

# AGENDA

# REGULAR CITY COUNCIL

# MEETING

# OCTOBER 15, 2018

1. City Council Meeting Agenda

Documents:

[CITY COUNCIL MEETING AGENDA 2018-10-10.PDF](#)

2. City Council Meeting Agenda & Packet

Documents:

[CITY COUNCIL MEETING AGENDA AND PACKET 2018-10-10.PDF](#)

3. Back Up Material: Tab 18 - Order 86 18/19 (Seventh Amendment To Agreement Between City Of Portland And Northeast Air)

Documents:

[BACK UP MATERIAL TAB 18 ORDER 86 18-19 SEVENTH AMENDMENT TO AGREEMENT BETWEEN CITY OF PORTLAND AND NORTHEAST AIR.PDF](#)

4. Possible Un-Agenda Item May Be Offered October 15, 2018: Amendment Re: Non-Owner-Occupied Short Term Rental Units In Multi-Unit Buildings

Documents:

[AMENDMENT - CITY CODE CHAPTER 6 RE NON-OWNER-OCCUPIED SHORT TERM RENTAL ORDINANCE AND MEMO RE CHANGE TO SHORT TERM RENTAL ORDINANCE.PDF](#)



**APPOINTMENTS:**

**Order 82-18/19  
(Tab 7)**

**Order Appointing Directors of the Portland Widows’ Wood Society for the 2018-2019 Term – Sponsored by Jon P. Jennings, City Manager.**

The Portland Widows’ Wood Society provides assistance to needy Portland residents who are referred to the Society by various charitable organizations and the City of Portland. This order appoints the following persons as Directors to the Portland Widows’ Wood Society for the 2018-2019 term:

Nancy English  
Henry Donovan  
Everett Ingalls  
Cyrus Hagge  
John Knox  
Thomas Pierce  
Cheryl Hallett

Five affirmative votes are required for passage after public comment.

**CONSENT ITEMS:**

**Order 83-18/19  
(Tab 8)**

**Order Approving Transfer of Funds Under 15 M.R.S. §§5824(3) and 5826(6) Re: Bladimir Perez – Sponsored by Jon P. Jennings, City Manager.**

This order authorizes the City Council to approve the transfer of \$696 in forfeited assets from the State of Maine to the City of Portland from the case of the State of Maine v. Bladimir Perez.

The money was seized during a drug investigation conducted by the M.D.E.A. in conjunction with the Portland Police Department. The money will be deposited into the Portland Police Department’s drug investigation account. The money is used to offset the costs of drug investigations, such as drug analysis, drug purchases, covert surveillance, surveillance equipment, drug training and protective gear, such as body armor. The money may also be used to support the department’s Law Enforcement Addiction Advocacy Program.

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**LICENSES:**

**Order 84-18/19  
(Tab 9)**

**Order Granting Municipal Officers’ Approval of Mainely Burgers LLC dba Mainely Booze. Application for a Qualified Caterer at 108 St. John Street – Sponsored by Michael Russell, Director of Permitting and Inspections.**

Application was filed on 9/12/2018. New City and State applications. The owners currently operate a commissary kitchen at this location.

Five affirmative votes are required for passage after public comment.

**Order 85-18/19  
(Tab 10)**

**Order Granting Municipal Officers' Approval of Root Wild LLC dba Root Wild. Application for a Brewery with Outdoor Dining on Private Property at 135 Washington Avenue – Sponsored by Michael Russell, Director of Permitting and Inspections.**

Application was filed on 9/19/2018. New City application.

Five affirmative votes are required for passage after public comment.

**BUDGET ITEMS:**

**COMMUNICATIONS:**

**Com 4-18/19  
(Tab 11)**

**Communication Re: Portland Parks Commission Report – Sponsored by the Portland Parks Commission – Dory Waxman, Chair.**

The Parks Commission met on September 6, 2018 and voted unanimously to forward the October 2016 to May 2018 Portland Parks Commission Report to the City Council with a recommendation for passage.

As a Communication this item requires no public comment or formal Council action.

**Com 5-18/19  
(Tab 12)**

**Communication Re: Annual Tax Increment Financing Report – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

The Economic Development Committee met on September 4, 2018 and voted 2-0 (Councilor Thibodeau absent) to forward this item to the City Council as a Communication.

City Tax Increment Financing (TIF) Policy requires the preparation and presentation of an annual TIF district activity report. The FYE2018 TIF Annual Report represents the sixth year of reporting.

Highlights of this year's Report notes City Council TIF actions during FY2018. This includes:

The City Council passed five items relating to TIFs, specifically:

A. The City Council adopted a revised TIF Policy, included in the Report.

- B. The Downtown Transit Oriented Development (TOD) and TIF District was amended to take out a property from the District, 58 Boyd Street, so that that property could then be its own freestanding Affordable Housing TIF District.
- C. Approved an Affordable Housing TIF District for 58 Boyd Street for a term of 30 years (FY2019 through FY2048), with 50% capture to the Developer and 50% into the City's General Fund. This District supports the development of a 55 unit, mixed income, multi-family rental apartment building. TIF revenues will be used by Developer to pay for operating costs for the project.
- D. Approved an Affordable Housing TIF District for Deering Place, located at 61 Deering Street and 510 Cumberland Avenue, for a term of 30 years (FY2019 through FY2048), with 75% capture to the Developer and 25% into the City's General Fund. This Affordable Housing TIF District supports the development of 75 units of residential rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.
- E. Approved adding parcels to the Waterfront TIF District as there are two projects under construction in the District that would provide additional TIF revenue, approximately \$490,000 annually, as well as additional tax sheltering savings at approximately \$145,000 annually. Those projects are 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.

The Report also has a table showing the past six-year trend, as well as an Appendix which lists all the current TIFs and the activity numbers associated with them.

As a communication this item requires no public comment or formal Council action

**RESOLUTIONS:**

**UNFINISHED BUSINESS:**

**Order 77-18/19  
(Tab 13)**

**Order Amending the Bayside Tax Increment Financing District to Increase Public Investment Options – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

The Economic Development Committee met on September 18, 2018 and voted 3-0 to forward this item to the City Council with a recommendation for passage.

Amendments to the Bayside Tax Increment Financing (TIF) District are proposed to maximize utilization of the TIF District revenue by adding more public investment options for use of TIF revenue, including, but not limited to, professional service costs and workforce training funds.

The City staff proposed amendments do not involve credit enhancement agreements.

This item must be read on two separate days. It was given a first reading on October 1, 2018. Five affirmative votes are required for passage after public comment.

**Order 78-18/19  
(Tab 14)**

**Order Amending the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Add More Public Investment Options and to Increase the Capture Rate – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

The Economic Development Committee met on September 18, 2018 and voted 3-0 to forward this item to the City Council with a recommendation for passage.

Amendments to the Downtown Transit Oriented Development Tax Increment Financing (TIF) District are proposed to maximize utilization of the TIF District revenue by adding more public investment options for use of TIF revenue, including, but not limited to, shuttle service to downtown business; professional service costs; workforce training funds; and multi-modal surface and structured parking. A further amendment would increase the TIF District Annual Capture Rate from up to 22% to up to 100%.

This item must be read on two separate days. It was given a first reading on October 1, 2018. Five affirmative votes are required for passage after public comment.

**Order 79-18/19  
(Tab 15)**

**Order Amending the 2002 Waterfront Tax Increment Financing District to Increase Public Investment Options and to Add New Properties – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

The Economic Development Committee met on September 18, 2018 and voted 3-0 to forward this item to the City Council with a recommendation for passage.

Amendments to the Waterfront Tax Increment Financing (TIF) District and Growth area are proposed to maximize utilization of the TIF District revenue by adding more public investment options for use of TIF revenue, along with adding additional properties to expand the Waterfront TIF District, which properties can be seen on the map included in the Council packet.

Additional investment options include, but are not limited to, multi-modal surface and structured parking; new publicly owned pier; economic development programs or events; environmental improvement projects; professional service costs; and dredge sediment disposal and Contained Aquatic Disposal Cell Development.

The City staff proposed amendments do not involve credit enhancement agreements.

This item must be read on two separate days. This item must be read on two separate days. It was given a first reading on October 1, 2018. Five affirmative votes are required for passage after public comment.

**Order 80-18/19  
(Tab 16)**

**Amendment to Portland City Code Chapter 14 and Chapter 8  
Re: Waterfront Development Growth Area – Sponsored by the  
Economic Development Committee, Councilor Justin Costa, Chair.**

The Economic Development Committee met on September 18, 2018 and voted 3-0 to forward this item to the City Council with a recommendation for passage.

This is a companion Amendment to Order 79 above.

The amendments to the Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance are proposed to expand the future growth area for the Waterfront Tax Increment Financing (TIF) District from Casco Bay Bridge to include Sprague Energy.

Housekeeping and clarifying amendments to the ordinance are also proposed to align the ordinance with current practice and avoid confusion with other sections of the Land Use Code.

To promote clarity within the ordinance and to avoid confusion with other sections of the Land Use Code, the amendments include changing the title of the program from Waterfront Capital Improvement and economic Redevelopment Zone and Ordinance to Waterfront Development Growth Area Ordinance.

This item must be read on two separate days. It was given a first reading on October 1, 2018. Five affirmative votes are required for passage after public comment.

**Order 81-18/19  
(Tab 17)**

**Amendment to Zoning Map RE: Hope Avenue – Sponsored by the  
Planning Board, Sean Dundon, Chair.**

On September 11, 2018, the Planning Board voted unanimously, 5-0 (Dundon and Silk absent) to recommend to City Council adoption of the proposed map amendment to rezone a 14-acre parcel comprising 0 Hope Avenue and adjacent right-of-way to R-3 Residential, as requested by Estelle Estates, LLC. This map amendment would enable the development of a planned residential unit development with 27 duplexes (54 residential units) on currently undeveloped land off of Hope Avenue in the North Deering Neighborhood.

The proposed development was conceived as part of a negotiated land conveyance agreement between the City and then property owners Lloyd Wolf and Robert Adam that brought 48 acres of land into the City of Portland's municipal limits and established the Presumpscot River Preserve.

This item must be read on two separate days. It was given a first reading on October 1, 2018. Five affirmative votes are required for passage after public comment.

### **ORDERS:**

**Order 86-18/19  
(Tab 18)**

**Order Approving Option to Extend Northeast Air North Apron Lease to June 30, 2056 - Sponsored by Jon P. Jennings, City Manager.**

The Portland International Jetport is requesting approval to provide an option to extend the term of Northeast Air's north apron lease such that it coincides with Northeast Air's primary ground lease at the Portland International Jetport.

Northeast Air is a longstanding Fixed Base Operation (FBO) at the Jetport. As an FBO, Northeast Air provides aircraft fueling, maintenance, deicing, and other aviation services as outlined in the Jetport's minimum standards. Under this request the term of Northeast Air's north apron FBO lease will have a new option for extension through June 30, 2056. The basic terms of the lease are as follows:

- **Term:** Provide a new option to extend the term of the existing lease by approximately 20 years from August 11, 2036 through June 30, 2056.
- **Rate:** Northeast Air will continue to pay ground rent and 2% of gross receipts excluding aircraft sales/leasing, sales of aircraft parts and accessories, charter flights, or fixed rent from subtenants approved by the City.
- **Full Service FBO:** Northeast Air must continue operating as a full service FBO with staffing, hours, and facilities that meet the requirements outlined in the Portland International Jetport's Minimum Standards throughout the lease term.

Northeast Air has been an FBO in good standing at the Portland International Jetport for decades. Making the terms of the leases issued to Northeast Air coincide allows for a seamless integrated operation of the north apron general aviation facilities.

Five affirmative votes are required for passage after public comment.

**AMENDMENTS:**

**6:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:**



**APPOINTMENTS:**

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Five affirmative votes are required for passage after public comment.

**AMENDMENTS:**

**6:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:**

**IN COUNCIL A REGULAR MEETING OCTOBER 1, 2018 VOL.134 PAGE 28**

**ROLL CALL:** Mayor Strimling called the meeting to order at 5:30 P.M.

**ANNOUNCEMENTS:**

**RECOGNITIONS:**

Arts in the Chamber, Palaver Strings

**APPROVAL OF MINUTES OF PREVIOUS MEETING:**

Motion was made by Councilor Cook and seconded by Councilor Ray to amend the minutes by striking out acquaintanes and Councilor Strimling, and by adding employer represents the landlord and by adding Mayor Strimling. Passage 9-0.

Motion was made by Councilor Ray and seconded by Councilor Duson for passage as amended. Passage 9-0.

**PROCLAMATIONS:**

**APPOINTMENTS:**

**Order 70-18/19 Order Appointing Members to Various Boards and Committees – Sponsored by the Nominating Committee, Councilor Pious Ali, Chair.**

The Nominating Committee is making the following recommendations to the Various Boards and Committees.

