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the described Original TIF Districts will add approximately \$26.2 million of new taxable value in the City of Portland over 30 years. TIF revenues will be allocated as described on Attachment #11 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-A. Sub-District Financial Plan

A. Cost and Sources of Revenue

The one TIF Sub-District comprises an area of 1.55 acres of taxable real property with an original assessed value of \$950,900 as of March 31, 2010. The development within the sub-district is estimated to add an additional \$12,000,000 of new assessed value to the City.

This Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Sub-District to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to a credit enhancement agreement with the Developer and the balance of retained revenues to the economic development activities described in this Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity ~~with its allocable share of retained revenues~~ that is allowable under the Amended Development Program.

Attachment #12 details the projections and TIF revenue allocation schedule based upon the anticipated assessed value increases within the Sub-District. Attachment #12 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

This Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §52~~2554(3)(A)(2)~~.

The Cumberland Cold Storage TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and a and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under the credit enhancement agreement to be entered into with the Developer.

C. Financing Plan

The developments within the Sub-District will add approximately \$12 million of new taxable value in the City of Portland. TIF revenues will be allocated as described on Attachment #12 to finance the costs of this Amended Development Program and to fund the City's payment obligations to the Developer pursuant to the credit enhancement agreement to be entered into with the Developer. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-B Added TIF District Properties of 2018 Financial Plan

A. Costs and Sources of Revenues

The three Added TIF District Properties of 2018 comprise an area of approximately 1.675 acres of taxable real property with an original assessed value of \$616,430 as of March 31, 2017. The development within the three Added TIF District Properties of 2018 is estimated to add an additional \$20.7 Million of new assessed value to the City over the remainder of the term through June 30, 2032.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Original TIF Districts to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #12 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the three Added TIF District Properties of 2018. Attachment #12 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5225).

The Waterfront TIF Development Program Account is established consisting of a project cost account ("Project Cost Account") pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount

(the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the three Added TIF District Properties of 2018 will add approximately \$20.7 Million of new taxable value in the City of Portland over the remainder of the term through June 30, 2032. TIF revenues will be allocated as described on Attachment #12+ to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

V. Original TIF Districts Financial Data

- A. Total 2001 value of equalized property in the municipality: \$3,873,900,000.
- B. Original assessed value of all properties in all existing and proposed Original TIF districts:

Existing	\$20,961,460
Proposed	\$6,716,410
Total	\$27,677,870

Line B divided by line A = 0.71% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the Original Development Program: See Attachment #10+
- D. Percentage of increased assessed value to be applied to the Original Development Program fund: See Attachment #10+
- E. Estimated annual tax increment: \$400,113 (Average)
- F. Total average annual value of development program fund: \$400,113 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City’s full faith and credit. The City’s participation in this

development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #13.

V-A. Sub-District Financial Data

- A. Total 2010 value of property in the municipality: \$8,196,900,000.
- B. Original assessed value of all properties in all existing TIF Districts and proposed sub-district:

Existing	\$305,455,220
Proposed	\$950,900
Total	\$306,406,120

Line B divided by line A = 3.73% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the development program: See Attachment #1211
- D. Percentage of increased assessed value to be applied to the development program fund: See Attachment #112
- E. Estimated annual tax increment: \$143,503 (Average)
- F. Total average annual value of development program fund: \$143,503 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: The City of Portland seeks to implement its own Waterfront Economic Redevelopment Program and to fund its payment obligations to the Developer under the credit enhancement agreement with the Developer and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #14.

I.

V-B. Added TIF District Properties of 2018 Districts Financial Data

- A. Total 2018 value of taxable property in the municipality: \$9,049,500,000.

B. Original assessed value of all properties in all existing and proposed Amended TIF districts:

<u>Existing</u>	<u>\$1,106,422,670</u>
<u>Proposed</u>	<u>\$1,817,930</u>
<u>Sub-Total</u>	<u>\$1,108,260,600</u>
<u>Less Exempt</u>	<u>-\$973,107,320</u>
<u>Total</u>	<u>\$135,153,280</u>

Line B divided by line A = 1.493% (cannot exceed 5%).

C. Estimate of increased assessed value by year after implementation of the three Added TIF District Properties of 2018: See Attachment #124-A

D. Percentage of increased assessed value to be applied to the three Added TIF District Properties of 2018 Development Program fund: See Attachment #124-A

E. Estimated annual tax increment: \$495,181 (Average)

F. Total average annual value of development program fund: \$495,181 (Average)

G. Annual principal and interest payment of bonded indebtedness: N/A

H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

II. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #153-A.

VI. Original Development Program Tax Shifts (See Attachment #13)

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: \$137,700

Municipal Revenue Sharing Tax Shift: \$17,004

County Tax Shift: \$7,855

Total Average Annual Savings: \$162,560

VI-A Sub-District Tax Shifts (See Attachment #14)

General Purpose Aid to Education Tax Shift: \$49,822

Municipal Revenue Sharing Tax Shift: \$6,183

County Tax Shift: \$2,856

Total Average Annual Savings: \$58,860

VI-B. Added TIF District Properties of 2018 Tax Shifts (See Attachment #153-A)

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: \$122,721

Municipal Revenue Sharing Tax Shift: \$11,881

County Tax Shift: \$10,620

Total Average Annual Savings: \$145,223

VII. Amended Development Program Municipal Approvals

A. Public Hearing Notice

The City of Portland did give proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5226. The notice was published on May 28, 2010 in a newspaper of general circulation (see Attachment #15).

B. Public Hearing

A Public Hearing at which the proposed Amended Development Program designation of the Sub-District as a municipal development tax increment financing district and the proposed for adoption of the Amended Development Program was held on June 7, 2010, 2018 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment #16-A.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program designating Sub-District as a municipal development tax increment financing district and adopting the Amended Development Program is included as Attachment #17-A.

City of Portland

Waterfront Economic Redevelopment Program
*Application for FY02 and FY10 Amended Waterfront Tax Increment Financing
Development Districts and Sub-District*

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL
ON JUNE 7, 2010

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL

ON _____

Prepared by:

The City of Portland Economic Development Department
March 13, 2002/Amended and Restated as of June 7, 2010; Amended and Restated
_____, 2018

APPLICATION COVER SHEET

MUNICIPAL TAX INCREMENT FINANCING
--

A. General Information

1. Municipality Name: City of Portland		
2. Address: 389 Congress Street		
3. Telephone: 207-874-8683	4. Fax: 207-756-8217	5. Email: gmittchell@portlandmaine.gov
6. Municipal Contact Person: Greg Mitchell, Economic Development Director		
7. Business Name: n/a (Amendment to Waterfront TIF Development District)		
8. Address:		
9. Telephone:	10. Fax:	11. Email:
12. Business Contact Person:		
13. Principal Place of Business:		
14. Company Structure (e.g. corporation, sub-chapter S, etc.):		
15. Place of Incorporation:		
16. Names of Officers:		
17. Principal Owner(s) Name:		
18. Address:		

B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input checked="" type="checkbox"/> job creation	<input checked="" type="checkbox"/> job retention	<input checked="" type="checkbox"/> capital investment
<input type="checkbox"/> training investment	<input type="checkbox"/> tax base improvement	<input type="checkbox"/> public facilities improvement
other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input type="checkbox"/> real estate purchase	<input type="checkbox"/> machinery & equipment purchase	<input type="checkbox"/> training costs
<input type="checkbox"/> debt reduction	other (list): See Section II, Table 1 in Attached Amendment Application.	

C. Employment Data

List the company's goals for the number, type and wage levels of jobs to be created or retained as part of this TIF development project (<i>please use next page</i>).
--

EMPLOYMENT GOALS
Company Goals for Job Creation and Job Retention

<i>A. Job Creation Goals</i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical	**	**	\$
2. Administrative Support, inc. Clerical	**	**	\$
3. Sales & Service	**	**	\$
4. Agriculture, Forestry & Fishing	**	**	\$
5. Maintenance, Construction, Production, & Transportation	**	**	\$
<i>B. Job Retention Goals</i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical	4		\$50,000, estimated, annually for portion of Economic Development Staff of the City
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation			\$
<i>*Please use the Occupational Cluster descriptions on the next page to complete this form.</i>			

**A number of new jobs across different industry sectors will be created due to targeted TIF District investment.

INSTRUCTIONS

A. Job Creation Goals. Please list the number, type and wage level of jobs created as a result of the economic development incentive. NOTE: For this form, “full-time” employment means 30 hours or more; “part-time” employment means less than 30 hours. “Wage level” means the average annual wage paid for jobs created within an occupational cluster, e.g. either their annual salary, or their hourly wage times their annual hours. Also, “type” means “occupational cluster” which refers to the 12 categories defined below. Please include the number of your employees (both full-time and part-time) working within the category that most closely reflects their job duties.

B. Job Retention Goals. Please list the number, type and wage level of jobs retained as a result of the economic development incentive. Part B should be completed using same definitions in Part A.

OCCUPATIONAL CLUSTERS

1. EXECUTIVE, PROFESSIONAL & TECHNICAL

Executive, administrative and managerial. Workers in executive, administrative and managerial occupations establish policies, make plans, determine staffing requirements, and direct the activities of businesses and other organizations. Workers in management support occupations, such as accountant and auditor or underwriter, provide technical assistance to managers.

Professional specialty. This group includes engineers; architects and surveyors; computer, mathematical, and operations research occupations; life, physical, and social scientists; lawyers and judges; social, recreational, and religious workers; teachers, librarians, and counselors; health diagnosing, assessment, and treating occupations; and communications, visual arts, and performing arts occupations.

Technicians and related support. This group includes health technologists and technicians, engineering and science technicians, computer programmers, tool programmers, aircraft pilots, air traffic controllers, paralegals, broadcast technicians, and library technicians.

2. ADMINISTRATIVE SUPPORT, INCLUDING CLERICAL

Administrative support, including clerical. Workers in this group prepare and record memos, letters and reports; collect accounts; gather and distribute information; operate office machines; and handle other administrative tasks.

3. SALES AND SERVICE

Marketing and sales. Workers in this group sell goods and services, purchase commodities and property for resale, and stimulate consumer interest.

Service. This group includes a wide range of workers in protective, food and beverage preparation, health, personal, private household, and cleaning and building services.

4. AGRICULTURE, FORESTRY AND FISHING

Agriculture, forestry and fishing. Workers in these occupations cultivate plants, breed and raise animals, and catch fish.

5. MAINTENANCE, CONSTRUCTION, PRODUCTION & TRANSPORTATION

Mechanics, installers, and repairers. Workers in this group adjust, maintain, and repair automobiles, industrial equipment, computers, and many other types of machinery.

Construction trades and extractive. Workers in this group construct, alter, and maintain buildings and other structures or operate drilling and mining equipment.

Production. These workers set up, adjust, operate, and tend machinery and/or use hand tools and hand-held power tools to make goods and assemble products.

Transportation and material moving. Workers in this group operate the equipment used to move people and materials. This group also includes handlers, equipment cleaners, helpers, and laborers who assist skilled workers and perform routine tasks.

TABLE OF CONTENTS

Section:

I.	Introduction	1
II.	Development Program	4
	A. Amended Development Program	4
	B. The Projects	5
	C. Sub-District Development Program	8
	D. The Development District Property	8
	1. Original Development District Property	8
	2. Sub-District Property	8
	3. Added TIF Districts of 2018	8
	E. Municipal Use of TIF Revenue	9
	F. Operational Components	9
	1. Public Facilities	9
	2. Uses of Private Property	9
	3. Relocation of Displaced Persons	9
	4. Transportation Improvements	9
	5. Environmental Controls	9
	6. Plan of Operation	9
III.	Original Development Program Physical Description	9
III-A.	Sub-District Physical Description	10
III-B.	Added TIF Districts of 2018 Physical Description	11
IV.	Original Development Program Financial Plan	11
IV-A.	Sub-District Financial Plan	12
IV-B.	Added TIF Districts of 2018 Financial Plan	13
V.	Original TIF Districts Financial Data	14
V-A.	Sub-District Financial Data	15
V-B.	Added TIF District of 2018 Financial Data	16
VI.	Original Development Program Tax Shifts	17
VI-A.	Sub-District Tax Shifts	17
VI-B.	Added TIF Districts of 2018 Tax Shifts	17
VII.	Municipal Approvals	18

Attachments:

1. October 2000 Mayoral Taskforce Report “Investing in Our Working Waterfront – Final Report of the Mayor’s Waterfront Task force on Economic Development”
2. Waterfront Capital Improvement and Economic Redevelopment Zone (WREZ) as passed June 4, 2001.
3. WREZ as amended December 1, 2008
4. Map of WREZ Geographic Area
5. Map of Waterfront Central Zone
6. Map Showing Site Location of the Five Original TIF Districts
7. Site Map Showing Tax Map Locations and the Five Original TIF Districts (Attachments #7A Through 7E)
8. Map showing Site location of the Original TIF District, Sub-District, and Added TIF Districts of 2018
9. Tax maps showing location of Added TIF Districts of 2018 (Attachments 9A and 9B)
10. Projections and Proposed TIF Revenue for Original TIF District

11. Projections and Proposed TIF Revenue for Sub-District
12. Projections and Proposed TIF Revenue for Added TIF Districts of 2018
13. Tax Shifts Projections for Original TIF District
14. Tax Shifts Projections for Sub-District
15. Tax Shifts Projections for Added TIF Districts of 2018
16. State Statutory Requirements and Thresholds Form
17. Public Hearing Notice
18. Minutes of City Council Meeting
19. Attested Resolution of Portland City Council Amending District

I. Introduction

The Portland City Council on March 18, 2002, designated five properties as tax increment financing districts (the “Original TIF Districts”) as more specifically described below and adopted the Waterfront Tax Increment Financing Development District Program (the “Original Development Program”). The Original TIF Districts municipal program was designed for the City to capture 100% of the tax increment for specified allowable uses.

On June 7, 2010, the Portland City Council approved the Amended and Restated the Original Development Program (“Amended Development Program”), which was approved by the Maine Department of Economic Development and Community Development (“MDECD”) on June 28, 2010, as follows:

- Extend the term by twenty (20) years at 100% capture;
- Reduce the number of TIF investment options;
- Authorize the use of Credit Enhancement Agreements within the Waterfront Central Zone; and
- Establish a Sub-District (the “Sub-District”) within the District and to authorize a Credit Enhancement Agreement with the Developer with respect to the Sub-District in furtherance of the Cumberland Cold Storage Project.

On _____, 2018, the Portland City Council further amended the Original TIF Districts to add three properties with the following Chart, Lot, and Block (CBL) numbers (“Added TIF District Properties of 2018”):

- 019-A-014001;
- 031-K-003001; and,
- 031-K-103001.

The three additional properties include two projects under construction as follows:

WEX Headquarters (019-A-014001)

This project involves the construction of a 100,000 sq. ft. commercial building for the new headquarters for Wex and its associated 450 quality jobs and an anticipated additional 200 new jobs in the coming future. Of that 100,000 sq. ft. building, there will also be 10,000 sq. ft. for retail on the first floor.

Union Wharf Mixed Use Development (031-K-003001 and 031-K103001)

This project involves the construction of 42,000 sq. ft. of office, restaurant, and retail use.

History:

The history of the City of Portland is inextricably tied to the waterfront. From tourism to shipbuilding to national defense, the waterfront has been a vital part of the social and economic fabric of Portland. Always, Portland has worked to recognize the unique needs of the harbor, to protect its authentic marine heritage and to provide public access. The product of this commitment comes from the work of a Mayoral Taskforce report entitled “Investing in Our Working Waterfront – Final Report of the Mayor’s Waterfront Task Force on Economic Development”, dated October 2000 (herein referred to as the “Task Force II Report”). An excerpt from its Executive Summary is included here, and the full Report is attached to this application labeled as Attachment #1.

“Portland is a waterfront city. Its harbor is one of the deepest on the East Coast and served as the staging area for the Atlantic Fleet during World War II. Today, it accommodates the largest petroleum trans-shipment operation on the East Coast. The inner harbor is very limited in geography; it is only about two miles in length from Bath Iron Works to Merrill’s Marine Terminal. The wharves that serve the needs of water-dependent businesses are both publicly and privately owned. Over the course of its long history, the Portland waterfront has served as a center of commerce, shipbuilding, cargo and passenger transport, fishing and defense. It has also supported a range of mixed uses, the character of which has changed over time as the City of Portland and its waterfront have evolved.

Portland has a 30-year history of commitment to its working waterfront. The City began planning the future of its waterfront in the early 1970’s, culminating in 1982 with multi-faceted development strategies, including zoning amendments, construction of public facilities, and policies to address berthing and public access. Despite these initiatives, the emergence of the Old Port as a vital retail center and tourist attraction threatened to drive traditional industries from their waterfront locations. A citizen-initiated referendum in 1987 passed by a 2-1 margin, clearly demonstrating the public’s commitment to a working waterfront, and significant limitations were placed on development of the water side of Commercial Street.

Before the development moratorium expired in 1992, the City asked waterfront interests to review the zoning and recommend any changes that might provide more flexibility in renting space, while protecting water-dependent and marine-related uses. While some may argue otherwise, the existing zoning structure strikes a reasonable balance between preserving the “working waterfront” and allowing property owners necessary flexibility in managing their assets. Since the 1980’s, Portland and the State of Maine have invested significant public dollars in supporting traditional waterfront activities such as ship repair, commercial fishing,

and cargo transfer. At the same time, some private property owners have, for a variety of reasons, lacked the revenues to maintain their piers, resulting in a serious infrastructure problem, which threatens the viability of certain piers as elements of the waterfront economy.

Despite investments in publicly owned waterfront facilities, the City has done little to assist private owners of waterfront property, the uses of which have been limited by public policy, as noted above. This report is the result of a charge issued by then-Mayor Tom Kane to “focus on economic support for the waterfront...and to make the working waterfront work.” It is the second of a three-phase process for defining the City’s vision for its waterfront.”

The Task Force II Report was presented to the City Council and the public, and the Council voted to incorporate it into the Comprehensive Plan on June 4, 2001.

The Task Force II Report identified the unique needs of the waterfront from both an infrastructure and a business development perspective, and several recommendations were made. In order to turn these recommendations into waterfront economic development opportunities, a program to create a funding mechanism through Tax Increment Financing (“TIF”) Districts was put in place.

During 2009, twelve private pier owners formed an alliance to propose amendments to Municipal zoning regulations to support more mixed use commercial activity along Portland’s waterfront in order to enable private pier owners to generate additional revenue to cover the high costs of maintaining pier infrastructure. The Waterfront Alliance in the Spring of 2010 is in the process of presenting its recommendations to the City Planning Board which will require final approval by the City Council.

II. Development Program

A. Amended Development Program

With the incorporation of the Task Force II Report into the Portland Comprehensive Plan, the City Council formally recognized the unique business development needs of the waterfront. Since a funding mechanism was required to implement the recommendations of the Report, the City began crafting what ultimately became the Waterfront Capital Improvement and Economic Redevelopment Zone (“WREZ”) Ordinance (see Attachment #2 as passed June 4, 2001, and Attachment #3 as amended December 1, 2008,) whereby any property within the WREZ geographic area, delineated on the attached map (see Attachment #4), that increased in value by an amount greater than \$400,000 over a two-year period would be subject to inclusion in a TIF application.

By adopting the WREZ Ordinance, the City Council recognized that the non-marine commercial development that has occurred in the Old Port and the surrounding area

has benefited through the years from the authenticity of the working waterfront. Said another way, Portland's downtown became a desirable destination for tourists, retailers, restaurants and high-end office users in part because of the vibrant business of those that depend upon the water for their living. Portland blends a perfect mix of fishing vessels, shipbuilding, chandlery, cargo operations and the like with the lawyers, bankers, dot-com entrepreneurs and tourists. So when a revenue stream was required to maintain and improve the economic vibrancy of the Portland waterfront, the City Council acted in such a way as to nurture this symbiotic relationship by directing the incremental revenues of the new commercial development back to the working waterfront. The result of that action was the adoption of the WREZ Ordinance.

The WREZ Ordinance is intended to be in effect for several years. As such, the designation of the five Original TIF Districts described in the Original Development Program were the first in what the City hopes to be a multiple year program where several additional TIF Districts will be created. The common theme underlying the Original Development Program, this Amended Development Program, and future TIF applications is the implementation of the Task Force II Report findings. As such, the projects described in the Original Development Program and this Amended Development Program are intended to be greater in scope than the five Original TIF Districts could support by themselves. Therefore, the Original Development Program and the three Added TIF District Properties of 2018 (CBLs 019-A-014001, 031-K003001, and 031-K-103001) will serve as the model for future amendments to the Original Development Program, as amended, as properties become eligible through the WREZ Ordinance.

The activities to be funded through the Original Development Program and this Amended Development Program will be specifically determined on an annual basis upon recommendation by the City Manager for action by the City Council. Therefore, the City of Portland seeks authorization to fund all the activities described in this Amended Development Program so that each year the City Council could prioritize which specific activities to fund.

B. The Projects

The projects to be undertaken are derived from the recommendations of the Task Force II Report which are:

1. Encourage private and public waterfront investments;
2. Provide support to maintain a working waterfront;
3. Support clean, working harbor.

Generally, the activities to be undertaken and the approximate cost associated with each activity are described in Table 1 below.

TABLE 1

Note 1: All citations refer to Title 30-A, chapter 206, Section 5225

Project	Statutory Citation	Estimated Cost
In District: Capital Infrastructure Investments, for example:		
Pier and Wharf Structural Repair	(1)(A)	\$3,200,000
Local Match for Ocean Gateway Project	(1)(A)	\$1,000,000
Street Improvements (Remedy Traffic Congestion)	(1)(A)	\$5,000,000
Pedestrian Circulation and Amenity Improvements	(1)(A)	\$750,000
Dredging	(1)(A)	\$10,000,000
Credit Enhancement Agreements		Per Each Individual CEA Project
In and out of District:		
City Economic Development Staff		\$50,000 Annually
Total Estimate of TIF Revenue Expenditure over 30-year term:		\$20,450,000 – excluding CEA Projects

The City recognizes that the full scope of the needs of the Waterfront Economic Redevelopment Program is beyond the funds anticipated to be generated through the five Original TIF Districts described in the Original Development Program and the three Added TIF District Properties of 2018. The Original Development Program and this Amended Development Program will serve as the template for future TIF District applications, however, the City again seeks authorization for the full “menu” of economic development activities described above. This is necessary to maintain flexibility and adaptability as the needs of the waterfront are prioritized throughout the life of this Amended Development Program.

Pier and Wharf Structural Repair

The waterfront infrastructure needs are considerable. The Task Force II Report estimates the need for \$1.4 million in repairs to 14 wharves within three years, with an additional \$1.8 million needed over the next 20 years.

Local Match for Ocean Gateway Project

The voters of the State of Maine approved an allocation of roughly \$15 million for the construction of a marine passenger facility, requiring a local match of nearly \$1 million.

Street Improvements (Remedy Traffic Congestion)

With the development of the Ocean Gateway facility, significant transportation improvements will be required to accommodate the increased traffic on the street network along and around the waterfront, with particular emphasis on Franklin Arterial, Commercial Street and India Street.

Pedestrian Circulation and Amenity Improvements

Invest in pedestrian and multi-modal infrastructure to support the working waterfront and improve public access to the waterfront.

Dredging

This recommendation recognizes the environmental and financial burdens caused by combined sewer overflows and storm water pipes that discharge into the harbor. The cost associated with disposing the contaminated dredge material jumps to \$100 per cubic yard vs. \$12 per cubic yard for uncontaminated dredge disposal costs. Placing an additional financial burden on the marine industry, the significant cost of the disposal of the contaminated dredged material allows only a limited ability to recover those costs through increased berthing fees. Since there are considerable public health benefits associated with eliminating the contaminated dredge material they create, the Report recommends that the City devise a strategy to mitigate the effects of this issue, as well as subsidize a portion of the costs of the dredging and disposal of the contaminated material.

Economic Development Staffing

Fund a portion of the cost of City economic development staff involved in supporting waterfront business development activities and administration of the Original Development Program and this Amended Development Program.

Credit Enhancement Agreements

The City Council may approve credit enhancement agreements within the Waterfront Central Zone (as depicted on [Attachment #5](#)) within the remaining term of the Amended Development Program to support important private sector projects in compliance with adopted City TIF Policy and where the City Council determines that the public benefits associated with individual projects meet or exceed the current or net present value of the project's share of the TIF proceeds for activities consistent with State law. City Council approved City TIF Policy limits the Credit Enhancement Agreements to not exceed maximum average percentage of 65% of the incremental taxes up to a 20-year term.

C. Sub-District Development Program

The twenty (20) year Sub-District Development Program supports the redevelopment of the Cumberland Cold Storage 100,000± square foot building into a Class A office building. A twenty (20) year Credit Enhancement Agreement with the property owner and developer assists with project costs.

D. The Development District Property

The City Council created the WREZ Ordinance (see Attachments #2 and #3) whereby any property within the geographic area, delineated on the attached map (see Attachment #4), that increased in value by an amount greater than \$400,000 over a two-year period would be considered for inclusion in a TIF application subject to the City Council approval.

1. Original Development District Property

Five such properties were given a TIF District designation by the City Council in 2002 as part of the Original Development Program.

MAP	BLOCK	LOT
019	A	008
029	K	001
029	S	001
030	D	001
041	A	005

2. Sub-District Property

Properties 041-A-016 (0.17 acres) and 041-A-17-18 (1.38 acres) are the Sub-District for the purposes of establishing the original assessed value and allocating tax increment pursuant to the Credit Enhancement Agreement with the Developer.

The TIF Districts will apply to only new value generated within the Districts and will not affect the current property tax base.

3. Three Added TIF District Properties of 2018

MAP	BLOCK	LOT
019	A	014001
031	K	003001
031	K	103001

E. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from the five Original TIF Districts, the Sub-District, and the three Added TIF District Properties of 2018 that are created in the WREZ in support of the economic development activities called for in described in this Amended Development Program, and specifically, the activities outlined in Section II-A of this application.

F. Operational Components

1. Public Facilities

See Section IIA of this application.

2. Uses of Private Property

Subject to the approval of the City Council, the City will consider entering into credit enhancement agreements to support private projects located in the Waterfront Central Zone which meet the criteria set forth in this TIF District Program.

3. Plans for relocation of persons displaced by development activities.

No displacement or relocation of persons is associated with this TIF District.

4. Transportation Improvements

See Section IIA of this application.

5. Environmental Controls

The Original Development Program and this Amended Development Program proposes improvements that will comply with all federal, state and local rules and regulations and applicable land use requirements.

6. Plan of Operation

During the life of the five Original Districts, the Sub-District, and the three Added TIF District Properties of 2018, the City of Portland, City Council, or their designee, will be responsible for the administration of the Districts.

III. Original Development Program Physical Description

A. Total acreage of the municipality: 12,386 (taxable acres)

- B. Total acreage of five Original TIF Districts: 3.4 acres
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.03%
- D. Total acreage of all existing and Original TIF Districts in the municipality: 77.6 acres
- E. Percent line D of line A (cannot exceed 5%): 0.63%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____.
 - 3. Acreage suitable for commercial siting = 3.4. Line F3 divided by line B = 100%.
- G. Enclosed municipal maps:
 - 1. Area map showing site location of the five Original TIF Districts in relation to geographic location of municipality (Attachment #6).
 - 2. Site map showing tax map locations and the five Original TIF Districts (Attachments #7A through 7E).

III-A. Sub-District Physical Description

- A. Total acreage of the municipality: 12,386 (taxable acres)
- B. Total acreage proposed for Sub-District: 1.55
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.01%
- D. Total acreage of all existing and proposed TIF Districts in the municipality: 189.92
- E. Percent line D of line A (cannot exceed 5%): 1.53%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.

2. Acreage in need of rehabilitation, redevelopment or conservation N/A
 . Line F2 divided by line B = _____.
3. Acreage suitable for commercial siting = _____. Line F3 divided by line
 B = 100%.

III-B. Added TIF District Properties of 2018 Physical Description

The total acreage of the three Added TIF District Properties of 2018 is 1.675 acres. Exhibit 16 contains financial and statistical information relating to this Amendment required as a prerequisite to designation of the Amended District by the City and approval by MDECD.

Enclosed municipal maps:

1. Area map showing site location of the Sub-District, and the three Added TIF District Properties of 2018, in relation to geographic location of municipality (Attachment #8)
2. Tax maps showing locations of the three Added TIF District Properties of 2018 (Attachment #9).

IV. Original Development Program Financial Plan

A. Costs and Sources of Revenues

The five Original TIF Districts comprise an area of approximately 3.4 acres of taxable real and personal property with an original assessed value of \$6,716,410 as of March 31, 2001. The development within the Original TIF Districts is estimated to add an additional \$26,221,692 of new assessed value to the City over the 30 years.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #11 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Original TIF Districts.

Attachment #11 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5225.

The Waterfront TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the described Original TIF Districts will add approximately \$26.2 million of new taxable value in the City of Portland over 30 years. TIF revenues will be allocated as described on Attachment #11 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-A. Sub-District Financial Plan

A. Cost and Sources of Revenue

The one TIF Sub-District comprises an area of 1.55 acres of taxable real property with an original assessed value of \$950,900 as of March 31, 2010. The development within the sub-district is estimated to add an additional \$12,000,000 of new assessed value to the City.

This Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Sub-District to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to a credit enhancement agreement with the Developer and the balance of retained revenues to the economic development activities described in this Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #12 details the projections and TIF revenue allocation schedule based upon the anticipated assessed value increases within the Sub-District. Attachment #12 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

This Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5225.

The Cumberland Cold Storage TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and a and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under the credit enhancement agreement to be entered into with the Developer.

C. Financing Plan

The developments within the Sub-District will add approximately \$12 million of new taxable value in the City of Portland. TIF revenues will be allocated as described on Attachment #12 to finance the costs of this Amended Development Program and to fund the City’s payment obligations to the Developer pursuant to the credit enhancement agreement to be entered into with the Developer. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-B Added TIF District Properties of 2018 Financial Plan

A. Costs and Sources of Revenues

The three Added TIF District Properties of 2018 comprise an area of approximately 1.675 acres of taxable real property with an original assessed value of \$616,430 as of March 31, 2017. The development within the three Added TIF District Properties of 2018 is estimated to add an additional \$20.7 Million of new assessed value to the City over the remainder of the term through June 30, 2032.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Original TIF Districts to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #12 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the three Added TIF District Properties of 2018. Attachment #12 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5225.

The Waterfront TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the three Added TIF District Properties of 2018 will add approximately \$20.7 Million of new taxable value in the City of Portland over the remainder of the term through June 30, 2032. TIF revenues will be allocated as described on Attachment #12 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

V. Original TIF Districts Financial Data

- A. Total 2001 value of equalized property in the municipality: \$3,873,900,000.

B. Original assessed value of all properties in all existing and proposed Original TIF districts:

Existing	\$20,961,460
Proposed	\$6,716,410
Total	\$27,677,870

Line B divided by line A = 0.71% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the Original Development Program: See Attachment #10
- D. Percentage of increased assessed value to be applied to the Original Development Program fund: See Attachment #10
- E. Estimated annual tax increment: \$400,113 (Average)
- F. Total average annual value of development program fund: \$400,113 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.
- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #13.

V-A. Sub-District Financial Data

- A. Total 2010 value of property in the municipality: \$8,196,900,000.
- B. Original assessed value of all properties in all existing TIF Districts and proposed sub-district:

Existing	\$305,455,220
Proposed	\$950,900
Total	\$306,406,120

Line B divided by line A = 3.73% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the development program: See Attachment #11
- D. Percentage of increased assessed value to be applied to the development program fund: See Attachment #11
- E. Estimated annual tax increment: \$143,503 (Average)
- F. Total average annual value of development program fund: \$143,503 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: The City of Portland seeks to implement its own Waterfront Economic Redevelopment Program and to fund its payment obligations to the Developer under the credit enhancement agreement with the Developer and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.
- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #14.

V-B. Added TIF District Properties of 2018 Districts Financial Data

- A. Total 2018 value of taxable property in the municipality: \$9,049,500,000.
- B. Original assessed value of all properties in all existing and proposed Amended TIF districts:

Existing	\$1,106,422,670
Proposed	<u>\$1,817,930</u>
Sub-Total	\$1,108,260,600
Less Exempt	<u>-\$973,107,320</u>
Total	\$135,153,280

Line B divided by line A = 1.493% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the three Added TIF District Properties of 2018: See Attachment #12
- D. Percentage of increased assessed value to be applied to the three Added TIF District Properties of 2018 Development Program fund: See Attachment #12
- E. Estimated annual tax increment: \$495,181 (Average)

F. Total average annual value of development program fund: \$495,181
(Average)

G. Annual principal and interest payment of bonded indebtedness: N/A

H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

II. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #15.

VI. Original Development Program Tax Shifts (See Attachment #13)

A. *Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$137,700

Municipal Revenue Sharing Tax Shift: \$17,004

County Tax Shift: \$7,855

Total Average Annual Savings: \$162,560

VI-A Sub-District Tax Shifts (See Attachment #14)

General Purpose Aid to Education Tax Shift: \$49,822

Municipal Revenue Sharing Tax Shift: \$6,183

County Tax Shift: \$2,856

Total Average Annual Savings: \$58,860

VI-B. Added TIF District Properties of 2018 Tax Shifts (See Attachment #15)

A. *Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$122,721

Municipal Revenue Sharing Tax Shift: \$11,881

County Tax Shift: \$10,620

Total Average Annual Savings: \$145,223

VII. Amended Development Program Municipal Approvals

A. Public Hearing Notice

The City of Portland did give proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5226. The notice was published on _____ in a newspaper of general circulation (see Attachment #15).

B. Public Hearing

A Public Hearing at which the proposed Amended Development Program for adoption was held on _____, 2018 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment #16-A.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program is included as Attachment #17-A.

Investing in Our Working Waterfront

Final Report of the Mayor's Waterfront Task Force on Economic Development

October, 2000: Final Report

Task Force Members:

Councilor Karen Geraghty, Chair
Portland Harbor Commissioner Erno Bonebakker
Councilor James Cloutier
P.D. Merrill
Paul Peck
Charlie Poole
Anne Pringle
Senator Anne M. Rand
Representative G. Steven Rowe
Representative Michael Saxl
Elizabeth Sheehan

*Prepared by the Greater Portland Council of Governments
Staffed by GPCOG and the City of Portland*

Investing in Our Working Waterfront

Final Report of the Mayor's Waterfront Task Force on Economic Development

Produced by

Greater Portland Council of Governments

**Karen Martin, Economic Development Director
Annie Wadleigh, Support Services
David Willauer, Transportation Director**

public policy, as noted above. This report is the result of a charge issued by then-Mayor Tom Kane to "focus on economic support for the waterfront...and to make the working waterfront work." It is the second of a three-phase process for defining the City's vision for its waterfront.

The Task Force presents its work to the City Council and to the public in the hope that the recommendations outlined herein will strengthen and further extend Portland's proud heritage as a waterfront city.

Background

The Waterfront I report specified certain guiding principles for the redevelopment of the eastern waterfront area, including, in particular, the current site of the Bath Iron Works Ship Repair Facility, the Maine State Pier.

Since the submission of that report, BIW has indicated its consent to the basic provisions that the Maine State Pier would revert to public ownership. Approximately half of the funding for the redevelopment plan adopted by the Waterfront I Task Force was approved by the Legislature and voters during 1999. It is anticipated that additional funds will be sought through federal and State sources in the coming year.

The Waterfront I Task Force expressly reserved for future consideration three important general areas:

- 1.) **The Development Plan.** This plan will address the development of site plans, building purposes and specifications for the BIW site as a Transportation Center and Gateway. The plan will also address the uses of adjoining public lands and rights-of-way as well as the development of nearby private properties. Waterfront I referred to the plan to be created by an appropriate public process as the **Development Plan** of the waterfront. The process to create this plan will be take place in **Waterfront III**.
- 2.) **The Economic Plan.** An additional need acknowledged in the **Waterfront I** report was to develop practical short-term and intermediate-term means to assist in the promotion of the economic health of the private sector as it operated primarily in the inner harbor. An additional responsibility was to understand and find ways to implement practical means to assist our fishing industry. The charge for this committee – the **Waterfront II Task Force** -- was, in the words of Mayors Kane and Mavodones, "action, action, action."

- 3.) **The Master Plan.** A **Master Plan** for the entire Portland Waterfront, focused primarily on the Harbor, but including the distance from Stroudwater to the Presumpscot River, as well as the Island shores, would project long-term changes, inventory assets and under-utilized facilities and capabilities along the Waterfront. It would identify needs and opportunities for future uses and development, and outline funding and economic strategies for maintaining our maritime and marine industrial economy, while introducing opportunities for recreation, public access and appropriate other complementary uses.

Master planning for this purpose will be a central mission of **Waterfront III** and is contemplated in the current City budget. The uses and purposes set out in the **Development Plan** will necessarily depend on adjoining and nearby compatible uses and facilities.

The Mayor's Waterfront Task Force (Waterfront II) was appointed in the Summer of 1999 as a follow-on to the work of the original Waterfront Task Force (Waterfront I), which submitted its report to the Council and community in January, 1999.

Research and Findings of Waterfront II

As a group charged with narrow and specific tasks associated with focused economic planning, the Task Force has consciously sought to fully involve identified segments of the harbor economic community, focusing most directly on business owners, pier owners/operators and fishing vessel owners/operators. Involvement in the process included deliberation and discussion with affected persons and structured information gathered within the affected community. This report documents the public process, the research finding, guiding principles and goals for the waterfront and, finally, recommendations.

Information Sources: The Task Force is broadly based within the harbor community, and through its membership has created direct links to organizations that have grappled with many of the salient issues for years. The participation of waterfront officials and the ready availability of information supplemented knowledge gleaned from economic development authorities – both public and private. The Task Force used business surveys, interviews and forums to obtain direct information from the participants in the current economy. Three surveys were administered as part of the Waterfront II process. One survey focused on the waterfront property owners. A second survey included all businesses located on the water-side of the waterfront. A third survey was directed at fishing vessel owners and operators. In particular, the Task Force sought to understand operating issues, difficulties in capital flows, and other business needs. Some of these clearly implicated public policy in some way, or suggested structural economic barriers that could benefit from a public policy solution.

The research also revealed that information is an occasionally scarce resource in the waterfront economic community. Most glaring was the lack of information implicit in an often stated need or desire for precisely the same economic or technical assistance that is now routinely available through the Resource Hub, the Department of Economic Development and the Downtown Portland Corporation.

Other research completed as part of this report included a rough physical assessment of wharves and piers developed from a water-side inspection of the entire inner harbor. The assessment, conducted by a marine engineer, resulted in an inventory of the apparent conditions of all the piers. In the preliminary engineering assessment performed by TEC Associates, 14 wharves were examined for short-term and long-term maintenance and repairs. In the short term, four of the 14 wharves were in good condition and would probably require no repairs over the next three years. Six of the wharves required repairs and maintenance that was estimated to cost between \$15,000 and \$100,000. The remaining four wharves required short-term investments in repair and maintenance estimated at more than \$100,000. Two of these wharves needed maintenance and repairs estimated at nearly \$500,000 over the next three years. The assessment indicated a total need of approximately \$1.4 million in repairs over the next three years.

The Task Force also included a review of the many waterfront-related studies and task force reports over the past 20 years, made good use of technical and financial expertise of City officials in the Assessment and Finance Offices, and had the benefit of the expertise of City, regional (Greater Portland Council of Governments), and nonprofit economic development professionals. In the Appendices of the full report, we included a copy of the overview of previous studies, summaries of public meetings, our survey response compilations and copies of our meeting minutes.

Economic Findings: In summary, the Task Force concluded that the private piers suffer from a limited return on capital in relation to the most critical resource and marine heritage related uses -- the water-dependent, or so-called "working waterfront" uses. The piers are in various states of repair or disrepair, and suffer to a greater or lesser degree from obsolescence and disinvestment. Infrastructure for the piers, such as modern sewerage, electrical service or structural support, is expensive, requires permitting or environmental reviews, and, as with the piers and buildings themselves, is subject to rapid degradation from natural elements.

In a preliminary engineering assessment performed by TEC Associates, 14 wharves were examined for short-term and long-term maintenance and repairs. In the short term, four of the 14 wharves were in good condition and would probably require no repairs over the next three years. Six of the wharves required repairs and maintenance that was estimated to cost between \$15,000 and \$100,000. The remaining four wharves required short-term investments in repair and maintenance estimated at more than \$100,000. Two of these wharves needed maintenance and repairs estimated at nearly \$500,000 over the next three years. The assessment indicated a total need of approximately \$1.4 million in repairs over the next three years.

Over the next 10 years, an additional estimated \$1.8 million in investment is needed in repairs and maintenance for the 14 wharves included in the inventory. It should be noted that these estimates are for repairs and maintenance. The estimates do not include costs for any improvements or additions to the wharves. They do not take into consideration needed machinery or other types of marine-related infrastructure that may be needed to support marine-related industries.

Private Piers Dredging: Alongside the piers, the complexities of dredging, and most particularly, the expense and difficulty of obtaining permits and approval for means of dredged material disposal, has resulted in an ongoing decrease in water depths. Dredging has been a long-term problem. Hopes that the pier dredging could be addressed when the Federal Channel was dredged were dashed upon the shoals of the environmental permitting process. The private pier owners identified the soil contamination caused by combined sewer overflows (CSO's) and stormwater runoff as a major cost in environmental permitting for dredging. This contamination is beyond the control of the property owner and, therefore, the public shares some responsibility for the permitting and dredge disposal designation problems. The City's Waterfront Department is exploring State and federal participation in addressing this problem. Contamination caused by CSO's and stormwater runoff is a significant future economic roadblock, and one appropriate for public participation in a solution.

Parking Issues: Traffic and parking has been repeatedly and currently identified as a burden on conducting business on the piers, and it is certainly one likely to increase in scope and severity as the eastern waterfront is redeveloped and the current islander parking area is converted to other uses. The need to accommodate on-site parking, even at the reduced levels specified for the waterfront in our zoning ordinances, contributes to the low equity return on piers by consuming, perhaps unnecessarily, large and valuable areas at the water's edge.

The Fishing Industry: The most dire predictions about the fishing industry have not come true. Nevertheless, the fleet of the Port of Portland may never recover to the degree that it will operate again in the range of its historic highs. The industry faces competition from other ports in attracting the fewest participants in the fishing industry. Research revealed a willingness by private lenders to participate in the capitalization of this industry, and there is clearly a public role in assuring a steady and economical flow of capital on a consistent and long-term basis. An important strategy for the long-term health of the port is investing in infrastructure that supports waterfront businesses. Examples of infrastructure investment could include the development of fish freezing capability on the Portland waterfront, the exploration of aquaculture enterprise, the addition of more berthing space and the rehabilitation of area clam beds.