<b>Name</b>	<b>Board and Committee</b>	<b>Expiration</b>
Bert Jongerden	Harbor Commission	12/31/2021
Daniel Haley	Harbor Commission	12/31/2021
Thomas Valteau	Fish Exchange C	10/31/2020
Nick Alfiero	Fish Exchange B	10/31/2020
Avis Leavitt	Fish Exchange A	10/31/2020
Eric Larsson	Zoning Board of Appeals	12/31/2021
Kathie Jacks	Board of Assessment Review	09/30/2020
Julia Tate	Historic Preservation Board	11/30/2021
Timothy Agnew	Portland Development Corporation	09/30/2021
Stephen Lovejoy	Portland Development Corporation	09/30/2021
Blaine Grimes	Portland Development Corporation	09/30/2021
James Dowd	Portland Development Corporation	09/30/2021
Laura Reading	Portland Development Corporation	09/30/2021
Jeffery Hicklin	Portland Development Corporation	09/30/2020
Samuel Martin	CDBG	09/30/2021

Motion was made by Councilor Ali and seconded by Councilor Thibodeau to postpone appointment of Thomas Valteau, Nick Alfiero and Avis Leavitt of the Fish Exchange to the November 5, 2018 City Council meeting. Passage 9-0

**IN COUNCIL A REGULAR MEETING OCTOBER 1, 2018 VOL.134 PAGE 29**

Motion was made by Councilor Ali and seconded by Councilor Duson for passage as amended. Passage 9-0.

**Order 71-18/19      Order Appointing Keith Gautreau Chief of the Fire Department – Sponsored by Jon P. Jennings, City Manager.**

Motion was made by Councilor Mavodones and seconded by Councilor Costa to waive the second reading. Passage 9-0.

Motion was made by Councilor Ray and seconded by Councilor Batson for passage as an emergency. Passage 9-0.

**CONSENT ITEMS:**

**Order 72-18/19      Order Setting Time for Opening of Polls on November 6, 2018 Re: State and Local Elections - Sponsored by Katherine L. Jones, City Clerk.**

Motion was made by Councilor Batson and seconded by Councilor Costa for passage. Passage 9-0.

**LICENSES:**

**Order 73-18/19      Order Granting Municipal Officers' Approval of Atwater Holdings, LLC dba Sagamore Hill Lounge for a Class A Lounge with Outdoor Dining on Public Property at 150 Park Street. – Sponsored by Michael Russell, Director of Permitting and Inspections.**

Motion was made by Councilor Ray and seconded by Councilor Batson for passage. Passage 9-0.

**Order 74-18/19      Order Granting Municipal Officers' Approval of Sun Tiki Studios LLC dba Sun Tiki Studios LLC. Application for an Auditorium with Entertainment with Dance at 375 Forest Avenue – Sponsored by Michael Russell, Director of Planning and Inspections.**

Motion was made by Councilor Ray and seconded by Councilor Batson for passage. Passage 9-0.

**BUDGET ITEMS:**

**COMMUNICATIONS:**

**RESOLUTIONS:**

Mayor Strimling took Orders 75 & 76 out of order.

**ORDERS:**

**IN COUNCIL A REGULAR MEETING OCTOBER 1, 2018 VOL.134 PAGE 30**

**Order 75-18/19      Order Approving a Real Estate Option Agreement with Capricorn Products, LLC for the Sale of Lot 1 at Portland Technology Park – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

Motion was made by Councilor Costa and seconded by Councilor Ray for passage. Passage 9-0.

**Order 76-18/19      Order Authorizing the Assignment of a Portion of the McCauley Place Tax Increment Financing District Credit Enhancement Agreement to DC Baxter Woods LLC, DC Baxter Woods II LLC, and DC Baxter Woods III LLC - Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

Motion was made by Councilor Costa and seconded by Councilor Batson for passage. Passage 9-0.

**UNFINISHED BUSINESS:**

**Order 69-18/19      Amendment to the Portland City Code Chapter 17 Re: Moratorium on Medical Marijuana Retail Stores, Medical Marijuana Testing Facilities, and Medical Marijuana Manufacturing Facilities - Sponsored by Jon P. Jennings, City Manager.**

It was given a first reading on September 5, 2018. At the September 17, 2018 Council meeting this item was postponed to this meeting

Councilor Thibodeau recused himself; his employer is involved in this Moratorium.

Motion was made by Councilor Cook and seconded by Councilor Batson to amend Order 69 by adding in the title of Chapter 17 “and medical marijuana grow facilities”, in the fourth whereas, “4) grow up to 30 plants per caregiver for medical use”; in the fifth and sixth whereas adding “ grow facilities”, in the seventh whereas adding “testing facilities, manufacturing facilities, and grow facilities” in the tenth whereas adding ”grow facilities “in Article X adding “grow facilities”; in section 17-124 last paragraph adding “and medical marijuana grow facilities”; in section 17-125 adding “Medical marijuana grow facility means a lot or parcel where more than one registered caregiver is growing medical marijuana for medical use.” 17-127 adding “or medical marijuana grow facilities” Sec. 17-128 “Pursuant to Article II, section 11 of the Portland City Charter, in order to protect the public safety and welfare of the City of Portland,” and be enacted as an Emergency, and begin on October 1, 2018” also adding “until December 13, 2018 for medical marijuana manufacturing facilities, medical marijuana

retail stores and medical marijuana testing facilities. This moratorium shall begin on October 1, 2018 and continue until February 1, 2019 for medical Marijuana grow facilities.” Lastly by deleting section 17-129. Passage 8-0. (Councilor Thibodeau recused).

Motion was made by Councilor Costa and seconded by Councilor Ray for passage as amended. Passage 8-0. (Councilor Thibodeau recused).

**Order 77-18/19      Order Amending the Bayside Tax Increment Financing District to Increase Public Investment Options – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

This is its first reading.

**Order 78-18/19      Order Amending the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Add More Public Investment Options and to Increase the Capture Rate – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

This is its first reading

**Order 79-18/19      Order Amending the 2002 Waterfront Tax Increment Financing District to Increase Public Investment Options and to Add New Properties – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

This is its first reading.

**AMENDMENTS:**

**Order 80-18/19      Amendment to Portland City Code Chapter 14 and Chapter 8 Re: Waterfront Development Growth Area – Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.**

This is its first reading.

**Order 81-18/19      Amendment to Zoning Map RE: Hope Avenue – Sponsored by the Planning Board, Sean Dundon, Chair.**

This is its first reading.

**6:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:**

Motion was made by Councilor Ray and seconded by Councilor Batson to adjourn. Passage 8-0 , 6:55 P.M.

A TRUE COPY.

---

Katherine L. Jones, City Clerk

Doc 12-18/18  
Tab 2 10-15-18

# PROCLAMATION

## RECOGNIZING CHARLIE ESHBACH

\*\*\*\*\*

**WHEREAS:** Under Eshbach's leadership the Sea Dogs have been one of the Eastern League's model franchises. In the teams' inaugural season in 1994, the Sea Dogs led the league in attendance attracting over 375,000 fans.

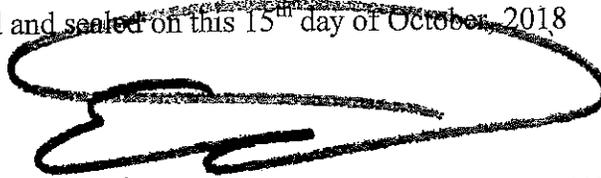
**WHEREAS:** The Sea Dogs consistently rank among the league's attendance leaders. The Sea Dogs were awarded the 1999 Freitas Award, which is presented by *Baseball America* to honor the best operators in Minor League Baseball.

**WHEREAS:** In 2000, the Sea Dogs won the John H. Johnson President's Trophy, which is Minor League Baseball's top honor presented to the complete baseball franchise based upon franchise stability, contributions to the league, contributions to baseball in the community and promotion of the baseball industry.

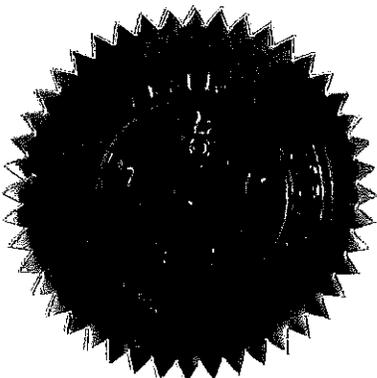
**WHEREAS:** Following the 2013 season, Eshbach was awarded the distinguished "King of Baseball" award for his accomplishments in the game.

**NOW, THEREFORE, BE IT RESOLVED, THAT I,** Ethan Strimling, Mayor of the City of Portland, Maine, and the members of the Portland City Council do hereby proclaim honor and recognition to Mr. Charlie Eshbach for his 24 years of leadership to the Portland Seadogs.

Signed and sealed on this 15<sup>th</sup> day of October, 2018



Ethan Strimling, Mayor  
City of Portland, Maine



Proc 13-18/19  
Tab 3 10-15-18

# PROCLAMATION

## HONORING

### OFFICER DANIEL ROSE

**WHEREAS, Officer Rose** is a veteran officer of the department, having been sworn in as an officer in 1997. Officer Rose has been a valued member of various teams over his twenty years with the department including working patrol as one of the first officers at the West End Community Policing Center. He currently serves as an active member of the Special Reaction Team, is an Emergency Medical Technician and trained in firefighting.

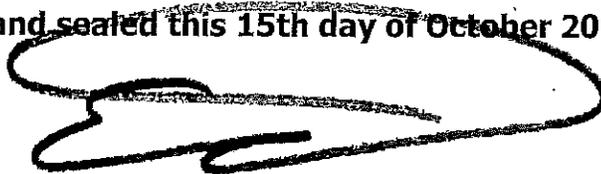
**WHEREAS, Officer Rose** is currently assigned to Island Services on Peaks Island, where he has dedicated himself to providing safety and service to both residents and visitors of the island. He recently heightened traffic enforcement on the island, a task that was increasingly important during the busy summer months. Additionally, he has been actively processing the removal of old vehicles from permitted parking zones on Peaks, and

**WHEREAS, Officer Rose** used the proceeds from the recently salvaged vehicles removed from the island to fund a new community policing initiative. Over the summer, officers could hand out local business cards as vouchers for free ice cream to children wearing bike helmets. This innovative approach to safety established a true connection with community members. Officer Rose is known for his dedication and true professionalism and he demonstrates a strong commitment to duty and,

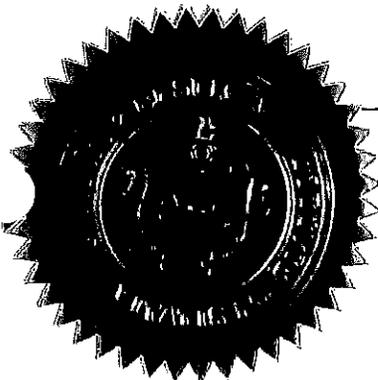
**WHEREAS, Officer Rose** is commended for his exemplary performance and clear commitment to a higher standard of public service and public safety.

**NOW, THEREFORE, BE IT RESOLVED, THAT I, Ethan K. Strimling**, Mayor of the City of Portland, Maine, and the members of the Portland City Council do hereby proclaim honor and recognition to **Officer Daniel Rose** as **Officer of the Month for August 2018**.

Signed and sealed this 15th day of October 2018



Ethan K. Strimling, Mayor  
City of Portland, Maine



Dec 14-18/19  
Tab 4 10-15-18

## PROCLAMATION

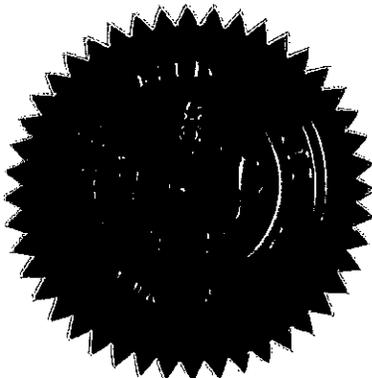
Honoring

**Thomas Jarvais**  
**Employee of the Month**

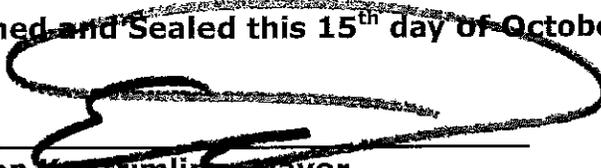
**September 2018**

- WHEREAS:** **Thomas Jarvais** of the Parking Division, has been named the City of Portland Employee of the Month by a committee of his peers and selected for this distinct honor from a workforce of over 1,300; and
- WHEREAS:** This award is presented in recognition of **Tom's** work as a Parking Meter Supervisor with over 27 years of City service. **Tom** is recognized for his exemplary work overseeing the City's parking meters, over one thousand six hundred of them. Whether there are mechanical issues or programming problems, **Tom** makes sure they are working properly; and
- WHEREAS:** During the City's conversion from the old mechanical parking meters to the state-of-the-art electronics, **Tom's** attention to detail and work ethic made the transition possible and seamless. **Tom** then handled the addition of pay and display kiosks on the street. These machines were a great leap forward in customer service, as they accept both cash and credit cards. These multispace meters/pay stations have allowed for the elimination of approximately half of the stand-alone meters, greatly enhancing the street scape; and
- WHEREAS:** Most recently, **Tom** was involved with the Passport Parking mobile app, to pay by cell on the street. **Tom** works diligently to help the City move forward in its goal of enhancing the parking experience for both residents and visitors alike. **Tom** is very busy each day; from meters that need to be moved or replaced, batteries changed, decals with the right information displayed, meters to be cleared of graffiti, etc., yet **Tom** always has time to provide information and data to Parking and excellent customer service when issues arise. The hottest days of summer and coldest days of winter find **Tom** at his work. **Tom** is dependable, dedicated, always willing to help, and go the extra mile in his work.