Fiscal Analysis: The intention of the Task Force has been to develop a long-term means of addressing persistent infrastructure and business development problems. Avoiding duplication of already existing programs or administrative capabilities and minimizing, if not eliminating, impact on the City budget are additional important considerations.

The proposals have a low impact on the City budget and depend on revenues from anticipated growth as the primary means for financing the public share of lending and capital projects. As capital projects come on-line with associated revenues, and as loan funds are repaid and re-loaned, we hope that the economic impacts will combine with fund repayment cash flows and operational revenues (such as from the fish freezer or parking garages) to create a positive impact on the city budget.

Recommendations: The Task Force recommends the following actions to address the economic development needs of the Portland waterfront:

- ◆ Encourage private and public sector waterfront investments through lending programs and a capital improvements program.
- ◆ Create a waterfront-centered economic development outreach program to ensure that waterfront businesses have access to needed programs and services.
- ◆ Support the current use taxation referendum to provide property tax relief to waterfront property owners.
- ◆ Support clean, working harbors through addressing the negative effects of combined sewer overflows (CSO's) and stormwater runoff on the waterfront economy. In particular, explore ways to share the expense of dredging caused by contaminants resulting from CSO's and stormwater runoff.

I. Task Force Origin and Statement of Purpose

Task Force Origin

The Mayor's Waterfront Task Force was convened by Mayor Thomas Kane in June, 1998. Three phases were identified:

Phase I The Task Force would engage in fact-finding and solicit public comment on recommendations for use of the property currently leased by BIW, and city-owned property immediately adjacent to the BIW-leased property, on the eastern end of the Portland waterfront (essentially waterfront and upland area east of Franklin Street).

Phase II The Task Force would analyze additional data and make recommendations based on the economic development needs of the working waterfront.

Phase III The Task Force will undertake the production of a Master Plan for the entire waterfront.

Phase I work began in June, 1998 and ended in February, 1999 with the distribution of the Phase I report. The Phase II project began in May 1999 and will be completed in September of 2000 after a series of public meetings to review the recommendations contained in this report.

The focus of Phase II was to determine how to identify resources to ensure future economic development for the Port of Portland. The Phase II Task Force developed the following Statement of Purpose toward this end:

Statement of Purpose

Private property owners and businesses on the Portland Waterfront face economic challenges because of the need to make large capital investment in infrastructure. The Waterfront Task Force will review infrastructure along the waterfront to identify infrastructure challenges that may adversely affect the economy of the waterfront and to identify possible solutions that address those challenges.



II. Methodology

Overview

The purpose of Phase II of the Waterfront Task Force was to review infrastructure along the waterfront in order to identify infrastructure challenges that may adversely affect the economy of the waterfront. In order to assess infrastructure challenges, the Task Force employed several methods of collecting information.



The first and most important part of the information collection process was the development of an open and ongoing discussion with business owners, property owners and interested parties on the Portland waterfront. This chapter documents the methods used to solicit input from the various waterfront stakeholders on the needs and the potential of Portland's working waterfront.

The Task Force also developed technical approaches to assessing the needs and condition of the waterfront. These technical assessments included:

- a) an engineer's preliminary inventory and structural assessment of private piers and wharves;
- b) the development of three surveys to solicit information from property owners, businesses and owners of fishing vessels using the Portland Harbor; and
- c) an assessment of the City of Portland's financial loan programs available to businesses.

In addition to the new information developed by The Task Force, members reviewed existing assessments of waterfront infrastructure needs. A list of all previous waterfront plans and initiatives was developed and is included in Appendix F.

Public Participation

Citizens, businesses, property owners and other interested parties were invited into the Task Force process in a variety of ways. First, the Task Force meetings were open to the public and participation in the meetings was encouraged. Meetings were generally held on the third Wednesday of the month at 4:00 p.m. in Room 209 at Portland City Hall. Meeting notices and materials were distributed to any interested party. Attendance at the meetings generally included five to 10 non-committee members. Attendance at each meeting is documented in Appendix A of this report.

The Task Force also held a special luncheon meeting for pier and wharf owners. This meeting took place at DiMillo's Restaurant on January 13, 2000. Seventeen property owners attended the meeting. A full meeting summary is included in Appendix B.

The Task Force also devoted time at meetings to learn about the special demands and expenses of marine-related infrastructure. Marine construction must accommodate tremendous and dynamic energy loads in a highly corrosive and fragile environment. To better understand marine construction, the Task Force agenda included a presentation by

the Maguire Group Inc. This team of architects, engineers and planners explained to the Task Force and the public just how costly marine construction can be.

The Task Force made time on its agenda for emerging Maine State Legislative initiatives that could affect working waterfronts. By providing time at the meetings, the Task Force assisted in distributing important and late-breaking information to waterfront stakeholders.

Lastly, the public and waterfront constituents needed the opportunity to learn and discuss Task Force findings and recommendations. Four public meetings were held to present the report developed by this Task Force, including three boat tours. During the boat tours, the citizens were able to view the infrastructure of the waterfront for themselves. Summaries of these meetings are contained in Appendix H.

As we enter the action phase, we also suggest a full opportunity for public discussion on a large scale. Hopefully, public forums can be organized throughout the city where the history and philosophy of zoning, what we know of current issues, opportunities and needs and recommended actions and courses of action can be reviewed.

Technical Studies

Three inventories/assessments were developed specifically for the Task Force's use. First, a preliminary inventory and survey of private wharves and piers in the Portland Harbor was conducted by Wayne W. Duffett, P.E. of TEC Associates, in December of 1999. The work was developed by a visual inspection from a small boat. While the observations and estimates made in the report are cursory in nature and are not intended to guarantee the condition, safety, or capacity of the structures, they did give the Task Force some basic idea of the magnitude of the investment needed in private piers and wharves on the Portland waterfront.

Second, a series of survey instruments were developed to ascertain the needs of the various stakeholders for infrastructure improvements. The first target of the surveys were the property owners. This survey was mailed to every owner of waterfront property who was engaged in marine-related activities. This survey concentrated on the specifics of the improvements needed on the owners' properties.

The second survey was targeted to business owners along the waterfront – regardless of whether they were property owners. The survey identified 232 businesses that were physically located on the waterfront, most of them on the water-side. This inventory is included in Appendix E. The business list was developed by walking along each of the working piers and wharves and documenting businesses. The survey was mailed out to all of the 232 businesses, without regard to their *need* to be located on the waterfront. The survey requested, however, that each respondent indicate the percentage of their business that was *related to* waterfront activity. Of the 232 surveys mailed out, 30% were returned. Of the surveys that were returned, 80% of the respondents indicated that their business was dependent on waterfront activities. When examining the surveys by the products of each business, we found that 22% of the surveys were water-dependent,

43% of the survey respondents were marine-related, 12% identified their business as minimally related to marine activities, and an additional 22% were located on the waterfront but had no relationship to marine activities.

The third survey was targeted toward fishing vessels using the Portland Harbor. Just over 40 surveys were mailed out. Eighteen surveys were returned, representing 30 boats and approximately 125 employees. All of the respondents stated that their product line included groundfish. The majority of the boats were equipped for multi-species harvesting.

All three survey instruments and the results are included in Appendix D.

The last element to the information puzzle for the Task Force was an inventory of City of Portland loan programs and financial services that are available to Portland businesses. This inventory is available in Appendix C.

Waterfront Task Force Meeting Highlights

September 7, 1999

- The particular focus of the current Waterfront Task Force was determined to be how to generate funds for private pier owners and how to garner appropriate resources to ensure future economic development.
- The City of Portland Department of Transportation's "Strategic Action Plan" includes reinvestment in privately owned piers in its guiding principles.
- Doing comparison studies with other ports similar to Portland will generate ideas on an economic plan.
- The Task Force decided to review the City's Comprehensive Plan, clarify the zoning policy, create a current inventory of waterfront business and conduct a survey of needs, develop an action plan and make recommendations to the City Council.

October 20, 1999

- Joe Gray, from the Portland Planning Department, presented an overview of waterfront zoning ordinances and the three major waterfront zones: The Port Development Zone, the Special Use Zone and the Waterfront Central Zone.
- The Task Force reviewed the proposed Statement of Purpose and Three-Step Process to develop a scan of waterfront businesses, conduct a survey of infrastructure problems and review economic development models.
- Three Subcommittees were formed to assist in this process: The Business Survey Subcommittee, the Infrastructure/Property Owner Survey Subcommittee and the Economic Development Subcommittee.

November 17, 1999

- Lee Urban gave a presentation on the Downtown Portland Corporation Model, including five loan programs that may be relevant to waterfront needs.

- The Business and Infrastructure Survey Subcommittees reviewed survey tools and timelines. The Economic Development Subcommittee reviewed various funding ideas.

December, 1999

- Victor Calabretta, from the Maguire Group, gave a presentation on the various types, impacts, costs and special considerations related to marine construction.
- Wayne Duffet, from TEC Associates, reviewed a quick Physical Survey and Report of Waterfront Infrastructure he conducted by boat for PDOT. The report did not address dredging or building infrastructure. Many piers are better-off than their appearance would suggest.
- The Task Force planned a Property Owners Luncheon at which waterfront property owners would be invited to gather and discuss their infrastructure needs.

January, 2000

- The Task Force reviewed the Property Owners Luncheon at which various issues, including dredging, property taxes, parking and economic development were discussed. Questionnaires were also filled out at the meeting.
- The importance of the dredging issue was discussed and various recommendations and options were explored.
- Elizabeth Sheehan distributed a one-page sheet profiling existing economic development finance programs in the area.
- The Task Force reviewed draft copies of the Business Survey and the Waterfront Business Inventory list.

February, 2000

- The Task Force decided to offer conceptual support to the City's Legislative Committee to the effect that L.D. 2422, the Commercial Fishing Initiative is acceptable and should be advanced.
- Karen Martin gave an update on the surveys. Almost half of the Property Owner Questionnaires were returned. Main themes included loan fund needs, the importance of retaining marine-related uses on the waterfront, lack of economic returns on investment, infrastructure concerns and the need for increased flexibility for property owners due to changing waterfront interests.
- The Task Force requested that a Fishing Vessel Survey tool be developed and sent out in order to get feedback from boat owners.

March 15, 2000

- It was reported that L.D. 2422, the Commercial Fishing Initiative, was passed by the Maine Legislature and would go to public referendum in November, 2000.
- Outreach suggestions for the Resource Hub included giving talks to various waterfront organizations
- Discussion took place regarding the "Business Survey Result Summary" and the following conclusions were drawn: space constraints on the waterfront are a major issue; banks and other lenders are often uneducated about marine-related businesses;

there is a lack of available financing for large loans; industry perspectives often vary from public perceptions.

- A review of the “Port of Port Chronology” demonstrated ongoing attention given to waterfront issues, particularly waterfront zoning and investment in infrastructure.
- It was noted that dredging is largely beyond the scope of the Task Force.
- Jeff Monroe presented draft copies of a “Master Dredging Plan/EIR/Local Share” legislative initiative.

April 26, 2000

- Elizabeth Sheehan distributed copies of the Economic Development Subcommittee Report and reviewed the four main sections: Guiding Principles, Goals, Suggested Actions and Waterfront Fund Recommendations. The first priority should be in infrastructure investment with funding at below the market interest rates. The Subcommittee agreed to revise the report according to comments from the Task Force.
- The Task Force discussed various funding strategies.
- Karen Martin distributed copies of the Fishing Vessel Survey Summary.

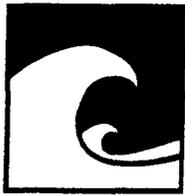
May 24, 2000

- The Draft Final Report, prepared by GPCOG was reviewed by the Task Force.

September 20, 2000

- The Task Force held one final meeting to review the public outreach component and finalize details of the Final Report.

III. Guiding Principles and Goals



Before developing various strategies and recommendations, the Task Force proposed and agreed upon some basic guiding principles and goals regarding the waterfront.

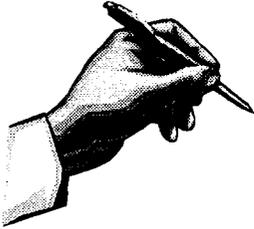
Guiding Principles

- ◆ The Portland waterfront is a limited natural resource and the City has established and should continue a policy of preserving access for both traditional and emerging water-dependent uses.
- ◆ While the Portland waterfront serves a number of functions (job center, industry center, property tax base, transportation center, retail center, gateway, home, marine ecosystem, etc.), its primary role, recognizing its unique geography, is as an economic center for water-dependent businesses which cannot exist elsewhere.
- ◆ Stable pier infrastructure is an essential element for successful water-dependent businesses.
- ◆ Easy access to land-based transportation is essential for successful water-dependent businesses.
- ◆ The array of marine-related industries on the waterfront represents a critical mass of interdependent uses and services that, in total, provide a necessary base for continued viability of water-dependent uses.
- ◆ Mixed uses, including existing tenants and, potentially, new development, present important opportunities to generate revenue streams that support infrastructure dedicated to water-dependent uses.

Goals

- ◆ To continue the policy priority of supporting water-dependent and marine-related businesses.
- ◆ Assist in maintaining the physical infrastructure of the waterfront.
- ◆ Utilize existing program and funding resources to cover gaps not being met by private financing sources.
- ◆ Address overarching needs that affect both waterfront businesses and other businesses in the Old Port area, especially regarding traffic congestion and parking.

IV. Research and Findings



This chapter presents highlights of the findings of the Task Force, based on its technical studies and public participation process. The important elements from the various assessment tools include the following:

- ◆ Assessment of the current conditions of the Waterfront infrastructure.
- ◆ Identification of the types of infrastructure needed or desired by owners and users of the waterfront.
- ◆ Identifications of barriers to investing in the waterfront.
- ◆ Identification of potential tools for improving the waterfront for business.

Current Conditions of the Infrastructure

In the preliminary engineering assessment performed by TEC Associates, 14 wharves were examined for short-term and long-term maintenance and repairs. In the short term, four of the 14 wharves were in good condition and would probably require no repairs over the next three years. Six of the wharves required repairs and maintenance that was estimated to cost between \$15,000 and \$100,000. The remaining four wharves required short-term investments in repair and maintenance estimated at more than \$100,000. Two of these wharves needed maintenance and repairs estimated at nearly \$500,000 over the next three years. The assessment indicated a total need of approximately \$1.4 million in repairs over the next three years.

Over the next 10 years, an additional estimated \$1.8 million in investment is needed in repairs and maintenance for the 14 wharves included in the inventory. It should be noted that these estimates are for repairs and maintenance. The estimates do not include costs for any improvements or additions to the wharves. They do not take into consideration needed machinery or other types of marine-related infrastructure that may be needed to support marine-related industries.

According to the property owners' survey, five of the nine respondents indicated that they had infrastructure financing needs of between \$100,000 and \$500,000. If the financing needs of all the property owners are totaled, the total sum of the investment needed amounts to approximately \$1.6 million. This figure is remarkably similar to the \$1.4 million identified as the actual costs of repairs needed in the short-term structural assessment.

Types of Infrastructure Investments

Fish harvesters, businesses and property owners were all asked about the type of infrastructure investments needed on the Portland waterfront. In addition, the TEC Associates' inventory suggested needed repairs, by wharf.

Based on surveys from 18 fish harvesters, several different types of infrastructure needs were identified. Some harvesters pointed out that some of the private wharves needed dredging and repairs. Fish harvesters also listed the need for more reasonably priced dock space; a building to work on fishing gear; more parking; and better traffic movement on Commercial Street. The need for more dockage was the most frequently cited response.

Based on the survey of property owners, their number one infrastructure need is for dredging. Six of the nine respondents stated that they needed to dredge. Four of these property owners indicated that the cost of dredging would average approximately \$100,000. Two of the six owners did not provide cost estimates. Other common infrastructure needs were for basic wharf maintenance such as pilings, bulkheads, and decking. Two of the owners listed road work as a need. One of the owners cited the need for parking infrastructure.

Based on the survey of businesses on the waterfront, infrastructure needs include: parking; transportation improvements on Commercial Street; the addition of the I-295 Connector; more restrooms; building renovations; more affordable, light-industrial space; dredging; more Internet connections; and more general development. The most frequently cited response focused on parking.

Barriers to Investment

Property owners identified a few key barriers to reinvesting in the waterfront infrastructure. At the property owners meeting, the expense of dredging was expressed by wharf owners as a key barrier. The owners indicated that contaminated storm water runoff from city streets and sewers was one of the major contributors to the cost of dredging and, therefore felt the City should participate in those costs.

The tax structure was another barrier listed by the property owners. Basic repairs are made; however, real growth in infrastructure capacity does not happen because of the fear of increased taxes. Some property owners are concerned about their ability to construct and fill new buildings, given the first-floor use restrictions. With the first floor restricted to marine uses, owners worry that marine uses really can't pay market rates and survive. The owners need market rates to pay for the new investments. Some owners were also concerned about the ability to fill first floors with marine businesses. The owners wondered if enough new marine businesses are being generated to keep up with the available space. Problems with building vacancy rates were indicated by two of the nine wharf owners who participated in the survey. An additional four owners indicated that the marine infrastructure is underutilized, due to the need for basic repairs and maintenance.

Through the business owner survey, we learned that over half of the respondents felt that their space would be inadequate for their needs over the next three years. If property owners are reluctant to make investments, there is the possibility that those businesses that don't have to be on the waterfront may abandon their current facilities in search of additional space. Without new investment in the waterfront infrastructure, some

waterfront businesses may move away to suit their growth needs, even though these strong, growing companies are the ones that are needed to subsidize the investment in waterside infrastructure.

Some owners also indicated that the City lacks a clear vision of the future of the waterfront. Without a future spelled out, owners may be reluctant to make significant investments.

When we add in the fishing vessel surveys, we add another layer of complexity to the barriers to waterfront investment. Fishing is an industry that, on the surface, looks bleak, yet recent landings at the Portland Fish Exchange are up significantly. The respondents in the fishing vessel survey indicated that despite the hardships, they are continuing to invest in the industry.

Given the ever-changing combination of restrictions to days at sea, types of gear, and areas to fish, harvesters have an extremely difficult time in developing business plans. Yet the very nature of the industry demands constant investment in gear, rigging and other marine-related investments. Four of the six respondents who indicated that they needed financing for their fishing businesses stated that they have had problems with banks that don't understand the nature of their industry.

The fishing fleet also needs reasonably priced waterside infrastructure on the piers and wharves. They need berthing space, office space and gear storage space. All of which they need at the low end of the market rate.

Lastly, existing public sector financing programs present barriers to waterfront investments. Most of the public-sector lending programs are for loans of under \$100,000. The surveys illustrate that waterfront infrastructure is extremely costly and exceeds the parameters of many existing lending programs.

Potential Tools to Encourage Investment

A basic characterization of the barriers to waterfront infrastructure investment is that there is a gap between the costs of improvements and the return on the investments from these improvements. There are only a few ways to bring investments and return on investments in line: reduce the tax burden, reduce the cost of financing, or increase the potential for return on investment.

The survey instruments provided feedback regarding the need for various types of financing and business services. The following exhibits show several characteristics of the waterfront businesses, including: future plans, types of financing needs, problems with financing, and amount of financing needed. The table breaks out the business responses by water-dependent, marine-related, no relationship, and those that have a slight relationship to the waterfront.

Exhibit 1 shows results from the survey of all waterfront businesses. The exhibit indicates that nearly half of all businesses on the waterfront are planning to add new employees and invest in new equipment. These trends are true for water-dependent businesses as well as non-water-dependent uses. Another large percentage of businesses are looking to either renovate or expand their space.

Exhibit 1: Business Plans and Financial Needs

Plans	Water Dependent	Marine Related	No Relationship	< 10 % Marine Related	Total Responses	% of All Respondents Saying Yes
Renovate Space	5	6	1	1	13	21%
Expand Space	2	9	4	2	17	27%
Expand Market Area	4	10	2	4	20	32%
Move Off Waterfront	1	1	1	0	3	5%
Reduce Employees	0	1	0	0	1	2%
Change Product Mix	1	5	3	1	10	16%
Invest in Equipment	6	10	5	6	27	43%
Relocate on Waterfront	1	3	1	0	5	8%
Add Employees	6	13	7	5	31	49%
No Changes	3	6	5	2	16	25%
Total Respondents	13	29	13	8	63	

Exhibit 2 shows the financing needs of businesses along the waterfront and of the fishing vessels. More than half of the 67 business respondents stated that they would be interested in a public sector loan program. For water-dependent businesses, 67% indicated that they would be interested in financing programs. Of the 67 businesses, 27% indicated that they needed the financing programs for working capital. Of those businesses that stated that they needed financing, 18 of the 35 businesses wanted financing for working capital. A significant portion of the businesses also said that they needed financing for machinery and equipment.

Exhibit 2: Financing Needs of Waterfront Businesses

Financing Needs of Waterfront Businesses	Water Dependent	Marine Related	No Relationship	< 10% Marine Related	Total Responses	% of All Responses
Pier/Wharf Improvements	0	0	0	0	0	6%
Building	2	2	0	1	5	7%
Technical Assistance	1	1	0	0	2	3%
Machinery and Equipment	4	3	0	2	9	13%
Legal & Accounting	1	0	0	0	1	2%
Working Capital	2	7	5	4	18	27%
Total Responding that they had needs	10	13	5	7	35	52%
Total Respondents	15	29	15	8	67	100%

When fishing vessel owners were surveyed, 61% of the respondents indicated that they had financing needs. Unlike the respondents in the land side businesses, fishing vessel owners wanted financing for pier and wharf improvements. After pier and wharf improvements, owners needed financing for machinery and equipment and working capital. Exhibit 3 displays the financing needs of fishing vessels responding to the survey.