**NOW, THEREFORE, BE IT RESOLVED, THAT I**, Ethan K. Strimling, Mayor of the City of Portland, Maine, and the members of the Portland City Council do hereby proclaim honor and recognition to **Thomas Jarvais** as **City Employee of the Month, September 2018**.



Signed and Sealed this 15<sup>th</sup> day of October, 2018

  
\_\_\_\_\_  
**Ethan K. Strimling, Mayor**  
**City of Portland, Maine**

*Doc 15-18/19*  
*Tab 5 10-15-18*

**CITY OF PORTLAND  
IN THE CITY COUNCIL  
PROCLAMATION RECOGNIZING  
ITALIAN HERITAGE MONTH 2018**

**WHEREAS,** Every October the United States acknowledges the vital contributions and celebrates Italian heritage, and

**WHEREAS,** For generations, Italian Americans have called Portland home, helped build our city and steer the course of its future.

**WHEREAS,** Italian Americans run successful businesses, teach our next generation of leaders, and pioneer scientific and technological breakthroughs; and

**WHEREAS,** Italian Americans have flourished in all areas of our public and economic life while preserving their proud Italian heritage; and

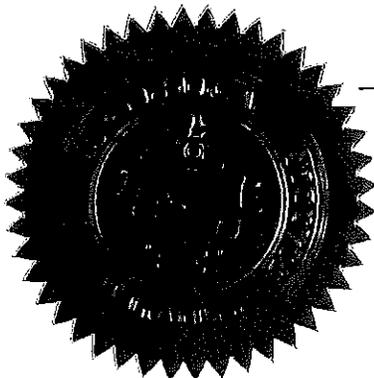
**WHEREAS,** Many of the residents, students, city employees, and business owners who who, contribute to the enrichment of our city are Italian Americans; and

**WHEREAS,** Italian Heritage Month celebrates the achievements of Italian Americans In the Arts, Education, Entertainment, Government, History, Law, Literature, Medicine, The Military, Music, Politics, Science, Sports and other endeavor

**WHEREAS,** We are grateful for the many contributions Italian American men and women and organizations like Italian Heritage Center add to our community and the vibrancy they weave into the city of Portland; and

**NOW, THEREFORE, BE IT RESOLVED, THAT I,** Ethan K. Strimling, Mayor of the City of Portland, Maine and the members of the Portland City Council: Do hereby October 2018 as Italian Heritage and Culture month in the city of Portland Maine and invite citizens of Portland to reflect on ways we all can be inclusive, celebrate diversity, during this month and every month

Signed and Sealed this 15th Day of October, 2018



*Ethan K. Strimling, Mayor*

Doc 16-18119  
Tab 6 10-15-18

**CITY OF PORTLAND  
IN THE CITY COUNCIL  
PROCLAMATION  
RECOGNIZING  
LATINO/HISPANIC HERITAGE MONTH 2018**

**WHEREAS,** From September 15th to October 15th, the United States acknowledges the vital contributions and celebrates our Hispanic/ Latino heritage, and

**WHEREAS,** Hispanics /Latino Americans have written crucial chapters in our nation throughout our history, honorably defended our country in war and built prosperity during times of peace, and

**WHEREAS,** Hispanic /Latino Americans run successful businesses, teach our next generation of leaders, and pioneer scientific and technological breakthroughs; and

**WHEREAS,** Hispanic /Latino Americans represent an array of distinct and vibrant cultures, each of which enriches our communities in valuable ways; and

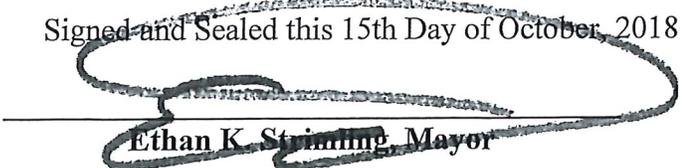
**WHEREAS,** Hispanic/ Latino leaders like César E. Chávez have marched for social justice and helped advance America's journey toward a more perfect Union; and

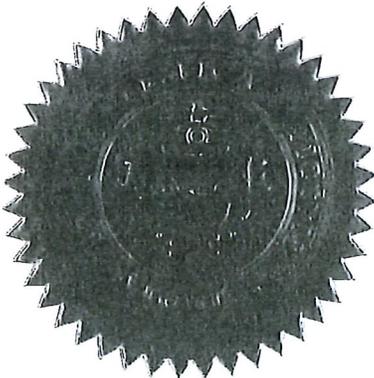
**WHEREAS,** Hispanic Heritage Month celebrates the achievements of Hispanic/Latinos in the Arts, Education, Entertainment, Government, History, Law, Literature, Medicine, The Military, Music, Politics, Science , Sports and other endeavor.

**WHEREAS,** We are grateful for the many contributions Hispanic /Latino American men and add to our community and the vibrancy they weave into the city of Portland; and

**NOW, THEREFORE, BE IT RESOLVED, THAT I,** Ethan K. Strimling, Mayor of the City of Portland, Maine and the members of the Portland City Council: Do hereby declare September 15th to October 15th Hispanic/Latino Heritage month in the city of Portland Maine and invite citizens of Portland to reflect on ways we all can be inclusive, celebrate diversity, during this month and every month

Signed and Sealed this 15th Day of October, 2018

  
Ethan K. Strimling, Mayor



*Order 92-18/19  
Feb 7 10-15-18*

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPOINTING DIRECTORS OF  
THE PORTLAND WIDOWS' WOOD SOCIETY FOR THE 2018-2019 TERM**

**ORDERED,** that the following persons are hereby appointed as Directors of the Widows' Wood Society for the City of Portland for a term to end November 1, 2019:

<b>Name</b>	<b>Address</b>
Henry L. Donovan	15 Clifford Street
Nancy English	40 Park Avenue
Cyrus Hagge	45 Turner Street
Cheryl Hallett, Treasurer	22 Pride Farm Road, Falmouth
Everett Ingalls	45 Eastern Promenade
John C. Knox, President	44 Bramblewood Drive
Thomas M. Pierce	52 Foreside Common Drive, Falmouth

**MEMORANDUM**  
**City Council Agenda Item**

**DISTRIBUTE TO:**

**FROM:**

**DATE:** October 1, 2018

**SUBJECT:** Order Appointing Directors of the Portland Widow's Wood Society for the 2018-2019 Term -Sponsored by Jon P. Jennings, City Manager.

**SPONSOR:** Jon Jennings, City Manager

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

1st Reading

Final Action

Can action be taken at a later date: No (If no why not?)

**PRESENTATION:** (List the presenter(s), type and length of presentation)

**I. ONE SENTENCE SUMMARY**

**II. AGENDA DESCRIPTION**

The Portland Widow's Wood Society provides assistance to needy Portland residents who are referred to the Society by various charitable organizations and the City of Portland. This order appoints the following persons as Directors to the Portland Widow's Wood Society for the 2018-2019 term:

Nancy English  
Henry Donovan  
Everett Ingalls  
Cyrus Hagge  
John Knox  
Thomas Pierce  
Cheryl Hallett

Five affirmative votes are required for passage after public comment.

**III. BACKGROUND**

**IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

**V. FINANCIAL IMPACT**

**VI. STAFF ANALYSIS AND BACKGROUND**

Staff Analysis and Background that will not appear in the Agenda Description.

**VII. RECOMMENDATION**

**VIII. LIST ATTACHMENTS**

1. Widows' Wood Society 10.15.2018
2. Widows Wood Society 2018

**PLEASE REMEMBER THAT BACKUP ITEMS HAVE TO BE SINGLE SIDED.**

Prepared by: Kathy Jones

Date: 10/01/2018

*Order 83-18/19  
Tab 8 10-15-18*

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING TRANSFER OF FUNDS  
UNDER  
15 M.R.S. §§ 5824(3) and 5826(6)  
RE: BLADIMIR PEREZ**

**ORDERED**, that the City Council hereby accepts \$696.00 in forfeited assets in the case of State of Maine vs. Bladimir Perez from the State of Maine to the City of Portland, pursuant to 15 M.R.S. § 5824(3) and § 5826(6) and as provided in the attached "Approval of Transfer."

**MEMORANDUM**  
**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Mike Sauschuck, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Vernon W. Malloch, Interim Chief of Police

**DATE:** September 28, 2018

**SUBJECT:** Approval of Transfer

**SPONSOR:** Police Department

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

1<sup>st</sup> reading \_\_\_\_\_ next available \_\_\_\_\_ Final Action \_\_\_\_\_

**Can action be taken at a later date:**  Yes  No (If no why not?)

**PRESENTATION: (List the presenter(s), type and length of presentation)**

- I. **ONE SENTENCE SUMMARY:** The State requires Council approval of the transfer of forfeited cash to the Portland Police Department. (See attached approval form)
- II. **AGENDA DESCRIPTION:** *State v. Bladimir Perez CR-18-2767 and six hundred ninety-six dollars (\$696.00 US Currency)*
- III. **BACKGROUND:** The State Forfeiture Statute, 15 M.R.S.A. § 5824 (3) and § 5826(6), requires that before any forfeitable item may be transferred to a State agency, County or municipality, the legislative body of that entity must publicly vote to accept the item.
- IV. **INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED:** Funds may be transferred to the Portland Police Department for deposit in the drug investigations account.
- V. **FINANCIAL IMPACT:** The money is used to offset the costs of drug investigations, such as drug analysis, drug purchases, covert surveillance, surveillance equipment, drug training and protective gear, such as body armor.
- VI. **STAFF ANALYSIS AND BACKGROUND THAT WILL NOT APPEAR IN THE AGENDA DESCRIPTION**
- VII. **RECOMMENDATION**
- VIII. **LIST ATTACHMENTS**

Prepared by: Catherine Hooper

Date: September 28<sup>th</sup>, 2018

JANET T. MILLS  
ATTORNEY GENERAL



STATE OF MAINE  
OFFICE OF THE ATTORNEY GENERAL  
6 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0006

TEL: (207) 626-8800  
TTY USERS CALL MAINE RELAY 711

REGIONAL OFFICES  
84 HARLOW ST. 2ND FLOOR  
BANGOR, MAINE 04401  
TEL: (207) 941-3070  
FAX: (207) 941-3075

415 CONGRESS ST., STE. 301  
PORTLAND, MAINE 04101  
TEL: (207) 822-0260  
FAX: (207) 822-0259

14 ACCESS HIGHWAY, STE. 1  
CARIBOU, MAINE 04736  
TEL: (207) 496-3792  
FAX: (207) 496-3291

September 24, 2018

Portland Police Department  
Interim Chief Vern Malloch  
109 Middle Street  
Portland, ME 04101

RE: State of Maine vs. Bladimir Perez  
Cumberland County Unified Criminal Court Doc. No. CR-18-2767  
**Criminal Forfeiture**  
Required Vote of Municipal Officers/Approval of Transfer of Forfeiture Assets

Dear Chief Malloch:

Enclosed please find a draft Approval form for submission to the municipal officers.