Exhibit 3: Financing Needs of Fishing Vessels

Financing Needs	Fishing Vessels
Pier/Wharf Improvements	5
Building	1
Technical Assistance	1
Machinery and Equipment	4
Legal & Accounting	1
Working Capital	4
Total Responding that they had needs	11
Total Respondents	18

Exhibit 4 shows the amount of financing needed for business owners, property owners and fishing vessels. The land-side business owners had financing needs at a variety of levels. Ten of the businesses needed financing in excess of \$100,000. Eleven of the businesses needed financing of \$50,000 or less. Fishing vessel owners and property owners generally needed larger amounts of financing. Five of the six property owners needed financing in excess of \$100,000. The larger amounts of financing needed by the fishing vessels and the property owners is consistent with their desires to invest in pier and wharf improvements.

**Exhibit 4: Amount of Financing Needed Compared: Land Side
Businesses, Fishing Vessels and Property Owners**

Amount of Financing Needed	Business Owners	Fishing Vessels	Property Owners	Total Yes's
Less than \$25,000	6	3		9
\$25,000 to \$50,000	5	2		7
\$50,000 to \$100,000	6	3	1	10
\$100,000 to \$500,000	7	4	4	15
More than \$500,000	3	1	1	5
Total Specifying Amount of Financing Needed	27	13	6	46
Total Respondents	67	18	9	94

V. Task Force Recommendations



Based on the findings identified above, the Task Force recommends the following four actions.

- ◆ Encourage private and public sector waterfront investments through lending programs and a capital improvements program.
- ◆ Create a waterfront-centered economic development outreach program to ensure that waterfront businesses have access to needed programs and services.
- ◆ Support the current use taxation referendum to provide property tax relief to waterfront property owners.
- ◆ Support clean, working harbors through addressing the negative effects of combined sewer overflows and stormwater runoff on the waterfront economy.

Recommendation One:

Encourage Private and Public Waterfront Investments

The Task Force recommends a public/ private partnership be developed for the dual purposes of providing a low-cost fixed rate loan fund and implementing a waterfront-related public improvement program to construct infrastructure for the fishing/marine resources industry and to finance parking facilities or congestion mitigation. The loan program will be a source of financing for improving privately owned waterfront piers, infrastructure and "gap" business financing,

The lending program and the infrastructure improvement program should be financed through the City's Capital Improvement Program (CIP). The CIP serves as the City's budget for capital expenditures and, if necessary, their supporting bonds. The CIP is also a multi-year strategy that provides a longer-term picture of the infrastructure needs of the City. Any bonds authorized through the CIP in support of waterfront improvements could be paid back through Tax Increment Financing Districts A TIF could be authorized for a large geographic section of the waterfront to capture all improvements. A TIF could also be authorized for a specific business along the waterfront to spur private investment.

The effectiveness of these programs should be evaluated on a periodic basis to evaluate the degree to which they contribute to the long-term economic goals of the community on the waterfront. In particular, the economic health of "working waterfront" businesses and activities, the circumstances of the fisheries industry and the Fish Pier operations, and the physical condition of piers and the depths of water along the sides of piers have been documented in this report or in other recent research, and all should be re-evaluated periodically. The scale of investment contemplated in this report clearly indicates a path for measurable, positive change.

A. The Lending Program

We recommend that the City Council and city administration develop a lending program in conjunction with the identified partners and such others as may be identified from time to time.

- 1) Advisory Committee: We urge the city to use existing administrative capabilities and procedures for implementation of this program. In conjunction with that, however, we believe that our findings about the waterfront economic community and its unique needs means that an Advisory Committee specific to the waterfront program is needed.

The purpose of this committee will be to advise the lending partners and City concerning the purposes and uses of the loan fund, and to advise the City administration and Council concerning infrastructure investments to be financed in whole or in part by the Waterfront Investment Fund. Members should be appointed through the normal appointment process, and should include lending partners, waterfront experts or representatives, public representatives and technical advisors, (such as waterfront office staff and affected industry representatives of marine resources from areas such as harvesting, production or processing).

This group would be charged with assessing the performance of the fund, and would guide fund policy and make appropriate recommendations to participants for changes. It would not make loan decisions.

The committee should take an active, annual role in developing a capital improvement program for the waterfront, including maintaining a persistent focus on assisting the marine-related, water-dependent uses which are the core activities of the "working waterfront."

- 2) Loan Funding Goals and Criteria: The participants should implement the principles and goals as articulated in this report and as refined and elaborated by the Advisory Committee from time to time. Procedures for funding, hypothecation or securitization, underwriting and repayment will be adjusted from time to time within the program to match the needs of the borrowers and the capabilities of the lending partners.

One principal objective of the loan fund process should be to incorporate the participation of lending partners to assist in market penetration, diversify funding sources and risks and access underwriting and technical expertise on a consistent basis as it evolves in the local capital markets. In general, the funding of loans should include, from non-city participants, a 50% match for projects expending \$100,000.00 or more.

*changed to
1/3
1/3
1/3*

- 3) Lending Partners: The Task Force is aware that loan funds administered through the Economic Development Office and the Downtown Portland Corporation have been created, in whole or in part, with limited purpose grants or funding from private sector partners. We have identified lending partners, including Coastal Enterprises Inc., Greater Portland Council of Governments (GPCOG), and commercial banks, that are already lending to the waterfront commercial real estate and fishing sectors. Within the parameters of the broad purposes to be accomplished, additional participants should be recruited on an ongoing basis.
- 4) Loan Administration: The fund administration should be centralized and easy to access. The program should use existing administrative and technical resources and capabilities whenever possible. Two methods of administration could be used to create this “one-stop-shop” effect. First, the loan program could be assigned to the Downtown Portland Corporation. The Corporation should be renamed to reflect a broader mission i.e. Portland Investment Corporation. A second method for administering the program would be to outsource the program. Whichever method of administration is selected, the program must function as a “one-stop-shop” for financing to ensure ease of use.
- 5) Loan Fund Amount: Our evaluation of short-term loan demand, based on our surveys, indicates that the need for \$1,000,000.00 in City resources, assuming a 50% match from partners, to generate a total of \$2,000,000.00, would be adequate for initial periods.
- 6) Eligible Uses: The first priority we have identified would be to fund infrastructure investments and fixed assets such as utilities, pilings, dredging, deck replacement, pier improvements and renovations of lease space used or to be used for water-dependant purposes. At present, small business lending appears adequate through existing economic development programs; however, identification of gaps in available capital should lead to implementation of lending programs to fill capital gaps.
- 7) Interest Rate: A principal purpose of this program is to assure long-term capital flows to waterfront infrastructure which will assist in generating an economic return for marine-related, water-dependant activities. Lending programs financing these activities should feature a below market, blended rate.

B. Waterfront Improvement Program

The Task Force recognizes that unique conditions of congestion, economic crowding-out generated by mixed or multiple uses in certain areas, and a predictably slow return on investment in certain important economic sectors (including, currently, fisheries) make long-term capital investment a desirable public activity. Principally, parking facilities, traffic congestion and fishing industry investments are appropriate for immediate consideration for public investment.

The Task Force recognizes that some of these investments, while of great importance to the waterfront, are unlikely to enjoy prompt funding when blended with the very great demands on capital funds from other projects and undertakings in the city. The needs to be addressed include congestion and lack of parking. Use of some of Maine's most valuable real estate as surface parking lots to meet zoning and land use requirements, as well as inadequate capital bases for investment or reinvestment in marine resources, all suggest a more focused public improvement program would have lasting beneficial effects on the waterfront economy.

The Waterfront Improvement Program would outline a dedicated, multi-year strategy for public investments. The stability inherent in a multiple-year public program of investment and reinvestment is an important element in inducing business confidence. Other important elements include the future existence of adequate infrastructure, the future availability of the financing of water-dependant uses operated by the private sector, and the future commitment of the City of Portland to the working waterfront.

1. Dredging: Funds should be made available on a grant or loan basis to provide a reasonable public share of the costs of permits and disposal options development to allow dredging of the pier areas with reasonably priced disposal. The highest value should be placed on reestablishing and continuously maintaining adequate depths at piers to accommodate ocean-going vessels. Local public and private funds should be leveraged with multiple other sources to create a permanent solution to this very important problem.
2. Environmental Improvements: A number of environmental issues were raised in the context of the waterfront. As noted in the following section of this report, contaminants from a variety of sources add to the cost of dredging. To the extent that improved public infrastructure can reduce these contaminants, such expenditures should be considered as part of the Waterfront Improvement Program. Examples of such facilities could be sewer lines, the reduction of stormwater runoff, pumpout facilities and solid waste disposal.
3. Transportation Infrastructure: The Task Force recommends that the City of Portland address these waterfront concerns and issues. The Task Force is aware that Phase III will undoubtedly deal in detail with eastern waterfront issues surrounding the development of transportation facilities and other anticipated development. The I-295 Connector roadway proposal, if built, will add important roadway infrastructure to the commercial activities of the West Commercial Street area.
4. Parking Garages: The Task Force recommends the development of waterfront parking garages not located on the water-side (with appropriate streetscape for retail or office uses) to supplement or replace the surface parking which serves the area. The intent is to free up precious waterfront land for productive use while relieving the parking problems for waterfront commerce. When appropriate, a progressive lessening of the on-premise parking requirements for piers could be coupled with

revised trucking and loading arrangements to assure a freer flow of freight and supplies.

C. Financing of Loans and Public Improvements for the Waterfront.

The Task Force recommends the initiation of a dedicated fund to provide the capital for the lending program and the Waterfront Improvement Program. The fund would be part of the City's CIP program and would be managed by the by the City Council and administration, with the advice and assistance of the Advisory Committee. A dedicated bond package may be needed to finance the initial expenditures listed in the CIP. The CIP expenditures including bond payments are intended to be partially, if not completely, offset by the creation of a Tax Increment Financing District (TIF's) or Districts. The TIF Districts would capture any new valuation created by private investment into a dedicated fund.

The following actions are recommended:

1. Capitalization: A dedicated fund would be set aside to finance both the lending program and the Waterfront Improvement Program. To accomplish the goals of increasing both public and private investment, the fund should be capitalized at a level of \$1,000,000 to \$1,250,000 per year.
2. Capitalize Loan Program: The first use of the funds would be to provide capital for the lending program. To the extent that CIP or other funds are utilized to commence the lending program, these should be reimbursed or replenished to maintain the continuity and integrity of the fund.
3. Leverage Public Investments: Additional funds should be used to leverage productive capital expenditure in marine-related industries, and to create parking, through an annual plan of capital improvement.
4. Tax Increment Financing District: The amount of capitalization of the lending program and Waterfront Improvement Program will be dependent on the ability of the City to capture revenues through the creation of either one large Tax Increment Financing District (TIF) or a series of TIF's. Both sides of Commercial Street east of the Casco Bay Bridge, and an area of Fore Street and India Street within the region of the Development Plan could be designated, through effective Council and administrative action, to capture new assessments in the District. Funds captured by this method should be meaningfully restricted to assure they are devoted to economic development and investment as detailed in the Waterfront Improvements Program.

Recommendation Two:

Create a Waterfront-Centered Economic Development Outreach Program.

The surveys show that many waterfront businesses are simply unaware of the business services available through the City of Portland, and, in particular, the Resource Hub and

Downtown Portland Corporation. Waterfront business operators have routinely expressed as a high priority a desire for the very programs that the city offers.

The waterfront economic community can be treated as somewhat distinct for purposes of marketing the availability of business development services. The addition of specialized lending programs for the specific "gap" needs of waterfront businesses (see Recommendation One above) and the continued emphasis on developing marine-related, water-dependant uses should be prominently highlighted as the core economic policies of the community on the waterfront.

The Task Force recommends developing a waterfront business development marketing program, and specifically a brochure for waterfront businesses and pier owners, which outlines these community priorities and the associated financing and business assistance programs.

Recommendation Three:

Support the Current Use Taxation Referendum to provide Property Tax Relief

Since reducing property taxes would be one way of reducing costs for waterfront property owners, the City of Portland should support the Legislative Referendum that would address current use taxation for waterfront properties through amending the Maine State Constitution. Without such an amendment, the City has no mechanism to address property tax concerns of the waterfront property owners. These concerns were expressed in the meeting with waterfront business owners. The potential for increasing property taxes is a major concern of property owners who are considering re-investing in waterfront infrastructure. Discussions with the Portland Tax Assessor's office suggest that the impact of this change to the Maine State Constitution would have a minimal effect on the City's tax revenues.

Recommendation Four:

Support Clean, Working Harbors

There are numerous combined sewer overflows (CSO's) and stormwater pipes that discharge into the harbor. They carry contaminants such as heavy metals from the land and spread them over the harbor floor. The contaminants build up in the mud that must be dredged in order to maintain a working water depth at the piers and wharves. The cost to dispose of the contaminated mud is about \$100 per cubic yard of contaminated mud vs. about \$12 per cubic yard for uncontaminated mud. The cost to dredge 200 to 300 feet of wharf face, depending on depth and width could be around \$30,000. If the mud is contaminated, the cost could increase up to \$300,000. These costs are almost impossible to recover in increased berthing fees. This situation is a significant future economic roadblock to our working waterfront, and one appropriate for public participation in a solution.

To address this problem, the Task Force recommends that the City develop and implement a plan to mitigate the effects of Combined Sewer Overflows (CSO's) and stormwater runoff on the ~~economy~~ of the working waterfront and on the ecological health

of the harbor. The cost of some of these measures will be incorporated into the Waterfront Improvement Fund. The plan would accomplish the following

- 1) Devise a strategy that subsidizes dredging of sediments contaminated due to CSO's and stormwater runoff.
- 2) Incorporate the costs of addressing stormwater runoff in calculating infrastructure needs/costs.
- 3) Encourage the DEP initiative to eliminate illegal discharges.
- 4) Assess the potential for providing for sewer access out to the end of the wharves.
- 5) Assess the adequacy of pumpout facilities, solid waste disposal and hazardous waste disposal at the waterfront.
- 6) Explore the possibility of conducting a statewide environmental impact review
- 7) Request that the State develop a comprehensive process for future dredging.
- 8) Work with other port communities to address dredging issues at the national level.
- 9) Develop a specific plan to capture and treat street and stormwater runoff that contaminates the harbor.



As passed by City Council on June 4, 2001

AMENDMENT TO THE PORTLAND CITY CODE,
CHAPTER 14, ARTICLE XV
(WATERFRONT CAPITAL IMPROVEMENT AND ECONOMIC
REDEVELOPMENT ZONE AND ORDINANCE)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:

1. *That Chapter 14, Article XV Waterfront Capital Improvement and
Economic Redevelopment Zone and Ordinance is hereby enacted to read as follows:*

**Article XV. WATERFRONT CAPITAL IMPROVEMENT AND ECONOMIC
REDEVELOPMENT ZONE AND ORDINANCE**

Sec. 14.905. Title.

This ordinance shall be known as the Waterfront Capital Improvement and
Economic Redevelopment Ordinance.

Sec. 14-906. Purposes.

The purpose of this ordinance is to implement those provisions of the Waterfront
Economic Development Task Force Report, (Waterfront II) entitled "Investing in Our
Working Waterfront: Final Report of the Mayor's Waterfront Task Force on Economic
Development," dated September 2000, as adopted by the Portland City Council on
June 4, 2001 which create a capital improvement plan for redevelopment on the Portland
Waterfront. That plan includes funding the loan fund described in that report, the
financing and installation of infrastructure to support the economy of that area of the City
of Portland, such as parking facilities, utilities, traffic and congestion management
installations, operating facilities for the cargo, fishing and other water-dependent, marine
related industries, environmental protection and improvement, including the management
and abatement of combined sewer overflows, appropriate assistance in the permitting and
completion of dredging of siltation at piers wharfs and weirs, and such other matters as
the City Council shall approve from time to time. These activities shall be collectively
known as the redevelopment program.

Sec. 14-907. Creation of the Waterfront Redevelopment Economic Zone (WREZ).

The Waterfront Redevelopment Economic Zone is hereby created.

Beginning at a point on the southerly side of the Eastern Promenade at the intersection of the Westerly side of the Portland House Condominium and the Easterly sideline of land now or formerly of Dan Haley.

Thence Southwesterly along the Southerly side of Eastern Promenade to Fore Street.

Thence Westerly along the Southerly side of Fore Street to the intersection of Fore Street and Montfort Street.

Thence Northerly along Montfort Street to the Southeast corner of the lot referenced as 20-C-2 on City of Portland Tax maps as of April first, 2001.

Thence Westerly along lot 20-C-2 about 72 feet.

Thence Northerly along 20-C-2 to 20-C-5.

Thence Westerly along 20-C-5 to the south corner of 20-C-5.

Thence Northwesterly along 20-C-5 to Newbury Street.

Thence Southwesterly along Newbury Street to Hancock Street.

Thence Southeasterly along Hancock Street to Middle Street.

Thence Southwesterly along Middle Street to 20-C-27.

Thence Southeasterly along the Northeast sideline of 20-C-27 about 99.99 feet.

Thence Southwesterly along the Southeast sideline of 20-C-27 to India Street.

Thence South along India Street to the Northern corner of 29-N-26.

Thence Westerly along the Northern side of lot 26 to lot 24.

Thence Westerly, Northerly, Westerly, and Southerly along 29-N-24 to Bradbury Court.

Thence Westerly along Bradbury Court to the Franklin Street Arterial.

Thence Northerly along Franklin Street Arterial to Fore Street.

Thence Westerly along Fore Street to Pearl Street.

Thence Southerly along Pearl Street to Gold Street.

Thence Westerly along Gold Street to Silver Street.

Thence Northerly along Silver Street to Fore Street.

Thence Westerly along Fore Street to Market Street.

Thence Southerly along Market to the dividing line between 32-S-3 and 32-S-4 & 5.

Thence Northerly along Moulton Street to Wharf Street.

Thence Westerly along Wharf Street to a passage between Assessor's map 32 blocks "T" and "U" leading to Commercial Street.

Thence Southerly along said passage about 28 feet to the dividing line between lots 32-U-3 and 32-U-5.

Thence Westerly, Southerly, and Westerly along the Southerly line of lot 5 to Dana Street.

Thence Westerly across Dana Street and following the Northern boundary of lots 32-V-2, 4, 5, 8, and 12 to Union Street.

Thence Northerly on Union Street to Fore Street.

Thence Westerly on Fore Street to parcel 38-F-8.

Thence Southerly along the Easterly sideline of 38-F-8.

Thence Westerly along the Southerly sideline of 38-F-8 to Cross Street.

Thence Northerly to Fore Street

Thence Westerly along Fore Street to 38-G-7.

Thence Southerly along the Easterly sideline of 38-G-7.

Thence Westerly along the Southerly sideline of 38-G-7 to the Easterly sideline of Center Street.

Thence Northerly along Center Street to the Southerly sideline of 40-F-11.

Thence Southwesterly along the Southerly sideline of 40-F-11 and 40-E-1.

Thence Westerly along the South side of 42-A-8.

Thence Northerly along the Westerly line of 42-A-7 to York Street.

Thence Westerly along the Southerly side of York Street to High Street.

Thence Southerly along High Street 44 feet ± to Southern sideline of 42-B-7.

Thence Westerly along the Southerly sideline of 44-B-2 to Park Street.

Thence Westerly across Park Street to the Southerly sideline of 43-C-7.

Thence Westerly along the Southern sideline of 43-C-7 to the edge of proposed State Street.

Thence Westerly across proposed State Street to the Southerly sideline of 43-E-8.

Thence Westerly along the Southerly sideline of 43-E-8 to the Casco Bay Bridge.

Thence Southeasterly along the Casco Bay Bridge to the Harbor Commissioner's Line.

Thence Northeasterly along the Harbor Commissioner's line to a point which is the intersection of the Harbor Commissioner's line and a line which is the extension of the lot line between the Southeasterly line of land now or formerly of Dan Haley and the Southwesterly line of the Portland House Condominium.

Thence Northwesterly along said line to the Southerly side of the Eastern Promenade at the point of beginning.

All as shown on a map dated April 13, 2001 entitled "Proposed Waterfront Redevelopment Area" on file in the Planning Office.

Any inconsistencies between this description and the map shall be controlled by the map.

Sec. 14-908. Financing Activities.

The following financing activities are authorized for the creation of funds to be used for the activities approved for funding by this ordinance:

(a) Tax Increment Financing Districts Revenues.

(1) Within the Waterfront Redevelopment Economic Zone (WREZ) all activity except minor changes as defined below, which results in an increase in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment, shall be subject to designation as a Tax Increment Finance (TIF) District to support redevelopment activities within the WREZ pursuant to 30-A M.R.S.A. §§ 251-526, as amended.

Minor changes shall mean those physical changes, minimal in scope or purpose, which when accumulated with previous and anticipated other changes, over a period of

two years, increase the assessed value of the affected property by a cumulative total of \$400,000 or less.

(2) Affected properties shall mean those properties within the zone which undertake activity, except minor changes as defined above, which results in a change in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment.

Affected properties within the WREZ shall be designated for inclusion in this redevelopment program as a TIF District, and the tax increment from the captured assessed value shall be applied to the redevelopment program purposes, subject to approval by the City Council on a TIF-by-TIF basis.