Please inform the municipal officers that:

A. 15 M.R.S.A. §5824(3) requires that, before any forfeitable item may be transferred to a State Agency, County or Municipality, the municipal legislative body must publicly vote to accept the item(s) **if subsequently ordered forfeited by the Court;**

B. Under Rules issued by the Department of the Attorney General, a public vote must be made on each forfeiture "approval" and a "continuing resolution" of approval cannot be accepted;

C. As with all forfeitures, an approval of a transfer by the municipal legislative body does not guarantee either that the Defendant(s) *In Rem* will in fact be forfeited or, if forfeited, that the Court will order the item(s) transferred to the approving Department, Agency, County or Municipality. The municipal legislative body's approval only signifies that, if the Defendant(s) *In Rem* are in fact ordered forfeited and, if the Attorney General and the Court agree to a transfer of all or part of the Defendant(s) *In Rem* to a Department, Agency, County or Municipality based upon the "substantial contribution" of that Department, Agency, County or Municipality, then that entity is in fact, willing to accept the Defendant(s) *In Rem* or portions thereof. In order to streamline what is otherwise a cumbersome forfeiture process, it is our practice to seek State, county or

municipal approval in anticipation of the final order of forfeiture. However, final forfeiture is not guaranteed and both the municipal legislative body and the law enforcement agency involved are **cautioned** that they **should not encumber** funds or property until a Final Order granting them lawful title to the property is delivered to them;

D. Under the provisions of the Forfeiture Statute, if the municipal legislative body fails to approve a transfer in a timely manner, any forfeited items shall be transferred to the State of Maine General Fund.

Assuming your municipal legislative body does grant its approval, kindly see to it that the accompanying form is signed by the appropriate person and is "embossed" with the seal of the municipality. Then, please return the **original** to me for filing, and retain a copy for your records.

My sincere thanks for your attention to this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Johanna Gauvreau  
Assistant Attorney General  
**CRIMINAL DIVISION**

Enclosure

**STATE OF MAINE  
Cumberland, SS**

**UNIFIED CRIMINAL DOCKET  
Criminal Action  
Docket No. CR-18-2767**

**State of Maine**

**v.**

**Bladimir Perez,  
Defendant**

}  
}  
}  
}  
}  
}  
}  
}  
}

**City of Portland  
Approval of Transfer  
15 M.R.S. §5824(3)  
and §5826(6)**

AND  
\$696.00 U.S. CURRENCY  
DEFENDANT IN REM

**NOW COMES** the City of Portland, Maine, by and through its legislative body, the City Council, and does hereby grant approval pursuant to Section 5824(3) and Section 5826(6) of Title 15 of the Maine Revised Statutes, to the transfer of any portion of the above captioned Defendant *In Rem*, namely \$696.00 U.S. Currency, on grounds that the City of Portland Police Department did make a substantial contribution to the investigation of this or a related criminal case.

**WHEREFORE**, the Portland City Council does hereby approve of the transfer of the Defendant(s) *In Rem*, to the City of Portland, Maine pursuant to 15 M.R.S. §5824(3) and §5826(6) on October 15, 2018.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mayor

(Impress Legislative Body Seal Here)

*Order 84-18119  
Tab 9 10-18-19*

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY M. COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER  
GRANTING MUNICIPAL OFFICERS'  
APPROVAL OF:**

**Mainely Burgers LLC dba Mainely Booze. Application for a Qualified Caterer at 108 St.  
John Street.**



**Dear Mayor Strimling and Members of the City Council:**

**Our names are Jack and Max Barber and we are the owners of Mainely Burgers, a food truck company that has been operating in Southern Maine since 2012. We are writing to inform you that Mainely Burgers is applying for its Qualified Catering license.**

**Over the past few years, Mainely Burgers has expanded in a few different ways. In August 2016, we opened our first storefront in Cambridge (same name) and will be opening a second in October 2018. The restaurant has been serving beer and wine since we opened and has been a great way for us to share some of the best Maine beers down in Massachusetts! This expansion has allowed us to continue to operate our food trucks in Southern Maine and make it a fulltime business.**

**Last year we purchased 'The Station' at 108 St. John Street in Portland. We completely renovated the building and now have a licensed commissary kitchen. Mainely Burgers has garnered a ton of success by focusing on being one of the top catering trucks in Maine. Service and food are our top priorities and the results have shown.**

**Our plan is to bring that same service to the alcohol side of the business. We have the knowledge, operational experience and marketability to make this venture successful. Max and I love Maine and want to continue to expand this business. This move will allow us to add additional jobs and more choices to a somewhat small catering base in southern Maine. Please don't hesitate to call us 207-272-2921 or email us at [mainelyburgers@gmail.com](mailto:mainelyburgers@gmail.com). Thank you and we look forward to hearing from you.**

**Best Regards,**

**Jack and Max Barber  
Co- Owners of Mainely Burgers**

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department  
 Michael A. Russell, MS, Director  
 389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557  
[www.portlandmaine.gov](http://www.portlandmaine.gov)

**Application for Food Service Establishment with Alcoholic Beverages License**

<b>Business Information</b>	Mainely Burgers LLC		
Business Name (d/b/a):	Mainely <del>Burgers</del> Booz	Phone:	207-272-2921
Location Address:	108 St. John St. Portland, ME	Zip:	04102
If new, what was formerly at this location:			
Mailing Address:	108 St. John St.	Zip:	04102
Contact Person:	Jack Barber	Phone:	207-272-2921
Contact Person Email:	Mainelyburgers@gmail.com		
Manager of Establishment:	Jack Barber	Date of Birth:	6/17/1993
		Phone:	207-272-2921
Owner of Premises (Landlord):	Mainely Burgers, LLC		
Address of Premises Owner:	108 St. John St.	Zip:	04102

**Sole Proprietor/Partnership Information (If Corporation, leave blank)**

Name of Owner(s)	Date of Birth	Residence Address

**Corporate/LLC/Non-Profit Organization Applicants (If Sole Proprietor or Partnership, leave blank)**

<b>Corporate Name</b>		<b>Corporate Mailing Address</b>	
Mainely Burgers, LLC		108 St. John St	Zip: 04102
Contact Person:	Jack Barber	Phone:	207-272-2921
<b>Principal Officers</b>	<b>Title</b>	<b>Date of Birth</b>	<b>Residence Address</b>
Jack Barber	Co-owner	6/17/1993	4 Chimney Rock Rd. Cape Elizabeth, ME 04107
Max Barber	Co-owner	6/22/1995	4 Chimney Rock Rd. Cape Elizabeth, ME 04107
David Barber	Consultant	10/24/1958	4 Chimney Rock Rd. Cape Elizabeth, ME 04107

### About Your Establishment

Class of Liquor License:	<i>Qualified Catering License</i>	
Type of food served:		
Please circle all that will be served:	<input checked="" type="checkbox"/> Beer <input checked="" type="checkbox"/> Wine <input checked="" type="checkbox"/> Liquor	
Projected percentage of sales:	Generated from Food: <i>\$ 215,000</i>	Generated from Alcohol: <i>~\$10,000</i>
Hours & days of operation:	<i>Event Based</i>	

QUESTIONS	Y/N
Will full-course meals, only capable of consumption with the use of tableware, be served the entire time the establishment is open?	Y/N
If No, please explain:	
Is the establishment less than 300 feet from a school, dormitory, church or parish house, or similar establishment?	Y/N
If yes, give the distance:	
Will you have entertainment on the premises? (If yes, a Supplemental Application for Dancing & Entertainment is required.)	Y/N
Will you permit dancing on the premises?	Y/N
Will you permit dancing after 1:00 a.m.?	Y/N
Will you have outside dining? (If yes, an Outdoor Dining Application is required)	Y/N
If yes, will the outside dining be on PUBLIC or PRIVATE property (circle one).	
Will you have any amusement devices (pinball, video games, juke box)?	Y/N
If yes, please list: # of pinball machines: _____ # of amusements: _____ # of pool tables: _____	
What is your targeted opening date?	
Does the Issuance of this license directly or indirectly benefit any City employee(s)?	Y/N
If Yes, list name(s) of employee(s) and department(s):	
Have any of the applicants, including the corporation (if applicable), ever held a business license with the City of Portland?	Y/N
If Yes, please list business name(s) and location(s):	
Is any principal officer under the age of 21?	Y/N
Have applicant, partners, associates, or corporate officers ever been arrested, indicted, or convicted for any violation of law?	Y/N
If Yes, please explain:	

I *Sam Bell* do hereby swear and affirm that every employee in my establishment that serves alcohol to the public has attended server training, or will attend server training within 90 days of their hire. I also understand that at any time the City license administrator can, upon request, require me to produce Server Training certificates for each employee that serves alcohol to the public in my establishment. Failure to meet the training requirement imposed by section 15-41 may result in the denial of a liquor license pursuant to 28-A M.R.S.A. § 653 (2) (G).

Applicant, by signature below, agrees to abide by all laws, orders, ordinances, rules and regulations governing the above licensee and further agrees that any misstatement of material fact may result in refusal of license or revocation if one has been granted. Applicant agrees that all taxes and accounts pertaining to the premises will be paid prior to issuance of the license.

It is understood that this and any application(s) shall become public record and the applicant(s) hereby waive(s) any rights to privacy with respect thereto. I/We, hereby authorize the release of any criminal history record information to the City Clerk's Office or licensing authority. I/We, hereby waive any rights to privacy with respect thereto.

Signature *Sam Bell* Title *Co-own* Date *6/15/2018*

For more information about Liquor Licenses, see Portland City Code Chapter 15 at [www.portlandmaine.gov](http://www.portlandmaine.gov) and M.R.S.A. Title 28-A at [www.maine.gov](http://www.maine.gov).

**BUREAU OF ALCOHOL BEVERAGES AND LOTTERY OPERATIONS**  
**DIVISION OF LIQUOR LICENSING AND ENFORCEMENT**  
 8 STATE HOUSE STATION, AUGUSTA, ME 04333-0008  
 10 WATER STREET, HALLOWELL, ME 04347  
 TEL: (207) 624-7220 FAX: (207) 287-3434  
 EMAIL INQUIRIES: [MAINELIQUOR@MAINE.GOV](mailto:MAINELIQUOR@MAINE.GOV)

DIVISION USE ONLY	
License No:	
Class:	By:
Deposit Date:	
Amt. Deposited:	
Cash Ck Mo:	

NEW application:  Yes  No

PRESENT LICENSE EXPIRES \_\_\_\_\_

INDICATE TYPE OF PRIVILEGE:  MALT  VINOUS  SPIRITUOUS

**INDICATE TYPE OF LICENSE:**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> RESTAURANT (Class I,II,III,IV) | <input type="checkbox"/> RESTAURANT/LOUNGE (Class XI)     | <input type="checkbox"/> CLASS A LOUNGE (Class X)        |
| <input type="checkbox"/> HOTEL (Class I,II,III,IV)      | <input type="checkbox"/> HOTEL, FOOD OPTIONAL (Class I-A) | <input type="checkbox"/> BED & BREAKFAST (Class V)       |
| <input type="checkbox"/> CLUB w/o Catering (Class V)    | <input type="checkbox"/> CLUB with CATERING (Class I)     | <input type="checkbox"/> GOLF COURSE (Class I,II,III,IV) |
| <input type="checkbox"/> TAVERN (Class IV)              | <input checked="" type="checkbox"/> QUALIFIED CATERING    | <input type="checkbox"/> OTHER: _____                    |

REFER TO PAGE 3 FOR FEE SCHEDULE

**ALL QUESTIONS MUST BE ANSWERED IN FULL**

Corporation Name: <i>Mainely Burgers, LLC</i>			Business Name (D/B/A) <i>Mainely Booze</i>		
APPLICANT(S) - (Sole Proprietor)			DOB:		
DOB:			Physical Location: <i>68 St John St</i>		
Address <i>68 St John St</i>			Mailing Address <i>68 St. John St.</i>		
City/Town <i>Portland</i>	State <i>ME</i>	Zip Code <i>04102</i>	City/Town <i>Portland</i>	State <i>ME</i>	Zip Code <i>04102</i>
Telephone Number <i>207-272-2921</i>	Fax Number	Business Telephone Number <i>207-272-2921</i>		Fax Number	
Federal I.D. # <i>45-4915859</i>			Seller Certificate #: or Sales Tax #: <i>1156220</i>		
Email Address: Please Print <i>Mainelyburgers@gmail.com</i>			Website: <i>www.Mainelyburgers.com</i>		

If business is NEW or under new ownership, indicate starting date: *11/1/2014*

Requested inspection date: ~~11/1/2014~~ *10/20/2014* Business hours: *Event Based*

- If premise is a Hotel or Bed & Breakfast, indicate number of rooms available for transient guests: *2*
- State amount of gross income from period of last license: ROOMS \$ \_\_\_\_\_ FOOD \$ \_\_\_\_\_ LIQUOR \$ \_\_\_\_\_
- Is applicant a corporation, limited liability company or limited partnership? YES  NO   
If Yes, please complete the Corporate Information required for Business Entities who are licensees.
- Do you own or have any interest in any another Maine Liquor License?  Yes  No  
If yes, please list License Number, Name, and physical location of any other Maine Liquor Licenses.

\_\_\_\_\_  
 License #                      Name of Business                      (Use an additional sheet(s) if necessary.)

\_\_\_\_\_  
 Physical Location                      City/Town

5. Do you permit dancing or entertainment on the licensed premises? YES  NO

6. If manager is to be employed, give name: Jack Barak

7. Business records are located at: 104 St. John St. Portland, ME 04102

8. Is/are applicant(s) citizens of the United States? YES  NO

9. Is/are applicant(s) residents of the State of Maine? YES  NO

10. List name, date of birth, and place of birth for all applicants, managers, and bar managers. Give maiden name, if married:  
Use a separate sheet of paper if necessary.

Name in Full (Print Clearly)	DOB	Place of Birth
<u>Jack Barak</u>	<u>6/17/93</u>	<u>Portland, ME</u>
<u>Max Barak</u>	<u>6/22/95</u>	<u>Portland, ME</u>

Residence address on all of the above for previous 5 years (Limit answer to city & state)  
current: 4 Chimney Rock Road Cape Elizabeth, ME

11. Has/have applicant(s) or manager ever been convicted of any violation of the law, other than minor traffic violations, of any State of the United States? YES  NO

Name: \_\_\_\_\_ Date of Conviction: \_\_\_\_\_  
Offense: \_\_\_\_\_ Location: \_\_\_\_\_  
Disposition: \_\_\_\_\_ (use additional sheet(s) if necessary)

12. Will any law enforcement official benefit financially either directly or indirectly in your license, if issued?  
Yes  No  If Yes, give name: \_\_\_\_\_

13. Has/have applicant(s) formerly held a Maine liquor license? YES  NO

14. Does/do applicant(s) own the premises? Yes  No  If No give name and address of owner: \_\_\_\_\_

15. Describe in detail the premises to be licensed: (On Premise Diagram Required) Commercial kitchen that serves out food trucks.

16. Does/do applicant(s) have all the necessary permits required by the State Department of Human Services?  
YES  NO  Applied for: \_\_\_\_\_

17. What is the distance from the premises to the NEAREST school, school dormitory, church, chapel or parish house, measured from the main entrance of the premises to the main entrance of the school, school dormitory, church, chapel or parish house by the ordinary course of travel? .3 miles  
Which of the above is nearest? Church

18. Have you received any assistance financially or otherwise (including any mortgages) from any source other than yourself in the establishment of your business? YES  NO   
If YES, give details: \_\_\_\_\_

The Division of Liquor Licensing & Enforcement is hereby authorized to obtain and examine all books, records and tax returns pertaining to the business, for which this liquor license is requested, and also such books, records and returns during the year in which any liquor license is in effect.

**NOTE:** "I understand that false statements made on this form are punishable by law. Knowingly supplying false information on this form is a Class D offense under the Criminal Code, punishable by confinement of up to one year or by monetary fine of up to \$2,000 or both."

Dated at: Portland on 9/12, 20 18  
Town/City, State Date

**Please sign in blue ink**

*[Signature]*  
 Signature of Applicant or Corporate Officer(s)  
Jack Barber  
 Print Name

\_\_\_\_\_  
 Signature of Applicant or Corporate Officer(s)  
 \_\_\_\_\_  
 Print Name

**FEE SCHEDULE**

<b>FILING FEE: (must be included on all applications).....</b>	<b>\$ 10.00</b>
<b>Class I Spirituous, Vinous and Malt .....</b>	<b>\$ 900.00</b>
<b>CLASS I:</b> Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; Vessels; Qualified Caterers; OTB.	
<b>Class I-A Spirituous, Vinous and Malt, Optional Food (Hotels Only) .....</b>	<b>\$1,100.00</b>
<b>CLASS I-A:</b> Hotels only that do not serve three meals a day.	
<b>Class II Spirituous Only .....</b>	<del><b>\$ 550.00</b></del>
<b>CLASS II:</b> Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; and Vessels.	
<b>Class III Vinous Only .....</b>	<b>\$ 220.00</b>
<b>CLASS III:</b> Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; Restaurants; Vessels; Pool Halls; and Bed and Breakfasts.	
<b>Class IV Malt Liquor Only .....</b>	<b>\$ 220.00</b>
<b>CLASS IV:</b> Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; Restaurants; Taverns; Pool Halls; and Bed and Breakfasts.	
<b>Class V Spirituous, Vinous and Malt (Clubs without Catering, Bed &amp; Breakfasts) .....</b>	<b>\$ 495.00</b>
<b>CLASS V:</b> Clubs without catering privileges.	
<b>Class X Spirituous, Vinous and Malt – Class A Lounge .....</b>	<b>\$2,200.00</b>
<b>CLASS X:</b> Class A Lounge	
<b>Class XI Spirituous, Vinous and Malt – Restaurant Lounge .....</b>	<b>\$1,500.00</b>
<b>CLASS XI:</b> Restaurant/Lounge; and OTB.	

**UNORGANIZED TERRITORIES** \$10.00 filing fee shall be paid directly to County Treasurer. All applicants in unorganized territories shall submit along with their application evidence of payment to the County Treasurer.



Division of Alcoholic Beverages and Lottery  
Operations  
Division of Liquor Licensing and Enforcement

**Corporate Information Required for  
Business Entities Who Are Licensees**

<b>For Office Use Only:</b>	
License #:	_____
SOS Checked:	_____
100% Yes	<input type="checkbox"/> No <input type="checkbox"/>

Questions 1 to 4 must match information on file with the Maine Secretary of State's office. If you have questions regarding this information, please call the Secretary of State's office at (207) 624-7752.

Please clearly complete this form in its entirety.

- Exact legal name: Mainely Burgers, LLC
- Doing Business As, if any: Mainely Booze
- Date of filing with Secretary of State: April 2012 State in which you are formed: Maine
- If not a Maine business entity, date on which you were authorized to transact business in the State of Maine: \_\_\_\_\_
- List the name and addresses for previous 5 years, birth dates, titles of officers, directors and list the percentage ownership: (attach additional sheets as needed)

NAME	ADDRESS (5 YEARS)	Date of Birth	TITLE	Ownership %
Jack Barlow	4 Chimney Rock Rd Cape Elizabeth ME 04107 SOS SARAH AN. CAPE Elizabeth ME 04107	6/17/1993	Co-own	37.5
Max Barlow	4 Chimney Rock Rd. Cape Elizabeth ME 04107 SOS SARAH AN. CAPE Elizabeth ME 04107	6/22/1993	Co-own	37.5
David Barlow	4 Chimney Rock Rd. Cape Elizabeth ME 04107 SOS SARAH AN. CAPE Elizabeth ME 04107	10	Consultant	25

(Stock ownership in non-publicly traded companies must add up to 100%.)

- If Co-Op # of members: \_\_\_\_\_ (list primary officers in the above boxes)

7. Is any principal person involved with the entity a law enforcement official?

Yes  No  If Yes, Name: \_\_\_\_\_ Agency: \_\_\_\_\_

8. Has any principal person involved in the entity ever been convicted of any violation of the law, other than minor traffic violations, in the United States?

Yes  No

9. If Yes to Question 8, please complete the following: (attached additional sheets as needed)

Name: \_\_\_\_\_

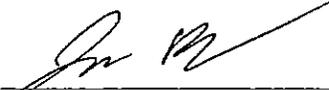
Date of Conviction: \_\_\_\_\_

Offense: \_\_\_\_\_

Location of Conviction: \_\_\_\_\_

Disposition: \_\_\_\_\_

**Signature:**

 6/6/2018  
Signature of Duly Authorized Person      Date

Jack Bern  
Print Name of Duly Authorized Person

Submit Completed Forms to:

Bureau of Alcoholic Beverages  
Division of Liquor Licensing and Enforcement  
8 State House Station, Augusta, Me 04333-0008 (Regular address)  
10 Water Street, Hallowell, ME 04347 (Overnight address)  
Telephone Inquiries: (207) 624-7220 Fax: (207) 287-3434  
Email Inquiries: [MaineLiquor@Maine.gov](mailto:MaineLiquor@Maine.gov)

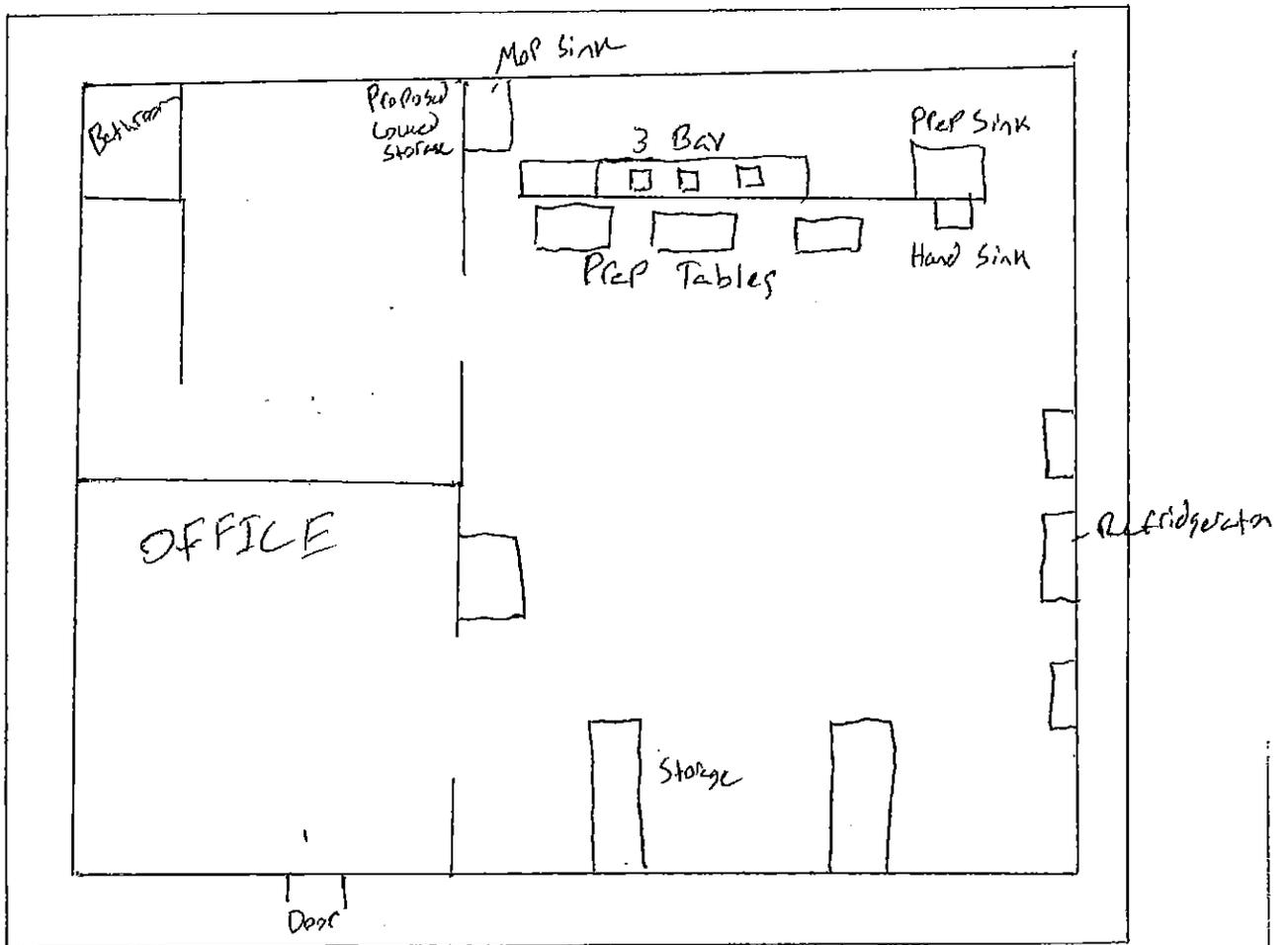
Bureau of Alcoholic Beverages and Lottery Operations  
 Division of Liquor Licensing & Enforcement  
 8 State House Station, Augusta, ME 04333-0008  
 10 Water Street, Hallowell, ME 04347  
 Tel: (207) 624-7220 Fax: (207) 287-3434  
 Email Inquiries: [MaineLiquor@maine.gov](mailto:MaineLiquor@maine.gov)

DIVISION USE ONLY	
<input type="checkbox"/>	Approved
<input type="checkbox"/>	Not Approved
BY:	

### ON PREMISE DIAGRAM

In an effort to clearly define your license premise and the area that consumption and storage of liquor is allowed. The Division requires all applicants to submit a diagram of the premise to be licensed in addition to a completed license application.

Diagrams should be submitted on this form and should be as accurate as possible. Be sure to label the areas of your diagram including entrances, office area, kitchen, storage areas, dining rooms, lounges, function rooms, restrooms, function rooms, decks and all areas that you are requesting approval from the Division for liquor consumption.