A property is an affected property if it otherwise so qualifies, and the total aggregate amount of captured assessment in the TIF Districts devoted to this redevelopment program does not exceed 1.25% (.0125) of the total taxable valuation of the City of Portland, when adjusted as necessary to reflect 100% valuation, as determined by the City Assessor.

(3) The redevelopment program shall be that series of investments, expenditures, guarantees and supports which are planned for project fund expenditures.

(b) Program Income and Other Revenues.

The City Manager will budget the program activities, including the program income and expense, of the redevelopment program annually for approval and implementation by the City Council. The redevelopment program is authorized to receive program income, grants, participations, joint ventures, investments and other revenues for the purposes of the redevelopment program as approved by the City of Portland from time to time.

(c) Advisory Committee.

At least once each fiscal year, the Waterfront Economic Development Advisory Committee established in Sec. 14-909 shall meet for the purpose of evaluating and proposing updates to the Development Plan, and for identifying properties developed in the redevelopment zone which qualify as TIF District properties. The Advisory Committee shall make an annual report of conditions and changes in conditions addressing the economic circumstances of the waterfront economy, and shall include in said report detail on at least the following issues:

(1) The utilization, adequacy and capital and operating position of the enterprise loan fund designed to assist water-dependant, marine-related properties and businesses;

(2) The state of the fishing industry, the adequacy and demand for berthing space and operating facilities, financing, local markets and opportunities, and the operations of public operations pertaining to the fishing industry;

(3) The status of other water dependant industries and operations along the Portland waterfront, including opportunities to develop or promote water dependent and marine resource dependant economic opportunities;

(4) The status of dredge operations and needs at public and private piers, the nature of impediments to maintaining full depths at all working Portland piers;

(5) The status of cargo operations in the Port of Portland, including analysis of surface transportation capacities serving the Port cargo operations, whether public or private;

(6) The status of parking availability, public access to the waterfront and to water dependent recreational activities and pursuits;

(7) The status of environmental concerns, programs and issues along the Portland waterfront, and particularly in the inner harbor; and

(8) Such other information, data or findings concerning conditions as affects the economic and environmental health of the waterfront area, or the recommendations of the Advisory Committee concerning the operations of the loan fund or the capital improvement program.

(d) Recommendations.

As often as it deems prudent, but at least once each fiscal year, the Advisory Committee shall, after notice and public hearing, prepare and submit to the City Manager and Council a recommended capital improvement plan, utilizing the revenues of the WREZ. The Finance Committee of the City Council or such other committee as the Council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action.

(e) Adoption.

The City Council shall adopt amendments to the WREZ, designate TIF Districts and authorize expenditures and take such other actions as are necessary each year to implement this redevelopment plan and administer its revenues and expenses.

Sec. 14-909. Waterfront Economic Development Advisory Committee.

(a) Creation and Purpose.

The Waterfront Economic Development Advisory Committee is hereby created for the purpose of advising the City and its lending partner on the purposes and uses of the waterfront loan fund recommended in the Task Force Report and to advise the City administration and Council concerning infrastructure investments to be financed in whole or in part by the Waterfront Investment Fund.

(b) Other Responsibilities.

The Committee shall also:

- (1) fulfill its responsibilities under Sec. 14-908(b) and (c);
- (2) assess the performance of the fund, guide fund policy and make appropriate recommendations for change;
- (3) take an active annual role in developing a capital improvement program for the waterfront; and
- (4) maintain a persistent focus on assisting the marine-related, water dependent uses which are the core activities of the working waterfront.

(c) Membership.

There shall be nine members on the Committee including lending partners, waterfront experts or representatives, public representatives, and technical advisors such as City waterfront staff and affected industry representatives of marine resources from areas such as harvesting, production or processing.

(d) Appointment.

Appointments shall be made by the City Council based on the recommendations of the Appointments Committee.

(e) Term of Office.

The term of office for each member shall be three (3) years. Members shall serve until their successors have been appointed.

City of Portland
Code of Ordinances
Sec. 14-902

Land Use
Chapter 14
Rev.2-4-10

Standards of Chapter 14 of the Portland Code prior to July 1, 2002, so long as such approval is valid and in effect on the date of this ordinance.

(Ord. No. 26-02/03, 8-5-02)

ARTICLE XV. WATERFRONT CAPITAL IMPROVEMENT AND ECONOMIC REDEVELOPMENT ZONE AND ORDINANCE

Sec. 14-905. Title.

This ordinance shall be known as the Waterfront Capital Improvement and Economic Redevelopment Ordinance.

(Ord. No. 249-01, 6-4-01)

Sec. 14-906. Purposes.

The purpose of this ordinance is to implement those provisions of the Waterfront Economic Development Task Force Report, (Waterfront II) entitled "Investing in Our Working Waterfront: Final Report of the Mayor's Waterfront Task Force on Economic Development," dated September 2000, as adopted by the Portland City Council on June 4, 2001 which create a capital improvement plan for redevelopment on the Portland Waterfront. That plan includes funding the loan fund described in that report, the financing and installation of infrastructure to support the economy of that area of the City of Portland, such as parking facilities, utilities, traffic and congestion management installations, operating facilities for the cargo, fishing and other water-dependent, marine related industries, environmental protection and improvement, including the management and abatement of combined sewer overflows, appropriate assistance in the permitting and completion of dredging of siltation at piers, wharfs and weirs, and such other matters as the City Council shall approve from time to time. These activities shall be collectively known as the redevelopment program.

(Ord. No. 249-01, 6-4-01)

Sec. 14-907. Creation of the Waterfront Redevelopment Economic Zone (WREZ).

The Waterfront Redevelopment Economic Zone is hereby created.

Beginning at a point on the southerly side of the Eastern Promenade at the intersection of the Westerly side of the Portland House Condominium and the Easterly sideline of land now or formerly of

Thence Southwesterly along the Southerly side of Eastern Promenade to Fore Street.

Thence Westerly along the Southerly side of Fore Street to the intersection of Fore Street and Mountfort Street.

Thence Northerly along Mountfort Street to the Southeast corner of the lot referenced as 20-C-2 on City of Portland Tax maps as of April first, 2001.

Thence Westerly along lot 20-C-2 about 72 feet.

Thence Northerly along 20-C-2 to 20-C-5.

Thence Westerly along 20-C-5 to the south corner of 20-C-5.

Thence Northwesterly along 20-C-5 to Newbury Street.

Thence Southwesterly along Newbury Street to Hancock Street.

Thence Southeasterly along Hancock Street to Middle Street.

Thence Southwesterly along Middle Street to 20-C-27.

Thence Southeasterly along the Northeast sideline of 20-C-27 about 99.99 feet.

Thence Southwesterly along the Southeast sideline of 20-C-27 to India Street.

Thence South along India Street to the Northern corner of 29-N-26.

Thence Westerly along the Northern side of lot 26 to lot 24.

Thence Westerly, Northerly, Westerly, and Southerly along 29-N-24 to Bradbury Court.

Thence Westerly along Bradbury Court to the Franklin Street Arterial.

Thence Northerly along Franklin Street Arterial to Fore Street.

Thence Westerly along Fore Street to Pearl Street.

Thence Southerly along Pearl Street to Gold Street.

Thence Westerly along Gold Street to Silver Street.

Thence Northerly along Silver Street to Fore Street.

Thence Westerly along Fore Street to Market Street.

Thence Southerly along Market to the dividing line between 32-S-3 and 32-S-4 & 5.

Thence Northerly along Moulton Street to Wharf Street.

Thence Westerly along Wharf Street to a passage between Assessor's map 32 blocks "T" and "U" leading to Commercial Street.

Thence Southerly along said passage about 28 feet to the dividing line between lots 32-U-3 and 32-U-5.

Thence Westerly, Southerly, and Westerly along the Southerly line of lot 5 to Dana Street.

Thence Westerly across Dana Street and following the Northern boundary of lots 32-V-2, 4, 5, 8, and 12 to Union Street.

Thence Northerly on Union Street to Fore Street.

Thence Westerly on Fore Street to parcel 38-F-8.

Thence Southerly along the Easterly sideline of 38-F-8.

Thence Westerly along the Southerly sideline of 38-F-8 to Cross Street.

Thence Northerly to Fore Street

Thence Westerly along Fore Street to 38-G-7.

Thence Southerly along the Easterly sideline of 38-G-7.

Thence Westerly along the Southerly sideline of 38-G-7 to the Easterly sideline of Center Street.

Thence Northerly along Center Street to the Southerly sideline of

City of Portland
Code of Ordinances
Sec. 14-905
40-F-11.

Land Use
Chapter 14
Rev.2-4-10

Thence Southwesterly along the Southerly sideline of 40-F-11 and 40-E-1.

Thence Westerly along the South side of 42-A-8.

Thence Northerly along the Westerly line of 42-A-7 to York Street.

Thence Westerly along the Southerly side of York Street to High Street.

Thence Southerly along High Street 44 feet ± to Southern sideline of 42-B-7.

Thence Westerly along the Southerly sideline of 44-B-2 to Park Street.

Thence Westerly across Park Street to the Southerly sideline of 43-C-7.

Thence Westerly along the Southern sideline of 43-C-7 to the edge of proposed State Street.

Thence Westerly across proposed State Street to the Southerly sideline of 43-E-8.

Thence Westerly along the Southerly sideline of 43-E-8 to the Casco Bay Bridge.

Thence Southeasterly along the Casco Bay Bridge to the Harbor Commissioner's Line.

Thence Northeasterly along the Harbor Commissioner's line to a point which is the intersection of the Harbor Commissioner's line and a line which is the extension of the lot line between the Southeasterly line of land now or formerly of Dan Haley and the Southwesterly line of the Portland House Condominium.

Thence Northwesterly along said line to the Southerly side of the Eastern Promenade at the point of beginning.

All as shown on a map dated April 13, 2001 entitled "Proposed Waterfront Redevelopment Area" on file in the Planning Office.

Any inconsistencies between this description and the map shall be controlled by the map.
(Ord. No. 249-01, 6-4-01)

Sec. 14-908. Financing Activities.

The following financing activities are authorized for the creation of funds to be used for the activities approved for funding by this ordinance:

(a) Tax Increment Financing Districts Revenues.

- (1) Within the Waterfront Redevelopment Economic Zone (WREZ) all activity except minor changes as defined below, which results in an increase in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment, shall be subject to designation as a Tax Increment Finance (TIF) District to support redevelopment activities within the WREZ pursuant to 30-A M.R.S.A. §§ 251-526, as amended.

Minor changes shall mean those physical changes, minimal in scope or purpose, which when accumulated with previous and anticipated other changes, over a period of two years, increase the assessed value of the affected property by a cumulative total of \$400,000 or less.

- (2) Affected properties shall mean those properties within the zone which undertake activity, except minor changes as defined above, which results in a change in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment.

Affected properties within the WREZ shall be designated for inclusion in this redevelopment program as a TIF District, and the tax increment from the captured assessed value shall be applied to the redevelopment program purposes, subject to approval by the City Council on a TIF-by-TIF basis.

A property is an affected property if it otherwise so qualifies, and the total aggregate amount of captured assessment in the TIF Districts devoted to this redevelopment program does not exceed 1.25% (.0125) of the total taxable valuation of the City of Portland, when adjusted as necessary to reflect 100% valuation, as determined by the City Assessor.

- (3) Paragraphs (1) and (2) notwithstanding, the Council may by Council order determine that the increases in assessed value that would otherwise be designated for the first time as TIF districts under (1) and (2) above for the next succeeding fiscal year shall not be so designated.
- (4) The redevelopment program shall be that series of investments, expenditures, guarantees and supports which are planned for project fund expenditures.

(b) Program Income and Other Revenues.

The City Manager will budget the program activities, including the program income and expense, of the redevelopment program annually for approval and implementation by the City Council. The redevelopment program is authorized to receive program income, grants, participations, joint ventures, investments and other revenues for the purposes of the redevelopment program as approved by the City of Portland from time to time.

(c) Updates to development plan.

Periodically, the city manager shall evaluate and propose updates to the Development Plan, and identify properties developed in the redevelopment zone which qualify as TIF District properties. The city manager shall report to the council on conditions and changes in conditions addressing the economic circumstances of the waterfront economy, and shall include in said report detail on at least the following issues:

- (1) The utilization, adequacy and capital and operating position of the enterprise loan fund designed to assist water-dependant, marine-related properties

and businesses;

- (2) The state of the fishing industry, the adequacy and demand for berthing space and operating facilities, financing, local markets and opportunities, and the operations of public operations pertaining to the fishing industry;
- (3) The status of other water dependant industries and operations along the Portland waterfront, including opportunities to develop or promote water dependent and marine resource dependant economic opportunities;
- (4) The status of dredge operations and needs at public and private piers, the nature of impediments to maintaining full depths at all working Portland piers;
- (5) The status of cargo operations in the Port of Portland, including analysis of surface transportation capacities serving the Port cargo operations, whether public or private;
- (6) The status of parking availability, public access to the waterfront and to water dependent recreational activities and pursuits;
- (7) The status of environmental concerns, programs and issues along the Portland waterfront, and particularly in the inner harbor; and
- (8) Such other information, data or findings concerning conditions as affects the economic and environmental health of the waterfront area, or recommendations concerning the operations of the loan fund or the capital improvement program.

(d) Recommendations.

As often as he or she deems prudent, the city manager shall submit to the city council a recommended capital improvement plan, utilizing the revenues of the WREZ. The finance committee of the city council or such other committee as the Council shall designate shall conduct

public hearings on the recommended plan and refer the matter to the council for action.

(e) Adoption.

The City Council shall adopt amendments to the WREZ, designate TIF Districts and authorize expenditures and take such other actions as are necessary each year to implement this redevelopment plan and administer its revenues and expenses.

(Ord. No. 249-01, 6-4-01; Ord. No. 151-02/03, 2-3-03; Ord. No. 116-08/09, 12-1-08)

**Editor's Note:* Sec. 14-909 *Waterfront economic development advisory committee* was repealed in its entirety per council order no. 116-08/09 and passed on 12/1/08.

Sec. 14-909. Reserved.
Sec. 14-910. Reserved.
Sec. 14-911. Reserved.
Sec. 14-912. Reserved.
Sec. 14-913. Reserved.
Sec. 14-914. Reserved.
Sec. 14-915. Reserved.
Sec. 14-916. Reserved.
Sec. 14-917. Reserved.
Sec. 14-918. Reserved.
Sec. 14-919. Reserved.
Sec. 14-920. Reserved.
Sec. 14-921. Reserved.
Sec. 14-922. Reserved.
Sec. 14-923. Reserved.
Sec. 14-924. Reserved.
Sec. 14-925. Reserved.
Sec. 14-926. Reserved.
Sec. 14-927. Reserved.
Sec. 14-928. Reserved.
Sec. 14-929. Reserved.
Sec. 14-930. Reserved.
Sec. 14-931. Reserved.
Sec. 14-932. Reserved.
Sec. 14-933. Reserved.
Sec. 14-934. Reserved.
Sec. 14-935. Reserved.

Waterfront Capital Improvement & Economic Redevelopment Zone



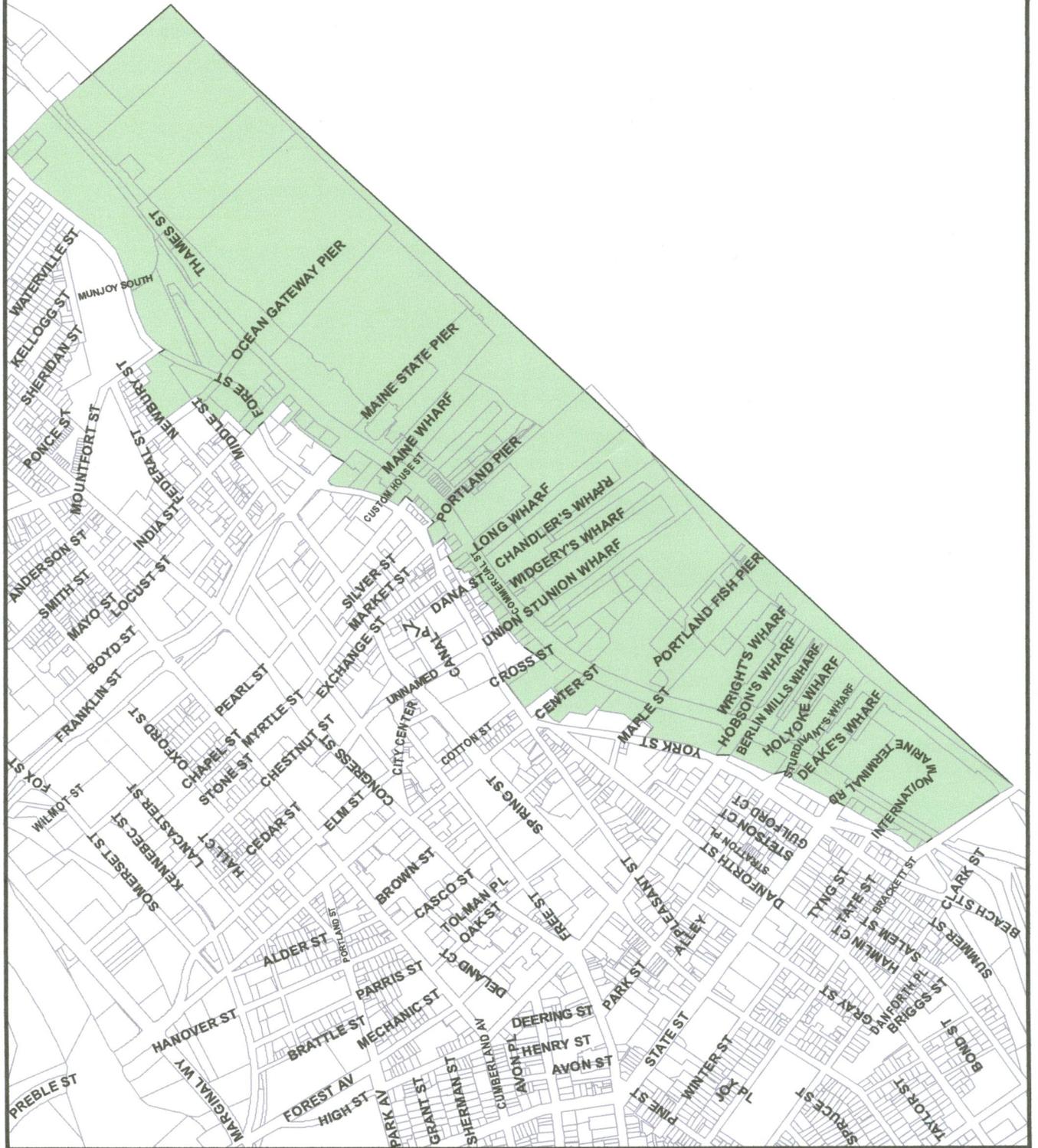
Attachment #4

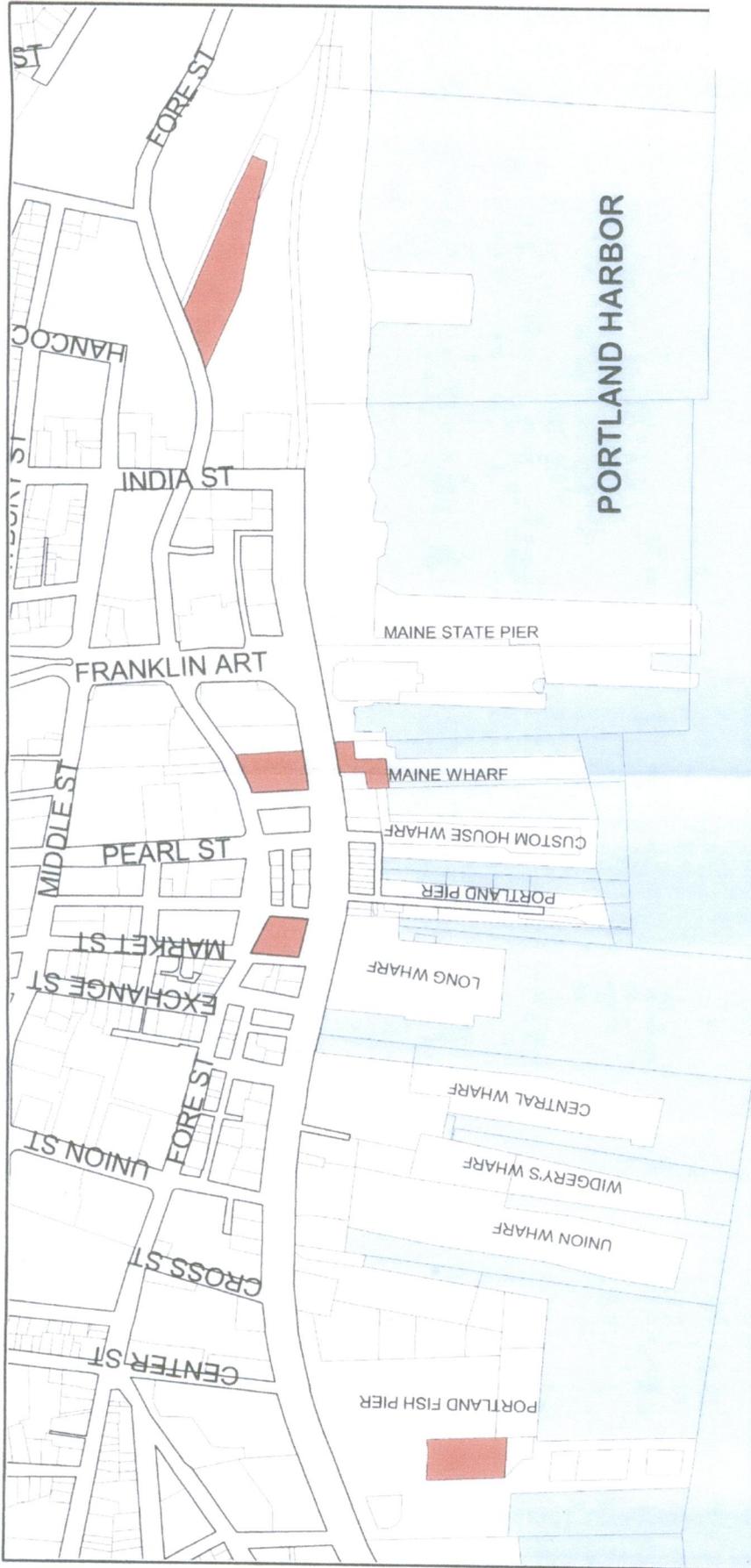
1 inch = 1,000 feet



Map Produced by the City of Portland's MIS Division.

05/11/2010

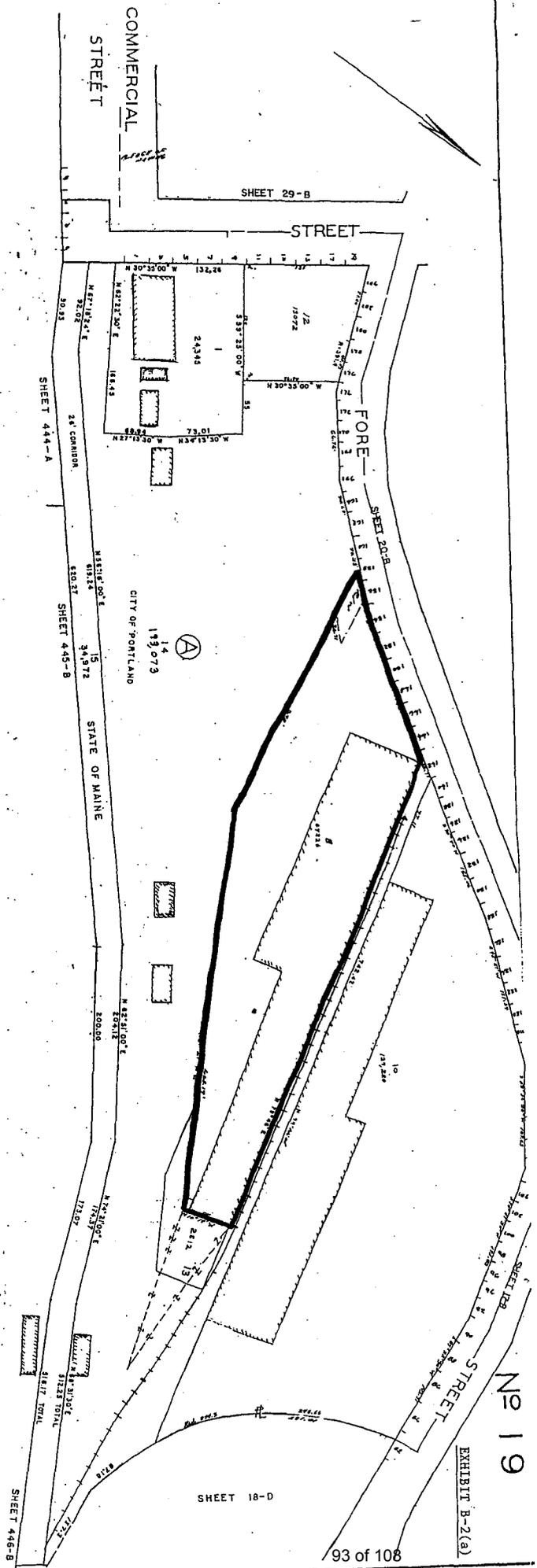




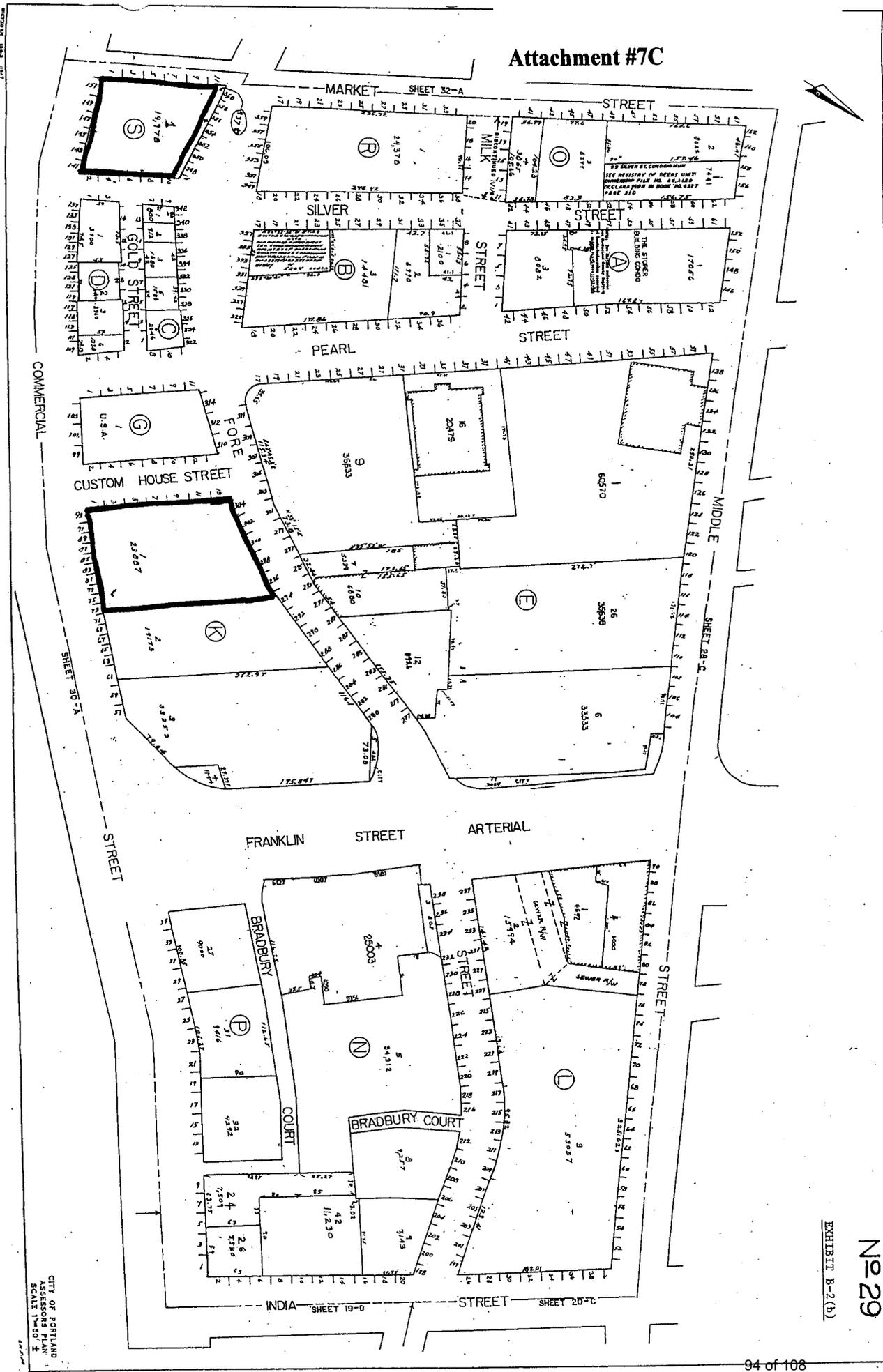
Waterfront Economic Redevelopment Program - 2002 TIF Districts

Map produced by the City of Portland's GIS Workgroup February 2002

Attachment #7B



Attachment #7C

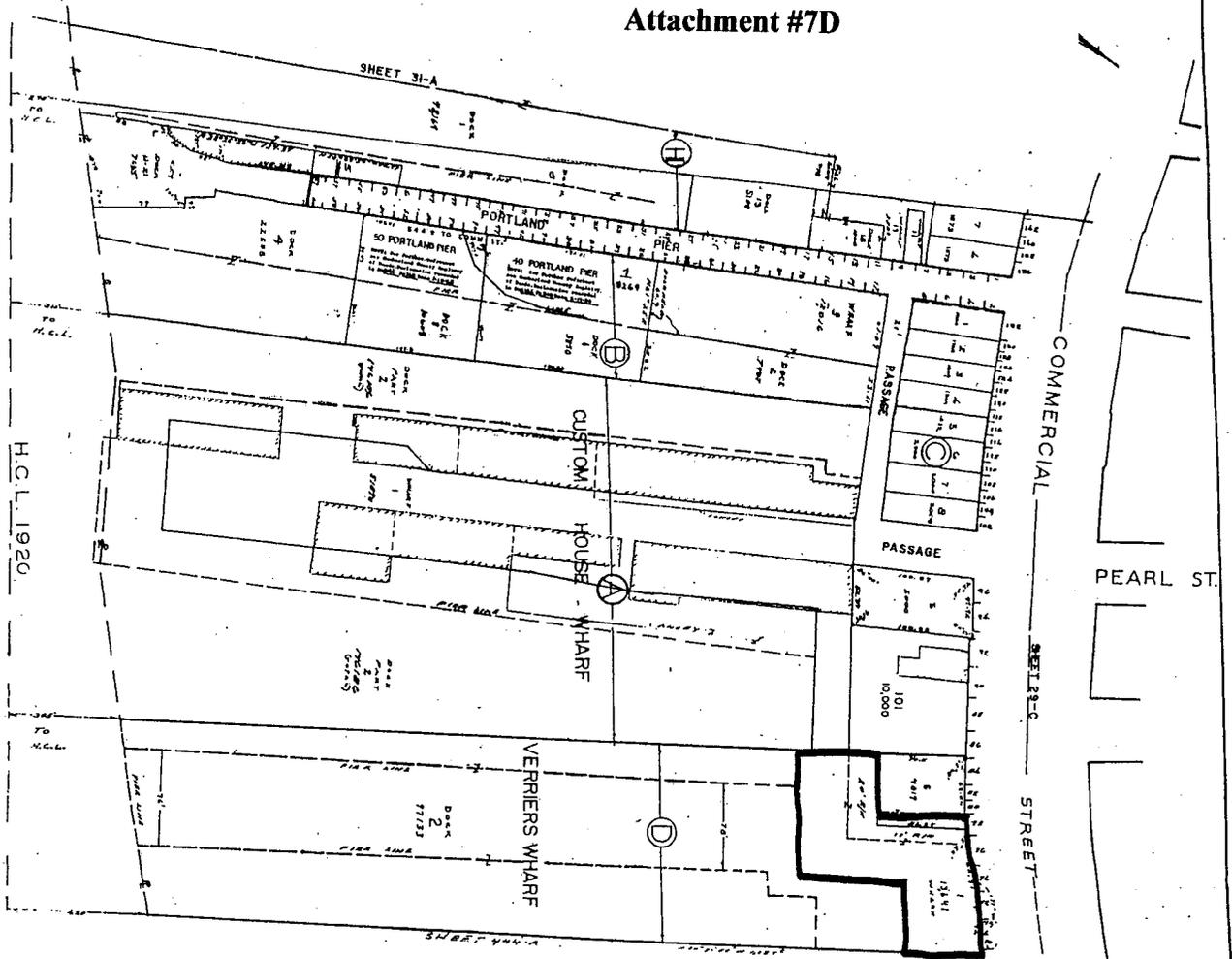


CITY OF PORTLAND
 ASSESSOR'S PLAN
 SCALE 1"=50' ±

EXHIBIT B-2(b)

N 29

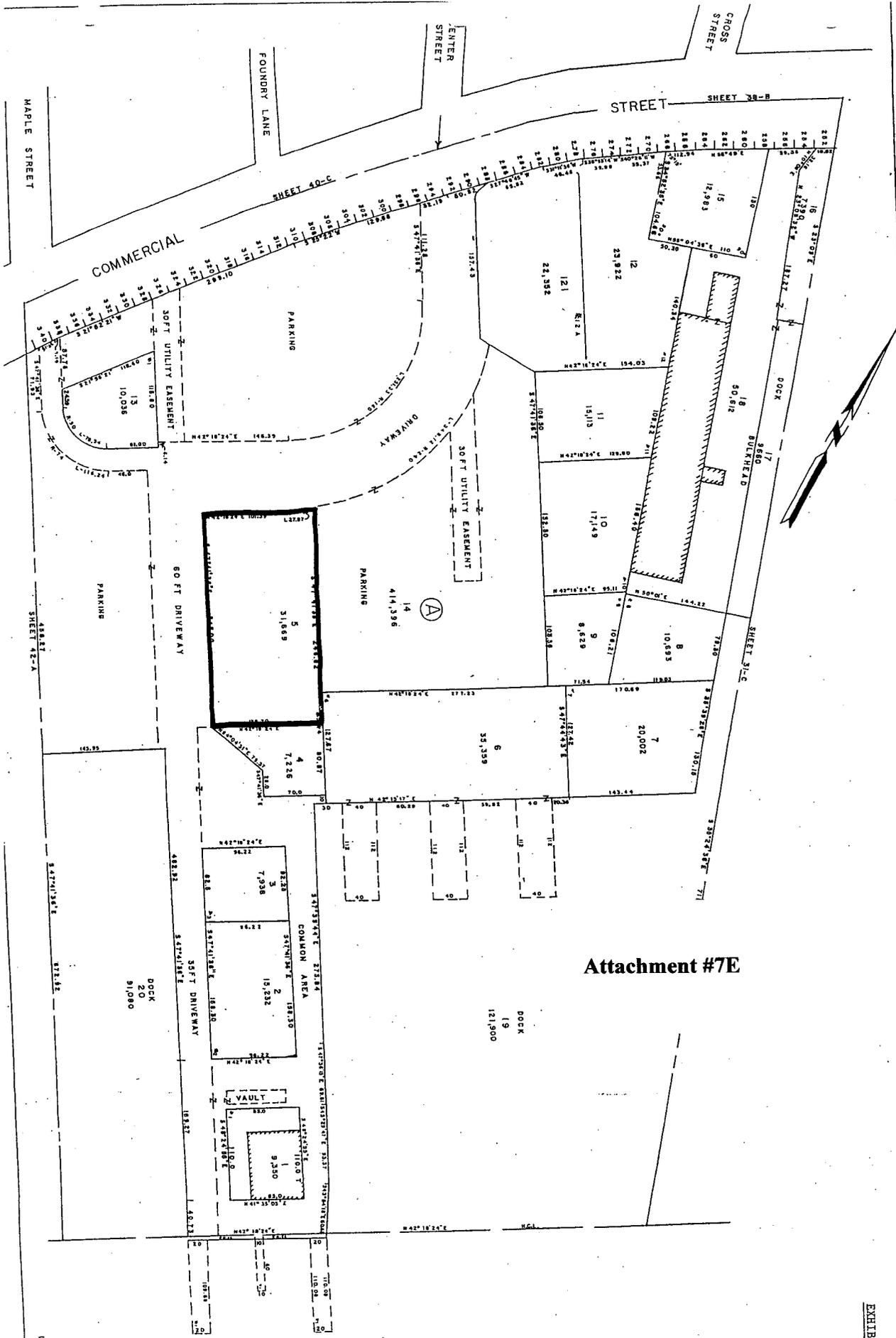
Attachment #7D



H.C.L. 1920

FRANKLIN
ARTERIAL

№ 30
EXHIBIT B-2(c)

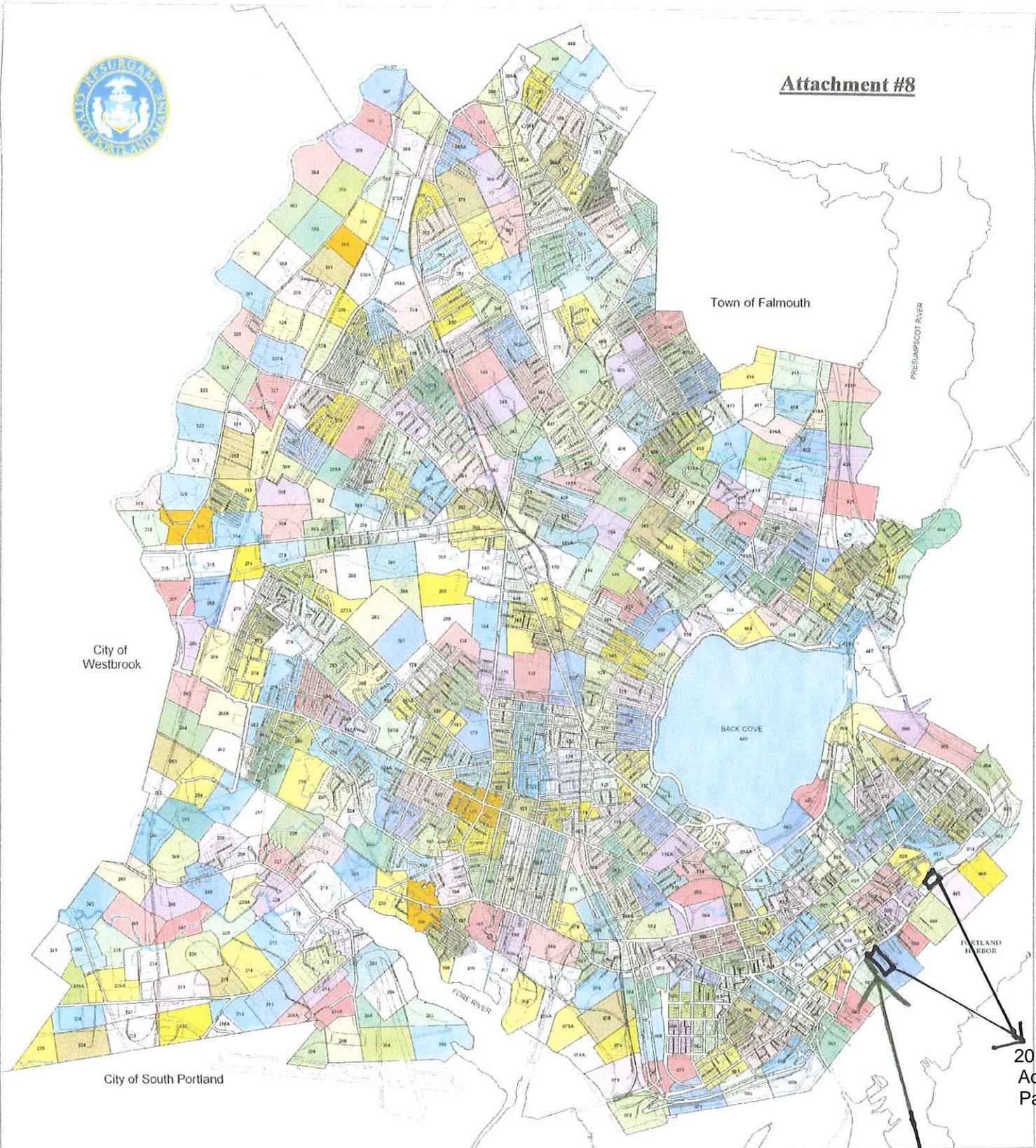


Attachment #7E

CITY OF PORTLAND
 ASSESSOR
 SCALE 1"=50'
 (REVISED 4/1/2011)



Attachment #8



City of Westbrook

Town of Falmouth

PRESUMPSCOT RIVER

BACK COVE

City of South Portland

FORE RIVER

PORTLAND HARBOR

2018 Added Parcels

**City of Portland, Maine
Tax Map Index**

Scale: 1 Inch = 850 Feet



Map produced by the City of Portland's Assessor Office and the GIS Workgroup June 2004



Subdistrict
97 of 108

Attachment 9A-Tax Map of Lots 031-K003001 and 031-K103001



April 1 2012 fy 2013

Tax Map Index; <http://www.portlandassessors.com/taxmaps.htm>

Index Number - E10NW

Attachment 9B - Tax Map of 019-A014001



F10SW April 1 2012 fy 2013 Tax Map Index; <http://www.portlandassessors.com/taxmaps.htm> F10SE Index Number - F10NE F11SW