## *Beer Menu (SAMPLE)*

### **NARRAGANSETT**

**TWO ROADS HONEYSPOOT ROAD WHITE IPA (CONNECTICUT)**  
NOTES OF CITRUS, LIGHT IPA

**SHIPYARD EXPORT (PORTLAND, ME)**  
AMERICAN BLOND ALE

**CASTLE ISLAND CANDLEPIN (BOSTON, MA)**  
TONS OF FLAVOR, AMERICAN PALE ALE

**SLUMBREW PORTER SQUARE PORTER (SOMERVILLE)**  
BLEND OF CHOCOLATE, COFFEE, ROASTED & NUTTY FLAVORS

**RISING TIDE DAYMARK (PORTLAND, ME)**  
CRISP AMERICAN PALE ALE

**ALLAGASH WHITE (PORTLAND, ME)**  
BELGIAN STYLE

**NOTCH SESSION PILS (SALEM, MA)**  
PALE, CRISP, HOPPY LAGER



## *Beef*

Fresh Ground Chuck

## *Veggie*

Maine-made Blue Mango veggie burgers

## *Chicken*

House marinated chicken breast

### BUILT AS:

#### **THE MB CLASSIC**

Lettuce, tomato, pickles, American cheese & house sauce

#### **SHROOM' & SWISS**

Lettuce, tomato, sautéed mushrooms, Swiss cheese & house sauce

#### **THE MAINAH**

Sauteed onions, green apple, bacon, cheddar cheese & maple mayo

#### **THE COOP**

Lettuce, tomato, pickled red onions, cheddar cheese, spicy thai mayo, topped with a fried egg

#### **THE BEAST**

Cheddar cheese, sautéed onions, bacon, pickles, & BBQ sauce

#### **THE ARRIBAI**

Pico de gallo, avocado & cilantro-lime mayo

## *Salad*

#### **THE MB SALAD**

Spring mix, cukes, tomatoes, pickled red onions, shaved carrots, feta, and house vinaigrette

**CONSUMING RAW OR UNDERCOOKED MEATS, POULTRY, SEAFOOD, SHELLFISH, EGGS OR UNPASTEURIZED MILK MAY INCREASE YOUR RISK OF FOODBORNE ILLNESS.**



## *Hot Dogs*

### **FOURTH OF JULY**

Kosher, all-beef hot dog with ketchup or mustard on a toasted bun

### **THE CHICAGO**

Mustard, relish, sautéed onions, tomato, celery salt

## *Sides*

### **HANDCUT FRIES**

Maine potatoes

### **TRUFFLE FRIES**

Our fries tossed in truffle oil

### **BRUSSEL SPROUTS**

Quickly fried, tossed with tamari, garlic, brown sugar & sesame seeds

### **CAULIFLOWER**

Quickly fried, tossed with olive oil, lemon, capers & parsley

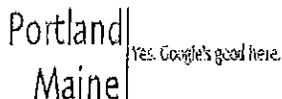
### **TRUCKMADE CHIPS**

Seasoned to perfection

**PHONE NUMBER: (207) 272-2921**

**EMAIL: [Mainelyburgers@gmail.com](mailto:Mainelyburgers@gmail.com)**

**CONSUMING RAW OR UNDERCOOKED MEATS, POULTRY, SEAFOOD, SHELLFISH, EGGS OR UNPASTEURIZED MILK MAY INCREASE YOUR RISK OF FOODBORNE ILLNESS.**



Jessica Hanscombe &lt;jhanscombe@portlandmaine.gov&gt;

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**Re: Mainely Booze**

---

**Kevin Cashman** <kevindc@portlandmaine.gov>

Sat, Sep 15, 2018 at 4:32 PM

To: Jessica Hanscombe &lt;jhanscombe@portlandmaine.gov&gt;

Cc: Benjamin Pearson &lt;bnp@portlandmaine.gov&gt;, Danielle Buck &lt;dbuck@portlandmaine.gov&gt;, David Petruccelli &lt;petruccellid@portlandmaine.gov&gt;, Eric Cobb &lt;ecobb@portlandmaine.gov&gt;, James Sweatt &lt;jjs@portlandmaine.gov&gt;, John Brennan &lt;brennanj@portlandmaine.gov&gt;, Katharine Cahoon &lt;kcahoon@portlandmaine.gov&gt;, Laurie Carlson &lt;lac@portlandmaine.gov&gt;, Scott Reynolds &lt;sreynolds@portlandmaine.gov&gt;, Tom Williams &lt;tw@portlandmaine.gov&gt;, Treasury Division &lt;treasury@portlandmaine.gov&gt;, Vernon Malloch &lt;vwm@portlandmaine.gov&gt;, Zoning &lt;zoning@portlandmaine.gov&gt;

PD has no objections.

Kevin C.

On Thu, Sep 13, 2018 at 11:01 AM, Jessica Hanscombe &lt;jhanscombe@portlandmaine.gov&gt; wrote:

Good Morning

Please see the attached application for a Qualified Catering License. This will be going before council on 10/15. There will be no onsite consumption, just catering. Please advise. Thanks Jessica

Jessica Blais Hanscombe

Licensing and Registration Coordinator

389 Congress Street Room 307

Portland, Maine 04101

207-874-8783

jhanscombe@portlandmaine.gov

--  
Lt. Kevin Cashman  
Portland Police Department  
Patrol Division  
109 Middle St  
Portland, Maine 04101  
(O) 207-756-8294  
kevindc@portlandmaine.gov.  
Hours - Saturday thru Tuesday (4pm-2am)







Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department  
Michael A. Russell, MS, Director

September 25, 2018

Mainely Burgers LLC  
108 St. John Street  
Portland ME 04102

**Re: Mainely Burgers LLC dba Mainely Booze. Application for a Qualified Caterer at 108 St. John Street.**

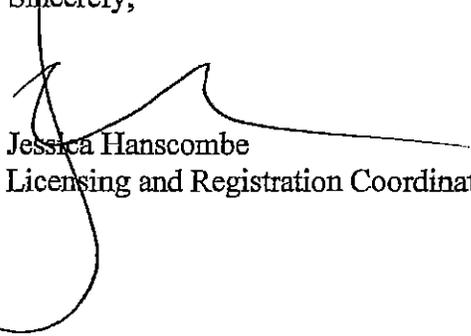
Dear Jack Barber

This letter shall serve as a reminder of the public hearing before the Portland City Council on **Monday October 15, 2018 at 5:30 p.m.**, for the review of application for a Qualified Caterer at 108 St. John Street. The meeting will take place in Council Chambers on the 2<sup>nd</sup> floor of City Hall, 389 Congress Street, Portland, ME 04101.

You or a representative of the business must be present at this meeting in the event that the city council has questions regarding the license application. If there is no representation and questions arise, the item may be postponed.

Please contact our office directly with questions at (207) 874-8557 or [jhanscombe@portlandmaine.gov](mailto:jhanscombe@portlandmaine.gov).

Sincerely,



Jessica Hanscombe  
Licensing and Registration Coordinator

**Legal Advertisement**

**Notice of Public Hearing  
City of Portland**

A Public Hearing will be held on October 15, 2018 at 5:30 P.M., in City Council Chambers, 389 Congress St., Mainely Burgers LLC dba Mainely Booze. Application for a Qualified Caterer at 108 St. John Street. Sponsored by Michael Russell, Director of Permitting and Inspections.

*Order 85-18/19  
Tab 18 10-15-18*

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND**  
**IN THE CITY COUNCIL**

KIMBERLY M. COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER**  
**GRANTING MUNICIPAL OFFICERS'**  
**APPROVAL OF:**

**Root Wild LLC dba Root Wild. Application for a Brewery with Outdoor Dining on Private Property at 135 Washington Avenue.**

9/18/18  
Root Wild LLC  
135 Washington Ave  
Portland, ME 04101

To Whom it may concern,

Root Wild LLC is very excited to contribute to the thriving beverage industry in Maine. Root Wild's owners comprise of John Paul and Thomas Madden, current founders of Lone Pine Brewing, as well as Reid Emmerich, former co-owner of Urban Farm Fermentory. We have found tremendous success in doing business in Portland and look forward to adding a unique experience to the community. We personally take great pride in offering meaningful experiences to Portland consumers, as well as contributing to the economy. Lone Pine Brewing alone employs over 20 people, and we hope to have Root Wild contribute in a similar fashion over the coming years.

Root Wild will be producing Kombucha, a fermented tea that is known for the beverage's digestive, health benefits. Under our brewery license, we will be complimenting these small, artisanal batches with various beer products that integrate unique flavors. We plan to offer a low-key, educational tasting room, where consumers can learn about a growing category in the beverage industry.

We look forward to working with the City of Portland and continuing to be valuable members of the community.

Sincerely,

John Paul, Reid Emmerich and Tom Madden

A handwritten signature in black ink, appearing to be the name 'John Paul', written in a cursive style.

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department  
 Michael A. Russell, MS, Director  
 389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557  
[www.portlandmaine.gov](http://www.portlandmaine.gov)

**Application for Brewery, Winery and Distillery Alcohol Service License**

License expiration date concurrent with that of State of Maine Dept. of Liquor Licensing & Enforcement License.

Business Information	
Business Name (d/b/a):	Root Wild Phone: 207-468-4554
Location Address:	135 Washington Ave Portland, ME 04101 Zip:
If new, what was formerly at this location:	N/A
Mailing Address:	135 Washington Ave Portland, ME 04101 Zip:
Contact Person:	John Paul Phone: 207-468-4554
Contact Person Email:	John@rootwildkombucha.com
Manager of Establishment:	John Paul Date of Birth: 01/13/1986 Phone: 207-468-4554
Owner of Premises (Landlord):	Take Edwards/fox street LLC
Address of Premises Owner:	P.O. Box 715 South Freeport, ME 04078-0715 Zip:

**Sole Proprietor/Partnership Information (If Corporation, leave blank)**

Name of Owner(s)	Date of Birth	Residence Address

**Corporate/LLC/Non-Profit Organization Applicants (If Sole Proprietor or Partnership, leave blank)**

Corporate Name		Corporate Mailing Address	
Root Wild LLC	135 Washington Ave Portland, ME 04101	Zip:	04101
Contact Person:	John Paul	Phone:	207-468-4554
Principal Officers	Title	Date of Birth	Residence Address
John Paul	Member	01/13/1986	181 Smethys Ln South, ME 04072
Thomas Madden	Member	05/14/1986	10 Exchange St #410 Portland, ME 04101
Reid Emmerich	Member	03/29/1978	14 Hamilton St South Portland, ME 04106

### About Your Establishment

Type of Establishment:	<u>Brewery</u> Winery Distillery
Hours & days of operation:	<u>Mon, 11-9</u>

QUESTIONS	Y/N
Will food be made, served, and/or sold on the premise by this establishment?	<input checked="" type="radio"/> Y <input type="radio"/> N
If yes, please submit a City of Portland Food Service Establishment license application.	<u>—</u>
Is the establishment less than 300 feet from a school, dormitory, church or parish house, or similar establishment?	<input checked="" type="radio"/> Y <input type="radio"/> N
If yes, give the distance:	<u>—</u>
Will you have entertainment on the premises? (If yes, a Supplemental Application for Dancing & Entertainment is required.)	<input checked="" type="radio"/> Y <input type="radio"/> N
Will you permit dancing on the premises?	<input checked="" type="radio"/> Y <input type="radio"/> N
Will you permit dancing after 1:00 a.m.?	<input checked="" type="radio"/> Y <input type="radio"/> N
Will you have outside dining? (If yes, an Outdoor Dining Application is required)	<input checked="" type="radio"/> Y <input type="radio"/> N
If yes, will the outside dining be on PUBLIC or <u>PRIVATE</u> property (circle one).	
Will you have any amusement devices (pinball, video games, juke box)?	<input checked="" type="radio"/> Y <input type="radio"/> N
If yes, please list: # of pinball machines: <u>—</u> # of amusements: <u>—</u> # of pool tables: <u>—</u>	<u>—</u>
What is your targeted opening date?	<u>10/16</u> <i>after city code</i>
Does the issuance of this license directly or indirectly benefit any City employee(s)?	<input checked="" type="radio"/> Y <input type="radio"/> N
If Yes, list name(s) of employee(s) and department(s):	<u>—</u>
Have any of the applicants, including the corporation (if applicable), ever held a business license with the City of Portland?	<input checked="" type="radio"/> Y <input type="radio"/> N
If Yes, please list business name(s) and location(s):	<u>Lone Pine Brewing Co</u> <u>219 Anderson St #4 Portland, ME 04101</u>
Is any principal officer under the age of 21?	<input checked="" type="radio"/> Y <input type="radio"/> N
Have applicant, partners, associates, or corporate officers ever been arrested, indicted, or convicted for any violation of law?	<input checked="" type="radio"/> Y <input type="radio"/> N
If Yes, please explain: <u>Drug misdemeanor - Los Angeles, CA 2010.</u> <u>Expunged and Cleared 2012</u>	

I, John R. Paul do hereby swear and affirm that every employee in my establishment that serves alcohol to the public has attended server training, or will attend server training within 90 days of their hire. I also understand that at any time the City license administrator can, upon request, require me to produce Server Training certificates for each employee that serves alcohol to the public in my establishment. Failure to meet the training requirement imposed by section 15-41 may result in the denial of a liquor license pursuant to 28-A M.R.S.A. § 653 (2) (G).