1 inch = 50 feet

WATERFRONT TIF		5/12/2010		Based on 3/31/01 Original Assessed Value of \$6,716,410.									
*NOTE: FY11 numbers are projections.		Original TIF District was ten years ending FY12; this spreadsheet is based on extending the TIF District for 20 years.											
TIF PLAN YEAR	CITY FY	REAL ESTATE	PERSONAL PROPERTY	TOTAL ASSESSED	ORIGINAL ASSESSED	CAPTURED VALUE	TAX RATE	PERCENT RETAINED	TIF DISTRICT PROCEEDS	General Fund Proceeds			
1	2003	11,603,350	6,646,410	18,249,760	6,716,410	11,533,350	0.02572	1%	2,966.38	293,671.38			
2	2004	11,767,990	3,915,280	15,683,270	6,716,410	8,966,860	0.02680	1%	2,403.12	237,908.73			
3	2005	12,827,340	5,830,410	18,657,750	6,716,410	11,941,340	0.02653	1%	3,168.04	313,635.71			
4	2006	15,480,490	5,277,320	20,757,810	6,716,410	14,041,400	0.02013	35.38%	100,000.00	182,650.62			
5	2007	20,261,470	5,031,690	25,293,160	6,716,410	18,576,750	0.01631	1%	3,029.87	299,956.92			
6	2008	22,112,170	5,285,400	27,397,570	6,716,410	20,681,160	0.01710	100%	353,647.84	0.00			
7	2009	21,843,970	4,922,550	26,766,520	6,716,410	20,050,110	0.01774	62%	220,527.15	135,161.80			
8	2010	22,046,270	4,680,700	26,726,970	6,716,410	20,010,560	0.01774	79%	280,439.99	74,547.34			
9	2011	22,046,270	4,680,700	26,726,970	6,716,410	20,010,560	0.01797	58%	208,562.06	151,027.70			
10	2012	22,266,733	4,727,507	26,994,240	6,716,410	20,277,830	0.01797	100%	364,392.60	0.00			
11	2013	22,489,400	4,774,782	27,264,182	6,716,410	20,547,772	0.01833	100%	376,628.33	0.00			
12	2014	22,714,294	4,822,530	27,536,824	6,716,410	20,820,414	0.01870	100%	389,258.21	0.00			
13	2015	22,941,437	4,870,755	27,812,192	6,716,410	21,095,782	0.01907	100%	402,294.62	0.00			
14	2016	23,170,851	4,919,463	28,090,314	6,716,410	21,373,904	0.01945	100%	415,750.35	0.00			
15	2017	23,402,560	4,968,657	28,371,217	6,716,410	21,654,807	0.01984	100%	429,638.57	0.00			
16	2018	23,636,585	5,018,344	28,654,929	6,716,410	21,938,519	0.02024	100%	443,972.86	0.00			
17	2019	23,872,951	5,068,527	28,941,479	6,716,410	22,225,069	0.02064	100%	458,767.23	0.00			
18	2020	24,111,681	5,119,213	29,230,893	6,716,410	22,514,483	0.02105	100%	474,036.12	0.00			
19	2021	24,352,798	5,170,405	29,523,202	6,716,410	22,806,792	0.02148	100%	489,794.42	0.00			
20	2022	24,596,326	5,222,109	29,818,434	6,716,410	23,102,024	0.02191	100%	506,057.46	0.00			
21	2023	24,842,289	5,274,330	30,116,619	6,716,410	23,400,209	0.02234	100%	522,841.07	0.00			
22	2024	25,090,712	5,327,073	30,417,785	6,716,410	23,701,375	0.02279	100%	540,161.57	0.00			
23	2025	25,341,619	5,380,344	30,721,963	6,716,410	24,005,553	0.02325	100%	558,035.75	0.00			
24	2026	25,595,035	5,434,147	31,029,182	6,716,410	24,312,772	0.02371	100%	576,480.96	0.00			
25	2027	25,850,985	5,488,489	31,339,474	6,716,410	24,623,064	0.02419	100%	595,515.06	0.00			
26	2028	26,109,495	5,543,374	31,652,869	6,716,410	24,936,459	0.02467	100%	615,156.49	0.00			
27	2029	26,370,590	5,598,807	31,969,398	6,716,410	25,252,988	0.02516	100%	635,424.22	0.00			
28	2030	26,634,296	5,654,796	32,289,092	6,716,410	25,572,682	0.02567	100%	656,337.84	0.00			
29	2031	26,900,639	5,711,344	32,611,983	6,716,410	25,895,573	0.02618	100%	677,917.52	0.00			
30	2032	27,169,645	5,768,457	32,938,102	6,716,410	26,221,692	0.02670	100%	700,184.08	0.00			
Assumptions:										12,003,389.77			
1% Increase yearly beginning with FY12 through FY32 for Real Estate and Personal Property Values													
2% yearly increase in tax rate													
TOTAL TIF District Proceeds:													

WATERFRONT TIF SUB-DISTRICT REVENUE SCHEDULE

TIF Year	FY	Projected Annual Assessment	OAV	Projected Increase in Assessment	Mil Rate %	Property Taxes		Developer Share %	City Share
						OAV	Increased Value		
							Total		
base valuation	2009	\$12,950,900	\$950,900						
1	2012	\$12,000,000	17,088	17.97	17,088	215,640	232,728	63.00%	\$96,874
2	2013	\$12,000,000	17,429	18.33	17,429	219,953	237,382	63.00%	\$98,812
3	2014	\$12,000,000	17,778	18.70	17,778	224,352	242,130	63.00%	\$100,788
4	2015	\$12,000,000	18,134	19.07	18,134	228,839	246,972	63.00%	\$102,804
5	2016	\$12,000,000	18,496	19.45	18,496	233,416	251,912	63.00%	\$104,860
6	2017	\$12,000,000	18,866	19.84	18,866	238,084	256,950	64.00%	\$104,576
7	2018	\$12,000,000	19,243	20.24	19,243	242,846	262,089	64.00%	\$106,668
8	2019	\$12,000,000	19,628	20.64	19,628	247,703	267,331	64.00%	\$108,801
9	2020	\$12,000,000	20,021	21.05	20,021	252,657	272,678	64.00%	\$110,977
10	2021	\$12,000,000	20,421	21.48	20,421	257,710	278,131	64.00%	\$113,197
11	2022	\$12,000,000	20,830	21.91	20,830	262,864	283,694	55.00%	\$139,119
12	2023	\$12,000,000	21,246	22.34	21,246	268,121	289,368	55.00%	\$147,467
13	2024	\$12,000,000	21,671	22.79	21,671	273,484	295,155	55.00%	\$150,416
14	2025	\$12,000,000	22,105	23.25	22,105	278,953	301,058	55.00%	\$153,424
15	2026	\$12,000,000	23,71	23.71	22,547	284,532	307,079	55.00%	\$156,493
16	2027	\$12,000,000	24,19	24.19	22,998	290,223	313,221	45.00%	\$130,600
17	2028	\$12,000,000	24,67	24.67	23,458	296,028	319,485	45.00%	\$133,212
18	2029	\$12,000,000	25,16	25.16	23,927	301,948	325,875	40.00%	\$120,779
19	2030	\$12,000,000	25,67	25.67	24,405	307,987	332,392	40.00%	\$123,195
20	2031	\$12,000,000	26,18	26.18	24,894	314,147	339,040	35.00%	\$109,951
		\$240,000,000				\$5,239,484	\$5,654,670	50.76%	\$2,870,058
								NPV (6.5%)	\$1,598,938
									\$1,391,832.59

TIF Term Years 1-20: Fixed TIF annual reimbursement amount up to Developer cap of \$2,870,058.

File: Cumberland Storage Project TIF Projections 5-21-10 GAM.XLS

Attachment 12

City of Portland- TIF Projection Table for WTIF Added Parcels of 2018									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2018	\$5,500,000	100.00%	\$5,500,000	22.08	\$121,457	\$0	\$121,457	\$0
2	2019	\$19,200,000	100.00%	\$19,200,000	22.52	\$432,473	\$0	\$432,473	\$0
3	2020	\$20,700,000	100.00%	\$20,700,000	22.98	\$475,586	\$0	\$475,586	\$0
4	2021	\$20,700,000	100.00%	\$20,700,000	23.43	\$485,097	\$0	\$485,097	\$0
5	2022	\$20,700,000	100.00%	\$20,700,000	23.90	\$494,799	\$0	\$494,799	\$0
6	2023	\$20,700,000	100.00%	\$20,700,000	24.38	\$504,695	\$0	\$504,695	\$0
7	2024	\$20,700,000	100.00%	\$20,700,000	24.87	\$514,789	\$0	\$514,789	\$0
8	2025	\$20,700,000	100.00%	\$20,700,000	25.37	\$525,085	\$0	\$525,085	\$0
9	2026	\$20,700,000	100.00%	\$20,700,000	25.87	\$535,587	\$0	\$535,587	\$0
10	2027	\$20,700,000	100.00%	\$20,700,000	26.39	\$546,298	\$0	\$546,298	\$0
11	2028	\$20,700,000	100.00%	\$20,700,000	26.92	\$557,224	\$0	\$557,224	\$0
12	2029	\$20,700,000	100.00%	\$20,700,000	27.46	\$568,369	\$0	\$568,369	\$0
13	2030	\$20,700,000	100.00%	\$20,700,000	28.01	\$579,736	\$0	\$579,736	\$0
14	2031	\$20,700,000	100.00%	\$20,700,000	28.57	\$591,331	\$0	\$591,331	\$0
14 Year TIF		\$273,100,000		\$273,100,000		\$6,932,528	\$0	\$6,932,528	\$0
14 Year Averag		\$19,507,143	\$0	\$19,507,143	\$0	\$495,181	\$0	\$495,181	\$0

Notes and Sources:

Tax Shift Analysis Assumptions	
The mill rate is estimated to be 17.97 mills in Tax Year April 1, 2011 with a 2% annual increase for future years.	
The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which a statewide mill rate of 6.90 mills in FY 2010-11 and 7.48 mills thereafter is applied to a district's state valuation to determine the amount of local property taxes to be raised for education. By sheltering valuation through a TIF, the district avoids having to raise an amount equal to the valuation sheltered X mills.	
State Municipal Revenue Sharing amounts are calculated from spreadsheet provided by Maine Revenue Services, FY 2011 Projected Municipal Revenue Sharing - updated 3-31-10.	
County tax calculations are based on data from the Cumberland County Finance Department for the FY 2010 County Tax Year. For purposes of this analysis the total county tax assessment is assumed to remain constant throughout the life of the TIF when in actuality increases in the total county tax assessment are likely.	

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: Original Waterfront TIF Being Extended 20 Years from Tax Year 2011 to Tax Year 2031.*									
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			Total Avoided Impacts		
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax			
1	2002	\$11,533,350	\$115,334	\$796	\$107	\$49	\$952		
2	2003	\$8,966,860	\$89,669	\$671	\$83	\$38	\$792		
3	2004	\$11,941,340	\$119,413	\$893	\$110	\$51	\$1,055		
4	2005	\$14,041,400	\$4,967,847	\$37,159	\$4,591	\$2,121	\$43,871		
5	2006	\$18,576,750	\$185,768	\$1,390	\$172	\$79	\$1,641		
6	2007	\$20,681,160	\$20,681,160	\$154,695	\$19,113	\$8,825	\$182,633		
7	2008	\$20,010,560	\$15,808,342	\$118,246	\$14,610	\$6,746	\$139,602		
8	2009	\$20,050,110	\$12,431,068	\$92,984	\$11,488	\$5,305	\$109,778		
9	2010	\$20,010,560	\$11,606,125	\$86,814	\$10,726	\$4,953	\$102,493		
10	2011	\$20,277,830	\$20,277,830	\$151,678	\$18,740	\$8,653	\$179,071		
11	2012	\$20,547,772	\$20,547,772	\$153,697	\$18,990	\$8,768	\$181,455		
12	2013	\$20,820,414	\$20,820,414	\$155,737	\$19,242	\$8,884	\$183,862		
13	2014	\$21,095,782	\$21,095,782	\$157,796	\$19,496	\$9,002	\$186,294		
14	2015	\$21,373,904	\$21,373,904	\$159,877	\$19,753	\$9,120	\$188,750		
15	2016	\$21,654,807	\$21,654,807	\$161,978	\$20,013	\$9,240	\$191,231		
16	2017	\$21,938,519	\$21,938,519	\$164,100	\$20,275	\$9,361	\$193,736		
17	2018	\$22,225,069	\$22,225,069	\$166,244	\$20,540	\$9,483	\$196,266		
18	2019	\$22,514,483	\$22,514,483	\$168,408	\$20,807	\$9,607	\$198,822		
19	2020	\$22,806,792	\$22,806,792	\$170,595	\$20,807	\$9,731	\$201,133		
20	2021	\$23,102,024	\$23,102,024	\$172,803	\$21,350	\$9,857	\$204,010		
21	2022	\$23,400,209	\$23,400,209	\$175,034	\$21,626	\$9,984	\$206,644		
22	2023	\$23,701,375	\$23,701,375	\$177,286	\$21,904	\$10,113	\$209,303		
23	2024	\$24,005,553	\$24,005,553	\$179,562	\$22,185	\$10,242	\$211,989		
24	2025	\$24,312,772	\$24,312,772	\$181,860	\$22,469	\$10,373	\$214,702		
25	2026	\$24,623,064	\$24,623,064	\$184,181	\$22,756	\$10,506	\$217,442		
26	2027	\$24,936,459	\$24,936,459	\$186,525	\$23,046	\$10,639	\$220,210		
27	2028	\$25,252,988	\$25,252,988	\$188,892	\$23,338	\$10,774	\$223,005		
28	2029	\$25,572,682	\$25,572,682	\$191,284	\$23,634	\$10,911	\$225,828		
29	2030	\$25,895,573	\$25,895,573	\$193,699	\$23,932	\$11,048	\$228,679		
30	2031	\$26,221,692	\$26,221,692	\$196,138	\$24,233	\$11,187	\$231,559		
30 Year TIF Total		\$632,091,854	\$552,284,490	\$4,131,021	\$510,135	\$235,651	\$4,876,807		

*Note: Tax Years 2002 through 2009 are actual numbers as of May 14, 2010, model based on OAV of \$6,716,410 as of March 31, 2001.

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland-Cumberland Cold Storage Building		Avoided Formula Impacts from Sheltering of Valuation					
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2011	\$12,000,000	\$7,560,000	\$52,164	\$6,987	\$3,227	\$62,378
2	2012	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
3	2013	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
4	2014	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
5	2015	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
6	2016	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
7	2017	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
8	2018	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
9	2019	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
10	2020	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
11	2021	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
12	2022	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
13	2023	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
14	2024	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
15	2025	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
16	2026	\$12,000,000	\$5,400,000	\$40,392	\$4,991	\$2,305	\$47,688
17	2027	\$12,000,000	\$5,400,000	\$40,392	\$4,991	\$2,305	\$47,688
18	2028	\$12,000,000	\$4,800,000	\$35,904	\$4,436	\$2,049	\$42,389
19	2029	\$12,000,000	\$4,800,000	\$35,904	\$4,436	\$2,049	\$42,389
20	2030	\$12,000,000	\$4,200,000	\$31,416	\$3,882	\$1,793	\$37,090
20 Year TIF Total		\$240,000,000	\$133,800,000	\$996,439	\$123,654	\$57,112	\$1,177,205

Tax Shift Analysis Assumptions

The mill rate is estimated to be 17.97 mills in the first year of the TIF with a 2% annual increase for future years.

The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which a statewide mill rate of 6.90 mills in FY 2010-11 and 7.48 mills thereafter is applied to a district's state valuation to determine the amount of local property taxes to be raised for education. By sheltering valuation through a TIF, the district avoids having to raise an amount equal to the valuation sheltered X mills.

State Municipal Revenue Sharing amounts are calculated from spreadsheet provided by Maine Revenue Services, FY 2011 Projected Municipal Revenue Sharing - updated 3-31-10

County tax calculations are based on data from the Cumberland County Finance Department for the FY 2010 County Tax Year. For purposes of this analysis the total county tax assessment is assumed to remain constant throughout the life of the TIF when in actuality increases in the total county tax assessment are likely.

6/2/2010

OAV on 3/31/10 = \$950,900 for Cumberland Cold Storage Building, the "Sub-District".

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model for WTIF Added Parcels of 2018							
100% Sheltered - 14 years - 100% to City Development Account							
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2018	\$5,500,000	\$5,500,000	\$0	\$3,350	\$2,995	\$6,345
2	2019	\$19,200,000	\$19,200,000	\$0	\$11,694	\$10,453	\$22,148
3	2020	\$20,700,000	\$20,700,000	\$0	\$12,608	\$11,270	\$23,877
4	2021	\$20,700,000	\$20,700,000	\$57,270	\$12,608	\$11,270	\$81,147
5	2022	\$20,700,000	\$20,700,000	\$114,540	\$12,608	\$11,270	\$138,417
6	2023	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
7	2024	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
8	2025	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
9	2026	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
10	2027	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
11	2028	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
12	2029	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
13	2030	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
14	2031	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687
14 Year TIF Total		\$273,100,000	\$273,100,000	\$1,718,100	\$166,339	\$148,683	\$2,033,122
14 Year Average		\$19,507,143	\$19,507,143	\$122,721	\$11,881	\$10,620	\$145,223

STATUTORY REQUIREMENTS AND THRESHOLDS
Portland Waterfront TIF | AMD-2

SECTION A. Acreage Caps		
1. Total municipal acreage;		12,386
2. Acreage of proposed Municipal TIF District;		1.675
3. Downtown-designation ¹ acres in proposed Municipal TIF District;		0
4. Transit-Oriented Development ² acres in proposed Municipal TIF District;		0
5. Total acreage [=A2-A3-A4] of proposed Municipal TIF District counted toward 2% limit;		1.675
6. Percentage [=A5÷A1] of total acreage in proposed Municipal TIF District (CANNOT EXCEED 2%).		.0135%
7. Total acreage of all <u>existing/proposed</u> Municipal TIF districts in municipality including Municipal Affordable Housing Development districts: ³ See attached listing.	Existing	602.047
	Proposed	1.675
	Total:	603.722
30-A § 5223(3) EXEMPTIONS⁴		
8. Acreage of an <u>existing/proposed</u> Downtown Municipal TIF district;		421.520
9. Acreage of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: Thompson's Point TOD TIF/30 Acres		30
10. Acreage of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: None		0
11. Acreage in all <u>existing/proposed</u> Municipal TIF districts common to ⁵ Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such acreage also factored in Exemptions 8-10 above: None		0
12. Total acreage [=A7-A8-A9-A10-A11] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;		152.202
13. Percentage of total acreage [=A12÷A1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).		1.29%
14. Real property in proposed Municipal TIF District that is:	ACRES	% [=Acres÷A2]
a. A blighted area;		
b. In need of rehabilitation, redevelopment or conservation;		
c. Suitable for commercial or arts district uses.	1.675	100%
TOTAL (except for § 5223 (3) exemptions a., b. OR c. must be at least 25%)		

¹ Before final designation, the Commissioner will seek advice from MDOACF and MDOT per 30-A § 5226(2).

² For Transit-Oriented Development (TOD) definitions see 30-A § 5222 sub-§§ 19-24.

³ For AH-TIF acreage requirement see 30-A § 5247(3)(B). Alternatively, Section B. must exclude AH-TIF valuation.

⁴ Downtown/TOD overlap nets single acreage/valuation caps exemption.

⁵ PTZ districts approved through December 31, 2008.

STATUTORY REQUIREMENTS AND THRESHOLDS
Portland Waterfront TIF | AMD-2

SECTION B. Valuation Cap		
1. Total TAXABLE municipal valuation—use most recent April 1;	\$9,049,500,000	
2. Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;	\$1,817,930	
3. Taxable OAV of all <u>existing/proposed</u> Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts: See Attached Listing	Existing	\$1,106,442,670
	Proposed	\$1,817,930
	Total:	\$1,108,260,600
30-A § 5223(3) EXEMPTIONS		
4. Taxable OAV of an <u>existing/proposed</u> Downtown Municipal TIF district;	\$968,136,850	
5. Taxable OAV of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: Thompson’s Point TOD TIF	\$4,970,470	
6. Taxable OAV of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: None	\$0	
7. Taxable OAV of all <u>existing/proposed</u> Single Taxpayer/High Valuation ⁶ Municipal TIF districts: None	\$0	
8. Taxable OAV in all <u>existing/proposed</u> Municipal TIF districts common to Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such OAV also factored in Exemptions 4-7 above: None	0	
9. Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	\$135,153,280	
10. Percentage of total taxable OAV [=B9÷B1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	1.49%	

COMPLETED BY	
NAME :	Lori Paulette
DATE :	1/30/2018

⁶ For this exemption see 30-A §5223(3)(C) sub-§§ 1-4.

**Listing of Existing TIF Districts for MDECD for City's Application for Amending WTIF to
add Parcels - Approved by City Council a/o _____**

Active TIFs			
TIF District	FY Start/End	Original Assessed Value (OAV)	Acres
Bramhall/Holt Hall	FY1999-00/FY2018-19	\$349,110	1.030
Waterfront/and Sub District	FY2002-03/FY2031-32	\$7,667,310	4.950
- adding Union Wharf and Wex	FY2018-19/FY2031-32	\$1,817,930	1.675
Bayside Expanded TIF District	FY2003-04/FY2032-33	\$122,318,180	129.180
Riverwalk/Ocean Gateway	FY2006-07/FY2018-19	\$1,085,550	3.680
Pearl Place/Avesta-AH TIF	FY2007-08/FY2035-36	\$0	1.035
Baxter Library TIF District	FY2010-11/FY2018-19	\$0	0.370
Public Market/Power Pay	FY2010-11/FY2039-40	\$1,862,600	1.070
McAuley Place	FY2009-10/FY2038-39	\$0	5.320
Avesta/409 Cumberland Ave-AH TIF	FY2013-14/FY2034-35	\$0	0.410
Thompson's Pt TOD/TIF II	FY2014-15/FY2043-44	\$4,970,470	30.000
134 Washington Avenue/AH TIF	FY2014-15/FY2033-34	\$0	0.230
17 Carleton St/AH TIF	FY2015-16/FY2036-37	\$0	0.572
Downtown TOD and Omnibus TIF District	FY2015-16/FY2044-45	\$968,136,850	421.520
ImmuCell TIF	FY2017-18/FY2028-29	\$52,600	1.110
58 Boyd Street/AH TIF		\$0	0.480
Deering Place/AHTIF		\$0	1.090
Sub-Total:		\$1,108,260,600	603.722
Less Exempt:			
Thompson's Point (TOD TIF)	FY2014-15/FY2043-44	-\$4,970,470	-30.000
Downtown TOD and Omnibus TIF District	FY2015-16/FY2044-45	-\$968,136,850	-421.520
Totals for Caps:		\$135,153,280	152.202
FY18 Aggregate Total Value:		\$9,049,500,000	
Total Acreage for Ptl'd:			12,386.000
5% Allowed to be TIF'd:		\$452,475,000	619.300
Current Amounts TIF'd:		\$135,153,280	152.202
Amount Remaining that can be TIF'd:		\$317,321,720	467.098

Waterfront ME FY2011-12/FY2030-31
Laurie Carlson said total taxable value for FY18 is: \$7,385,483,590



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: January 31, 2018

**SUBJECT: 2017 Economic Development Committee Work Plan Accomplishments/
Possible 2018 EDC Work Plan Items**

This memorandum outlines the status of the EDC 2017 Work Plan activities and results, including 2017 Mayor and City Council economic development goals. It also highlights in yellow possible carryover items for 2018.

Broadband Access (2017 Mayor and City Council Goal). High speed infrastructure; broad band.

IN PROCESS AND NEXT STEPS. At the July 26th, 2016, EDC meeting, staff provided a summary of a proposed Master Lease Agreement with Verizon to support small cell technology investment in Portland. The City Council approved this Master Lease on August 1, 2016.

Also, it is noted the City issued a News Release on July 19th, 2016, with the topic "City Seeks Citizens to Complete Internet Services Survey" and noting "Selects SiFi Networks to explore potential citywide fiber network". Staff continues to work with SiFi Networks to move forward with a public-private partnership.

A City Council workshop was held on December 12, 2016 with Council direction to refer negotiations to the EDC to finalize partnership documents for recommendation to the City Council.

Jon Jennings to provide update.

This was not taken up in 2017.

Eastern Waterfront Public Infrastructure Investment/Increase Utilization of the Portland Ocean Terminal (POT) (2017 Mayor and City Council Goal)

Establish direction on the future of the Portland Ocean Terminal, including waterfront concerts and Compass Park. With as much as 70,000 square feet of vacant space, the Portland Ocean Terminal on the Maine State Pier needs a plan for investment and optimized utilization. Existing uses, including City cruise ship port of call support, Portland Tugboat, and Ready Seafood, provide a solid basis for growth; however, the building's age, condition, location within a Federal security area, and lack of

supporting infrastructure (parking, loading, sidewalks ...) severely limit the potential reuse of the building as currently configured.

See sections entitled “Eastern Waterfront Public Infrastructure Investment” and “Establishing New Policy Direction” for more information and inter-relationship with approaches to improving utilization of the POT.

At the September 5, 2017 EDC meeting, City Waterfront Coordinator Bill Needelman provided the Committee with an overview and process to go forward, including conducting an inventory of uses, understanding current conditions, and coordination with existing operations. In the short-term, provide basic circulation and utilities changes and moving utilities into the main building. The second floor provides the most opportunity for increased development; the main floor is used by the City, storage in the winter for cruise ship activities, as well as Ready Seafood’s use and other marine dependent uses.

On October 2, the City Council held a workshop on suggested plans for the future of the POT, which was then followed by an EDC meeting on November 28 with staff providing illustrative redevelopment concepts for feedback from the Committee, including a draft updated Policy Statement for the POT. This was favorably received by the Committee, noting that work on this would continue with the 2018 EDC.

Tax Increment Financing Policy and Districts (2017 Mayor and City Council Goal)

TIF Policy Guidelines-Review for Possible Proposed Amendments to the City Council: Pursuant to City Council Order #61 passed unanimously on September 19, 2016, the Council referred to the EDC the current TIF Policy for consideration of amendments including, but not limited to, the addition of provisions for:

- Local Hire
- Ethnic and Gender Diversity
- Economically Disadvantaged Participation;
- Veteran Preference;
- Adherence to State of Federal Prevailing Wages; and,
- Participation in a Job Training or Apprentice Ship Program.

At the EDC meeting on April 18, 2017, it held a public hearing regarding the Mayor’s proposed amendments to the TIF Policy. Public comments received were both in favor and opposed to the draft amendments, followed by EDC discussion and requests for clarifying language and points of information. The EDC continued discussion on proposed TIF Policy Amendments at its June 6, July 25, and August 22 meetings. At the October 3, 2017 EDC meeting, after review and discussion, the EDC recommended to forward the proposed TIF Policy Amendments to the City Council for approval. The City Council approved the TIF Policy Amendments at its November 20, 2017 meeting.

In addition, during the EDC’s discussion of TIF Policy amendments, the EDC recommended that the City Manager and/or his/her designee undertake an analysis of the costs associated with the City undertaking an *Employment Disparity Study* and report back to the EDC in January 2018, and to

explore the establishment of a *City workforce job training program*, utilizing funds from area-wide TIF Districts to fund the program.

Payment In Lieu of Taxes (PILOT) New City Policy

Staff prepared a draft policy for EDC consideration for non-profit tax exempt organizations to contribute annually to cover the cost of municipal services.

At the September 5 EDC meeting, City Finance Director Brendan O’Connell provided a general overview of a proposed policy, and at the November 28 EDC meeting, provided a draft policy for review, discussion, and feedback. It is anticipated the 2018 EDC will continue its review and make a recommendation to the City Council.

Establish Development Impact Fees

Staff will work with the EDC to create a formula that standardizes fees - providing certainty to the development community and City resources.

At the September 5 EDC meeting, Planning and Urban Development Director Jeff Levine provided a general overview of the current City current impact fees, determined through development review. Next step is to bring a proposed overall impact fee policy to the EDC so that both the City and developers know formulas for impact fees and can insert them into pro formas.

Eastern Waterfront Public Infrastructure Investment

Investing in public infrastructure is an important municipal government responsibility to attract private sector investment. Locations which require public infrastructure planning include both implementation of existing policies and creating new policy direction for investment:

Implementing Existing Policy:

Private Development Integration. The Economic Development Department is leading a Planning, Public Works, and Parks & Recreation Department discussion to plan road, parking garage, and utility extensions in Portland’s Eastern Waterfront, facilitating planned and future development consistent with the Eastern Waterfront Master Plan (EWMP.)

Next Steps. This item was discussed with the EDC at its January 3, 2017 meeting regarding issuing a Request for Proposals to stimulate parking garage development in the block of Hancock, Fore, and Thames Street, and the new Thames Street to Fore Street Connector Road, in exchange for selling the City-owned Thames Street lot and securing public right-of-way for the new Connector Road. As a result of that EDC meeting, staff presented a draft RFP for sale of a portion of the Thames Street lot at the EDC’s meeting on March 29, 2017, which resulted in EDC authorization to staff to advertise the RFP, with responses due to the City May 4, 2017. The EDC reviewed responses, in executive session, at its May 9, 2017 meeting. ***Please refer to “City Properties” section for the Thames Street property item.***

Amethyst Lot Open Space Development. Implementing recommendations from the EWMP and conditions of approval from Ocean Gateway, to define program and design elements for signature waterfront open space promoting recreation and active use of the water.

Next Steps. In May of 2016, the City Council approved \$80,000 in funding to support a planning and public process scope for the Amethyst Lot. An RFP was issued for design services which generated 10 credible proposals from firms with local, national, and international experience. A staff review committee recommended hiring Stantec and the contract was finalized. Since then, a group of City employees worked with Stantec in furthering the design process. The EDC was provided a concept of redevelopment at its August 22 meeting, with overall consensus of agreement with the concept, which has been informally called “Portland Landing”. **The EDC will be kept updated on the continued public process.**

Establishing New Policy Direction:

Ocean Gateway to discuss reconfiguration of the “queuing area” located behind the fence to free up property for more diversified marine activity, support for the Portland Ocean Terminal, and expanded access to the water for commercial and public uses. The City Manager met with Custom Border Protection (CBP) personnel to discuss relocating U.S. Customs pre-clearance to Yarmouth, Nova Scotia. Staff is researching options; update forthcoming.

Possible new Pier development between Ocean Gateway and the Maine State Pier to support increased commercial use of the waterfront and support for the marine passenger industry. Staff is exploring Federal funding opportunities and updates will be provided when appropriate.

Portland Ocean Terminal (POT). Evaluate supporting infrastructure to attract increased commercial and marine tenant use of available 25,000 +/- square feet of vacant second floor office space and 70,000 square feet of vacant ground floor marine industrial space, coupled with waterfront concerts use and Compass Park use.

On October 2, the City Council held a workshop on suggested plans for the future of the POT, which was then followed by an EDC meeting on November 28 with staff providing illustrative redevelopment concepts for feedback from the Committee, including a draft updated Policy Statement for the POT. This was favorably received by the Committee, noting that work on this would continue with the 2018 EDC.

Portland Transportation Center (PTC)

In partnership with the MDOT, NNEPRA, and private sector property owners, work to develop an expanded intermodal passenger station in the Thompson Point area.

Next Steps. Staff to work with the transportation agencies and private partners to establish timeline and work plan for PTC improvements. Present briefing to the EDC when appropriate.

Lease of City Properties

Leasing City owned properties requires City Council approval. Policy discussion regarding the leasing of City owned properties needs to be discussed. Examples of commercial leases requiring EDC (in the form of a recommendation to the City Council) and City Council action include:

Ocean Gateway to support ferry operator lease. At the March 7, 2017 EDC meeting in executive session, staff discussed proposed amendments to the Bay Ferries Lease for guidance and direction. This was followed by a public meeting of the EDC on April 4, 2017, for its

recommendation and vote to the City Council for action prior to 2017 season, at which time the EDC recommended to the City Council approval of the amended Lease. The City Council unanimously approved the Amended Lease at its April 24, 2017 Council meeting. Bay Ferries is estimated to generate over \$265,000 to the City from space rent, parking, passenger/vehicle fees, and berthing fees.

An amendment to the Bay Ferries Lease is under negotiation to extend ferry service in 2018 subject to conditions.

Portland Ocean Terminal tenant leases including Ready Seafood Companies. Amendments to this Lease will be proposed in 2018.

Spring Street Parking Garage Commercial tenant leases including the former Pirates space, with 1,172 square feet. Staff requested guidance from the EDC, in executive session, at its May 9 and July 19, 2017 meetings for terms for lease rental and parking garage revenue sharing agreement. Tenant Lease and parking garage revenue sharing agreement will be presented when ready.

Casco Bay Island Transit District (CBITD) Lease: Staff is beginning its review of the existing Lease to recommend, at the appropriate time, amendments. This current 30-year lease expires June 2018.

Next Steps include presenting commercial leases to the EDC when ready.

City Properties

Sales

Bayside former Public Works properties. City staff issued a Request for Proposals for commercial broker services to assist the City with the sale of these properties; CBRE/The Boulos Company was chosen after review of the proposals. Staff will work with the EDC and ultimately the City Council regarding any final property sale decisions.

At the January 3, 2017 EDC meeting, staff presented an overview of the Bayside properties, followed by a public hearing by the EDC on January 31, 2017. At a special meeting of the EDC on February 28, 2017, it was provided an update by CBRE/The Boulos Company on their methods of marketing, followed by a tour of the properties. The EDC then met on March 7, 2017, and discussed these properties and voted unanimously on a sales approach for

Boulos to market these properties with no restrictions, and for Boulos to encourage/leverage workforce housing on Parcel 1, now a parking lot. Public Comment was received at the March 7, 2017, EDC meeting.

Offers were due in to CBRE/The Boulos Company by May 12, 2017. The EDC reviewed the offers at its May 23, 2017 meeting in executive session, and again on June 6, 2017. This was followed by Developer presentations at the June 27 EDC meeting, where public comment was taken, and followed by an executive session. At its July 19 meeting, City staff provided recommendations to sell the property, public comment taken, and followed by executive session.

The EDC was presented a Purchase and Sale Agreement for 56 Parris Street on August 22, 2017, public comment taken, and executive session followed. At the September 19, 2017 EDC meeting, it reviewed Purchase and Sale Agreements for 56 Parris Street, 82 Hanover Street, 65 Hanover Street, and 178 Kennebec Street, public comment taken, and recommended them to the City Council. At the October 2, 2017 City Council meeting, the City Council approved of these four Purchase and Sale Agreements. Both parties are now in the due diligence period and will close on these properties early 2018.

44 Hanover Street – The proposed Purchase and Sale Agreement will be reviewed by the EDC in 2018 for a recommendation to the City Council.

Riverside Street Seven (7) Acre Industrial Property. City staff has been marketing this property for sale and has attracted an interested developer which has been discussed, in executive session, with the EDC during 2016.

At the January 3, 2017 EDC meeting, staff presented an overview of the Riverside Street property and the 7-acre site, including the recent need to install a City communication tower for its emergency management system. At the March 7, 2017 EDC meeting in executive session, staff discussed interest in this property and receive guidance on future negotiations. A draft Purchase and Sale Agreement was presented to the EDC in public session at its April 4, 2017 meeting. At that meeting, the EDC voted unanimously to recommend to the City Council approval of the Purchase and Sale Agreement for sale of this 7+/- acre parcel to AIM Riverside II, LLC in the amount of \$604,800. At the April 24, 2017 City Council meeting, it voted unanimously to approve the Purchase and Sale Agreement. The proposed development for the 7-acre site includes multi-industrial tenant type development with over 75,000 square feet.

Since then, the Developer has contacted the City to terminate the Purchase and Sale Agreement. The site is now available for sale and interest has been shown. Staff will present the EDC with any proposed sale in 2018.

Thames Street Gravel Parking Lot. At the January 3, 2017 EDC meeting, staff presented an overview of this property, followed by a public hearing by the EDC on January 31, 2017. Next step was to finalize a Request for Proposals for a portion of the Thames Street property for sale to stimulate development on the site and a parking garage in the area for EDC review and recommendation to place out to bid. The draft RFP was presented to the EDC on March 29, 2017, for review and recommendation to issue the RFP for sale of a portion of the lot.

This was another opportunity for public comment, as well as when the EDC reviews and recommends a purchase and sale agreement to the City Council, and again at the City Council when it takes up the matter.

At the March 29, 2017 EDC meeting, it voted unanimously to authorize staff to advertise the RFP for sale of a portion of the Thames Street property. Proposals are due in to the City May 4, 2017, and the EDC reviewed the two proposals, in executive session, at its May 9, 2017 meeting. This was followed by Developer presentations, EDC questions, public comment taken, followed by an executive session on May 23, 2017. At its July 19 meeting, City provided recommendations to sell the property, public comment taken, and followed by executive session; followed by executive sessions on June 6 and June 27 and July 19; and a public session, with public comment, on August 1 at which time it recommended to the City Council a Purchase and Sale Agreement to 0 Hancock Street LLC. The City Council approved the Purchase and Sale Agreement at its August 21, 2017 meeting, and the sale closed September 28, 2017. Construction of the new headquarters for WEX is now underway.

Cotton Street Parking Lot. At the January 3, 2017 EDC meeting, staff presented an overview of this property – as well as update in executive session, followed by a City Council workshop on the proposed Amended and Restated Land Exchange Agreement with JB Brown, substituting the Cotton Street Parking Lot for the City’s One Cambridge Street lot. This item was on the March 7, 2017, EDC Agenda for a review and recommendation to the City Council, which resulted in a 2-0-1 vote (Thibodeau abstained) to forward to the City Council for approval. The public had an opportunity to comment at the March 7, 2017, EDC meeting and also had an opportunity for public comment again at the City Council meeting when it took up the matter on April 5, 2017, at which time the Council voted 8-0 (Thibodeau recused) to approve the land exchange.

Former Reed School. City issued a Request for Proposals for sale and redevelopment of the Reed School. Staff presented the proposed Purchase and Sale Agreement to the City Council at its May 15 meeting for review and approval. The Council voted unanimously (9-0) to approve the Agreement with Developers Collaborative Predevelopment LLC for the sale.

Strip of Land on Federal Street. At its March 7, 2017, meeting, the EDC reviewed an application to purchase a strip of City property on Federal Street, used as an access driveway to an abutting, landlocked parcel. Deed restrictions restrict its use as an access to the landlocked parcel. This was tabled for a tour of the property and taken back up at the March 29, 2017 EDC meeting, at which time the EDC voted unanimously to authorize staff to advertise for bid to the two abutting lot owners only. The Bid document was issued and the deadline to submit bids was set as May 12, 2017. The EDC reviewed the one bid received in open session, followed by an executive session, at its May 23, 2017 meeting. At its June 6 meeting, the EDC voted unanimously for forward the Purchase and Sale Agreement, with New Height Group, to the City Council for approval. The City Council approved the Purchase and Sale Agreement at its June 19, 2017 meeting, and the sale closed November 14, 2017.

City/MDOT/CPB2 Land Exchange

The EDC reviewed the Land Exchange Agreement between CPB2/MDOT/City of Portland at its March 7, 2017 meeting. This was tabled for a tour of the land area being exchange between the Portland Company Complex and the Amethyst Lot. At the March 29, 2017 EDC meeting, it unanimously recommended that the City Council approved by the proposed Land Exchange Agreement. The City Council unanimously approved the Land Exchange Agreement at its April 24, 2017 Council meeting, which Agreement was fully executed as of June 21, 2017.

Acquisitions

Redlon Woods: The Land Bank Commission is interested in accepting donations, acquiring private property vacant land, and placing tax-acquired vacant parcels in this area of the City into the Land Bank. Because of the property acquisition, this will come before the EDC, as well as the Land Bank Commission (LBC) for recommendations to the City Council. At the January 3, 2017 EDC meeting, staff presented an overview of the Redlon area. At the EDC meeting on September 19, 2017, it reviewed the LBC's recommendation to the City Council for placing certain tax-acquired, City-owned, and a private donated vacant land parcel for placement in the Land Bank and recommended to the City Council to place the properties in the Land Bank. The City Council reviewed this at its October 2nd meeting and tabled it for further information on whether the vacant land was suitable for residential development. At its October 16th meeting, it received a report that the vacant land was not suitable for residential. It also tabled this item to the January 3rd Council meeting at staff's request to review legal issues associated with the tax-acquired property.

TIF Districts:

Annual TIF Report to City Council: Annually the Economic Development Department issues a City Fiscal Year Report related to Portland TIF District activity. This report is available on the City web page at: <http://www.portlandmaine.gov/529/Tax-Increment-Financing>. The 2017 Annual Report is expected to be presented to the EDC early 2018.

Possible Amendments to Waterfront and Thompson's Point TIF Districts: One recommended TIF District amendment to discuss, in 2018, is the possible geographic expansion of the Waterfront TIF District. The areas to consider including in the Waterfront TIF District are East and West Commercial Street properties due to planned private sector investment projects and supporting public infrastructure needs.

In addition, the Thompson's Point TOD TIF may be brought to the EDC for possible amendments, which amendments would need to be authorized by the City Council.

Next Steps: Presenting any private TIF District requests to the EDC for direction, along with revisiting the Waterfront TIF District boundaries for possible expansion.

Downtown TOD TIF District Amendment: At its October 24, 2017 meeting, the EDC reviewed a requested Amendment to this District to take out 58 Boyd Street in order for that to be a freestanding

affordable housing district. The Committee voted to forward this to the City Council for approval, which approval was given at the November 20th Council meeting.

58 Boyd Street Affordable Housing (AH) TIF District Establishment: At its October 24, 2017 meeting, the EDC reviewed the request for establishment of an AH TIF District at 58 Boyd Street by the Portland Housing Development Corporation (PHDC). PHDC proposed to construct a 55-unit, mixed-income, multi-family rental apartment building on this site it owns. The Committee voted to forward this to the City Council for approval, which approval was given at the November 20th Council meeting.

61 Deering Street and 510 Cumberland Avenue AH TIF District Establishment: At its October 24, 2017 meeting, the EDC reviewed the request for establishment of an AH TIF District at 61 Deering Street and 510 Cumberland Avenue by Avesta Housing. Avesta proposed to renovate and construct an eighty (80) mixed-income rental housing development on this site it owns. The Committee voted to forward this to the City Council for approval, which approval was given at the November 20th Council meeting.

Ordinance Amendments for the Permitting and Inspections Department

At the April 18, 2017 EDC meeting, it reviewed proposed Ordinance amendments for the Permitting and Inspections Department, at which time it was tabled to the May 9, 2017 EDC meeting. It was taken up at the May 9 meeting and the EDC voted to forward the amendments onto the City Council. The City Council voted to approve the amendments at its August 21, 2017 meeting.

Outdoor Seating for Food Service Establishments

Review current permitting process/ordinance and any barriers, particularly for older buildings. Staff is working on this topic. Updates will be provided when appropriate.

Open Forum for Restaurateurs: Forum for restaurant owners to talk about what is going well, what is not, and any other issues or comments they may have.

Re-write of Land Use Code Chapter 14. Funding is included in the City Manager's budget to hire Planning staff to undertake this rewrite.

Intern Program for both High School and College Students, perhaps 5 to 10 hours per week. This could be a public/private collaboration, perhaps with a task force and working with the School Department.

Food Trucks: Expand areas/times for the trucks to be in operation. (This may be a joint meeting of the EDC and the Health and Human Services Committee.)

Explore closing Exchange Street on certain days; more open storefronts. Work with Portland Downtown in exploring these ideas.

Convention Center: EDC to be provided periodic updates from the Maine Convention Center Collaborative.

Other Unanticipated Matters as they come up.