Applicant, by signature below, agrees to abide by all laws, orders, ordinances, rules and regulations governing the above licensee and further agrees that any misstatement of material fact may result in refusal of license or revocation if one has been granted. Applicant agrees that all taxes and accounts pertaining to the premises will be paid prior to issuance of the license.

It is understood that this and any application(s) shall become public record and the applicant(s) hereby waive(s) any rights to privacy with respect thereto. I/We, hereby authorize the release of any criminal history record information to the City Clerk's Office or licensing authority. I/We, hereby waive any rights to privacy with respect thereto.

Signature [Signature] Title Owner/Member Date 9/17/18

For more information about Liquor Licenses, see Portland City Code Chapter 15 at [www.portlandmaine.gov](http://www.portlandmaine.gov) and M.R.S.A. Title 28-A at [www.maine.gov](http://www.maine.gov).



Permitting and Inspections Department  
 Michael A. Russell, MS, Director  
 389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8567  
[www.portlandmaine.gov](http://www.portlandmaine.gov)

**Outdoor Dining Permit on Private Property  
 Supplemental Application**

License accompanies a City of Portland Food Service Establishment or Food Service Establishment with Liquor License  
 Valid April 1-November 15

<input checked="" type="checkbox"/> Outdoor Dining on Private Property \$125.00	<input checked="" type="checkbox"/> Legal Advertisement Deposit \$100.00
---	--

Business Information	
Business Name (d/b/a):	Root Wild Phone: 207-468-4554
Location Address:	135 Washington Ave Portland, ME 04101 Zip:
Mailing Address:	Same as above Zip:
Contact Person:	John Paul Phone:
Contact Person Email:	John@RootWildKombucha.com
Manager of Establishment:	John Paul Date of Birth: 04/13/1986 Phone: 207-468-4554
Owner of Premises (Landlord):	- Jake Edwards / Fox Street LLC
Address of Premises Owner:	P.O. Box 715 South Freeport, ME 04078-0715 Zip:

**Owner Information**

Corporate Name		Corporate, Mailing Address		
Root Wild LLC		135 Washington Ave Portland, ME 04101 Zip:		
Contact Person:	John Paul	Phone:	207-468-4554	
Principal Officers		Title	Date of Birth	Residence Address
John Paul		Member	04/13/1986	181 Smutty Ln Saco, ME 04072
Thomas Madden		Member	05/14/1986	10 Exchange St. # 412 Portland, ME 04101
Reid Emmerich		Member	03/29/1978	14 Hamilton St. South Portland, ME 04106

**About Your Establishment**

Class of License:	Brewery
Type of food served:	—
Please circle all that will be served:	<input checked="" type="checkbox"/> Beer    Wine    Liquor
Hours & days of operation:	M-Sun, 11-9
Number of Tables	5 picnic tables
Number of Chairs	6 per table

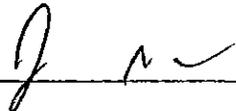
**Design and Construction**

- If you are building a structure or adding impervious surface for the outdoor dining area please contact the Permitting and Inspections Department for permitting requirements at [permitting@portlandmaine.gov](mailto:permitting@portlandmaine.gov) or 874-8703.

**Maintenance and Operations**

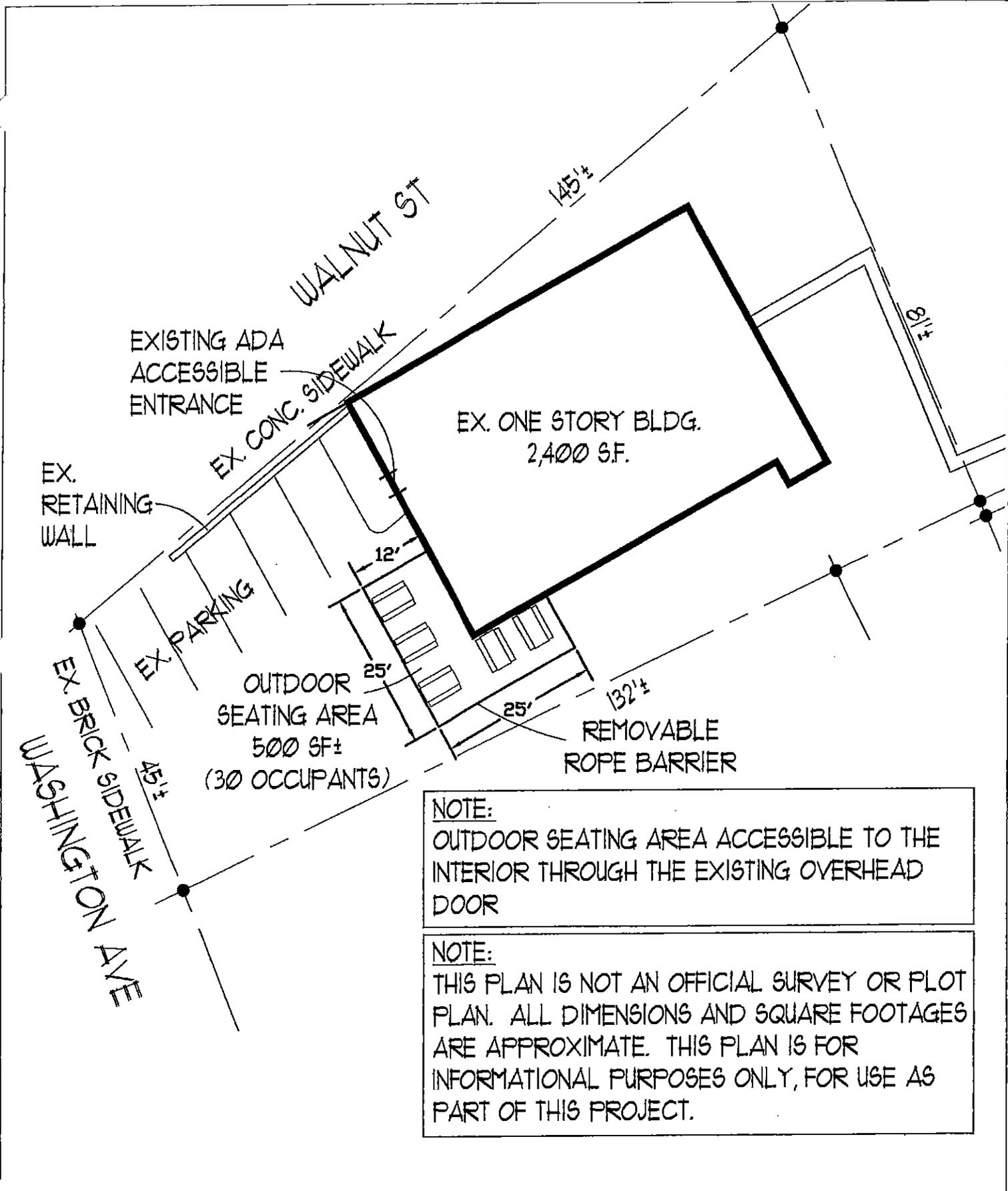
- Outdoor dining components must be within the permitted area and allow safe passage of pedestrian traffic. Failure to comply may result in a revocation of the permit.
- No food shall be prepared in the designated outdoor dining area.
- Outdoor dining areas must meet ADA regulations and accessible seating is required.

I/We fully understand that the City of Portland, its agents, officers and employees accept no responsibility and will not be liable for any injury, harm or damage to my/our person or property arising out of the establishment's occupancy of the sidewalk or park space. To the fullest extent permitted by law, I/We do hereby agree to assume all risk of injury, harm or damage to my/our person or property (including but not limited to all risk of injury, harm or damage to my/our property cause by the negligence of the City of Portland, its agents, officers or employees) arising out of the establishment's occupancy of the sidewalk or park space. I/We hereby agree, to the fullest extent permitted by law, to defend, indemnify and hold harmless the City of Portland, its agents, officers and employees, from and against all claims, damages, losses and expenses, just or unjust, including, but not limited to costs of defense and attorney's fees, arising out of the establishment's occupancy of the sidewalk or park space, provided that any such claims, damage, loss or expense (1) is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property including the loss of use there from, and (2) is caused in whole or in part by any negligent act or omission of the establishment, anyone directly or indirectly employed by it, or anyone for whose act it may be liable.

Signature  Title Member Date 9-17-18

**For Administrative Use Only**

Amount: _____	Request Date / Approval	Notes: _____
Date Paid: _____	FD: _____ / _____	_____
CC _____ CA _____ CK _____	Health: _____ / _____	_____
	PD: _____ / _____	_____
Amount: _____	PR: _____ / _____	_____
Date Paid: _____	Treasury: _____ / _____	_____
CC _____ CA _____ CK _____	Zoning: _____ / _____	_____



NOTE:  
 OUTDOOR SEATING AREA ACCESSIBLE TO THE INTERIOR THROUGH THE EXISTING OVERHEAD DOOR

NOTE:  
 THIS PLAN IS NOT AN OFFICIAL SURVEY OR PLOT PLAN. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE. THIS PLAN IS FOR INFORMATIONAL PURPOSES ONLY, FOR USE AS PART OF THIS PROJECT.

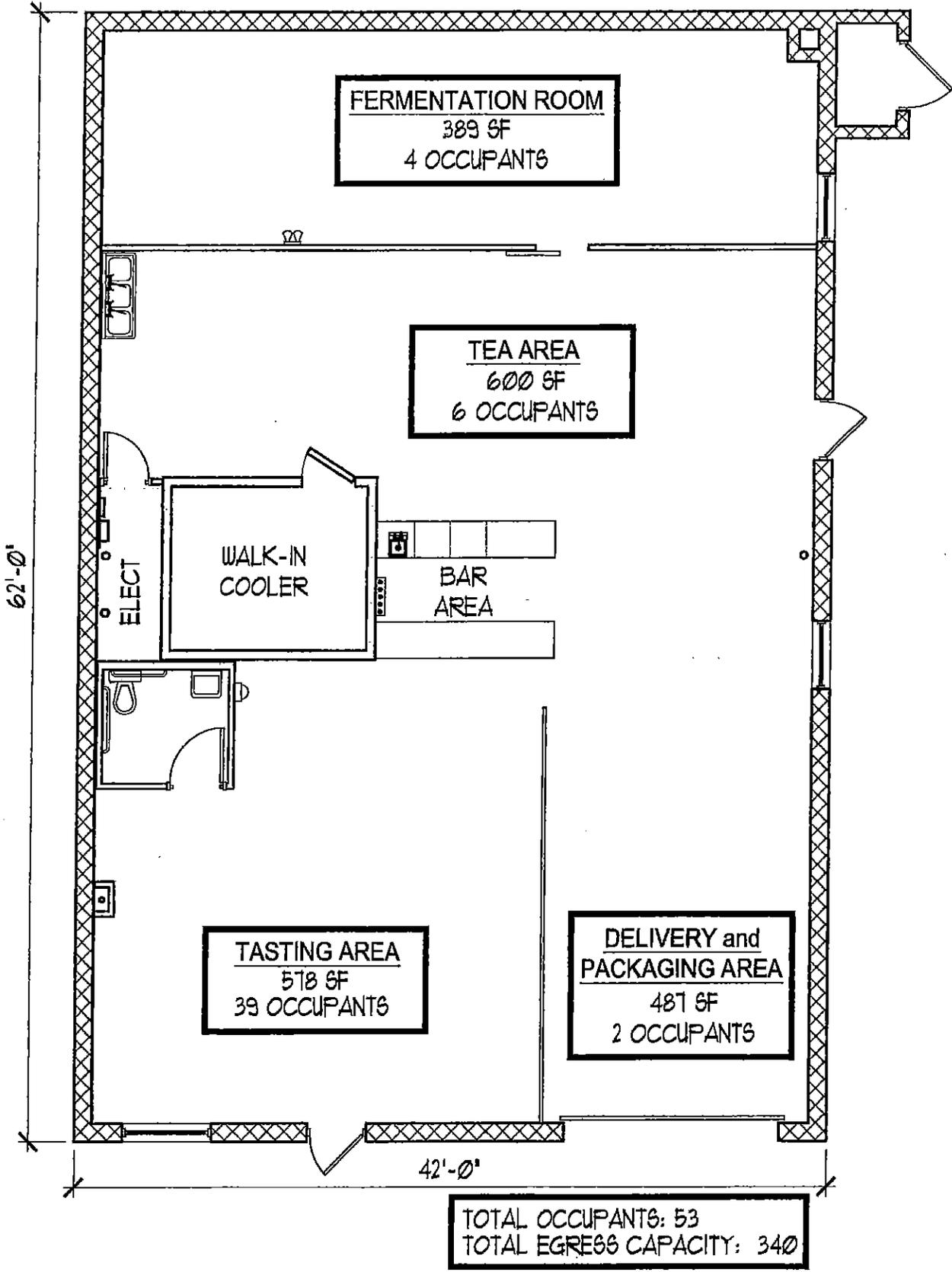


**ROOT WILD**  
 135 WASHINGTON AVE, PORTLAND, ME

**SITE PLAN LAYOUT**

Ref Dwg:	Scale: 1/8"=1'-0"	Issued: 9/7/18
		Revised:

**A2**



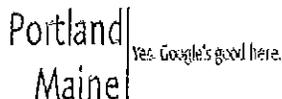
# ROOT WILD

135 WASHINGTON AVE, PORTLAND, ME

## FLOOR PLAN LAYOUT

Ref Dwg:	Scale: 1/8"=1'-0"	Issued : 9/7/18
		Revised :

A1



Jessica Hanscombe &lt;jhanscombe@portlandmaine.gov&gt;

---

**Re: Root Wild**

---

**Kevin Cashman** <kevindc@portlandmaine.gov>

Sat, Sep 22, 2018 at 5:12 PM

To: Jessica Hanscombe &lt;jhanscombe@portlandmaine.gov&gt;

Cc: Benjamin Pearson &lt;bnp@portlandmaine.gov&gt;, Danielle Buck &lt;dbuck@portlandmaine.gov&gt;, David Petruccelli &lt;petruccellid@portlandmaine.gov&gt;, James Sweatt &lt;jjs@portlandmaine.gov&gt;, John Brennan &lt;brennan@portlandmaine.gov&gt;, Laurie Carlson &lt;lac@portlandmaine.gov&gt;, Scott Reynolds &lt;sreynolds@portlandmaine.gov&gt;, Treasury Division &lt;treasury@portlandmaine.gov&gt;, Vernon Malloch &lt;vwm@portlandmaine.gov&gt;, Keri Ouellette &lt;kouellette@portlandmaine.gov&gt;

PD has no objections.

Kevin C.

On Wed, Sep 19, 2018 at 3:15 PM Jessica Hanscombe &lt;jhanscombe@portlandmaine.gov&gt; wrote:

Good Afternoon

Please see the attached application. This is for a Brewery with Outdoor Dining on Private Property. This will be going before council on 10/15. Thanks Jessica

Jessica Blais Hanscombe  
Licensing and Registration Coordinator  
389 Congress Street Room 307  
Portland, Maine 04101  
207-874-8783  
jhanscombe@portlandmaine.gov--  
Lt. Kevin Cashman  
Portland Police Department  
Patrol Division  
109 Middle St  
Portland, Maine 04101  
(O) 207-756-8294  
kevindc@portlandmaine.gov.  
Hours - Saturday thru Tuesday (4pm-2am)



**MAINE STATE BUREAU OF IDENTIFICATION**  
45 Commerce Drive, Suite 1 / STATE HOUSE STATION # 42  
AUGUSTA, ME 04333  
(207) 624-7240 (VOICE)

**JESSICA HANSCOMBE**  
389 CONGRESS ST.  
PORTLAND, ME 04101

**Transaction Response #: MIQ99D733184**

## **Criminal History Record**

### **Introduction**

**This criminal history record was produced in response to the following request ( Produced on 2018-09-19 ) :**

**Inquiries Name(s) REID EMMERICH (1978-03-29)**

**NO MATCH WAS FOUND FOR YOUR REQUEST.**





Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department  
Michael A. Russell, MS, Director

September 25, 2018

Root Wild LLC  
135 Washington Avenue  
Portland ME 04101

**Re: Root Wild LLC dba Root Wild. Application for a Brewery with Outdoor Dining on Private Property at 135 Washington Avenue.**

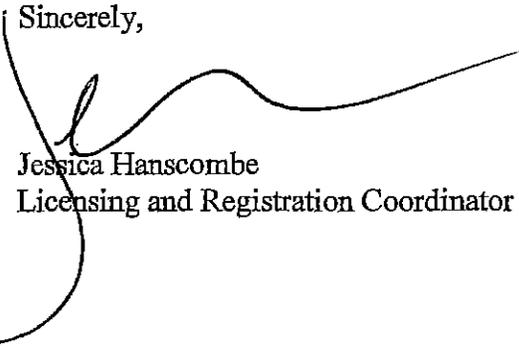
Dear John Paul

This letter shall serve as a reminder of the public hearing before the Portland City Council on **Monday October 15, 2018 at 5:30 p.m.**, for the review of application for a Brewery with Outdoor Dining on Private Property at 135 Washington Avenue. The meeting will take place in Council Chambers on the 2<sup>nd</sup> floor of City Hall, 389 Congress Street, Portland, ME 04101.

You or a representative of the business must be present at this meeting in the event that the city council has questions regarding the license application. If there is no representation and questions arise, the item may be postponed.

Please contact our office directly with questions at (207) 874-8557 or [jhanscombe@portlandmaine.gov](mailto:jhanscombe@portlandmaine.gov).

Sincerely,



Jessica Hanscombe  
Licensing and Registration Coordinator

**Legal Advertisement**

**Notice of Public Hearing  
City of Portland**

A Public Hearing will be held on October 15, 2018 at 5:30 P.M., in City Council Chambers, 389 Congress St., Root Wild LLC dba Root Wild. Application for a Brewery with Outdoor Dining on Private Property at 135 Washington Avenue. Sponsored by Michael Russell, Director of Permitting and Inspections.

Com 4-18/19  
Tab 11 10-15-18

**MEMORANDUM**  
**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Mike Sauschuck, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Sally DeLuca, Alli Carroll, and the Parks Commission

**DATE:** September 28, 2018

**SUBJECT:** Agenda Item for October 15<sup>th</sup> City Council Meeting

**SPONSOR:** Parks Commission, Chair Dory Waxman

The Parks Commission met at 5:00 PM on September 6, 2018 and after some final edits, Meri Lowry moved to accept the October 2016 - May 2018 Portland Parks Commission Report as amended and recommended that it be brought to City Council for acceptance. Michael Mertaugh seconded. The motion passed unanimously.

**(If sponsored by a Council committee, include the date the committee met and the results of the vote.)**

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

1<sup>st</sup> reading 10/15/2018 Final Action 10/15/2018

Can action be taken at a later date:  Yes  No (If no why not?)

**PRESENTATION: (List the presenter(s), type and length of presentation)**

Parks Commission Chair, Dory Waxman or in her absence, V. Chair Nathan Robbins. Dory wrote a brief letter to present to the Council on page 4 of the report.

**I. ONE SENTENCE SUMMARY**

The Parks Commission presents their October 2016 - May 2018 Report to City Council.

**II. AGENDA DESCRIPTION (This is all that will be included of the agenda.)**

Parks Commission October 2016 - May 2018 Report

**III. BACKGROUND**

**IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

That the Council approves the Parks Commission Report

**V. FINANCIAL IMPACT**

**VI. STAFF ANALYSIS AND BACKGROUND THAT WILL NOT APPEAR IN THE AGENDA DESCRIPTION**

Staff was a part of the process of creating this report and was there for the vote.

**VII. RECOMMENDATION**

**VIII. LIST ATTACHMENTS**

Portland Parks Commission Report October 2016 – May 2018

**PLEASE REMEMBER THAT BACKUP ITEMS HAVE TO BE SINGLE SIDED.**

Prepared by: Allison Carroll

Date: 09/28/2018

Bean/agendarequestmemo/rev 9/24/18

# Portland Parks Commission Report

October 2016 – May 2018



**Prepared By:**  
PORTLAND PARKS COMMISSION  
&  
PORTLAND DEPARTMENT OF PARKS, RECREATION, AND  
FACILITIES

*All photos in the report courtesy of:*  
<http://www.portlandmaine.gov/gallery.aspx?AID=26>  
<http://portlandprf.com/1063/Parks>

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# 1. INTRODUCTION

## 1.1 Message from the Chair of the Parks Commission

It is with great pride and honor as Chair of the Portland Park Commission that I present on behalf of The Portland Park Commission our 2016-2018 Park Commission Annual Report. We have watched the Parks Department continue to grow stronger and more vibrant and have seen continued increase usage and interest in our parks, trails and open spaces. As Chair I am grateful for each and every Commissioner for their dedication and guidance to ensuring that our city honors our incredibly beautiful parks system by volunteering their time and hours in this work. I am especially grateful to and extraordinary Parks Department staff and our community for all of their hard work support and love for our city.

Here are a couple of highlights of activities this past year among many included in this report:

- Lincoln Park revitalized with incredible community and city efforts to bringing back to life one of Portland's finest jewels.
- The Blue Sky Commission (BSC) was formed to explore the idea from Lucas St Clair and his family who came to us with the notion of starting a Parks Foundation. This entity that would run parallel to the Commission with a focus on education. The BSC worked through the winter and spring coming forward with a Portland Parks Conservancy (PPC). A memorandum of understanding between the City and the PPC was adopted this spring and the Portland Parks Conservancy is presently looking to hire its first executive director.
- Congress Square Park continues to thrive and has been filled almost every night since spring with food, music, dance, art and children activities to name a few. Its redesign was presented and the work moves onward to field staff.

We bid farewell to Chair Diane Davison who's work guiding the commission through many transitions with grace and grit will forever be remembered and we are forever grateful. To Jaime Parker for the many years of dedication and fortitude in guiding this ship we also say thank you. Carol Hutchins and Steve Morgenstein our heartfelt thanks for all of your work over three terms years on the Park Commission. We are better for the guidance, friendships and wisdom that you all have given to us and will continue to do our best at stewardship in the years ahead.

Along with raising awareness and continuing to reach out to our community the Parks Commission has welcomed strong and vibrant subcommittees with many new members over the past two years. Please take time to review their outstanding work over the past two years in this report.

The Parks Commission is dedicated to ensuring partnerships formed between municipalities and local constituency groups are beneficial for parks, open spaces and our communities throughout the City.

My thanks to all and hope that you enjoy this report and all that we celebrate and treasure in Portland's parks. May you all enjoy a walk in a park today!

Dory Waxman ~ Chair Portland Park Commission

## 1.2 Background to the Annual Report

The Portland Parks Commission (PC) is required to submit an annual report to the city council regarding the state of the city's parks and public grounds and make specific recommendations therein about suggested goals and improvements for the parks and public grounds per City Code (Sec. 18-10(d)(4))<sup>1</sup>. The primary audience for the report is Portland's City Council. It is the hope of the PC that anyone interested in, or is an advocate for, the enhancement and stewardship of our parks and open spaces also enjoy and make use of this report.

The Annual Report is intended to help accomplish multiple goals for the park system including covering its use, planned improvements, emerging issues, and interests for its future. The Department of Parks, Recreation, and Facilities (DPRF) and the PC use this as their reporting mechanism to summarize activities by each entity over the reporting period. The information contained includes a digest of PC monthly meetings, annual strategic meeting, and the Capital Improvement Project hearing and workshop, including an aggregated list of project proposals and review from Friends Groups and Community Partners ("FCPs") and stakeholders. Based on this overview of the state of the parks, goals for improvements and recommendations are identified for consideration by the City Council, City Manager, park managers and other stakeholders.

The cyclical nature of the Annual Report helps establish a baseline that can be updated to identify where progress is being made or is needed. Moreover, as new Councilors, Commissioners, park managers, and FCP members address park system goals, this report can serve as an efficient tool to get up to speed instead of reviewing more lengthy meeting minutes. Additional resources and reference materials are suggested for questions beyond the scope of this report. Some initial links to suggested materials are provided throughout the report, as well as in Section 6.

Lastly, the PC is required to conduct an annual meeting of all parks, trails and open space advocacy groups to discuss annual projects and to recommend goals and priorities for Capital Improvement Projects (CIP) to the city council per City Code (Sec. 18-10(d)(7))<sup>2</sup>. The report is released in the Spring and covers the previous year's findings. Therefore, this information can be informative to the CIP process and deliberations for FCPs, the PC, and the City to advance ideas from that will later be presented to the City Council and City Manager when the CIP list is considered for funding.

Please contact the PC if you are interested in becoming involved with any of the projects or ideas contained in the report via email at [parkscommission@portlandmaine.gov](mailto:parkscommission@portlandmaine.gov) or by phone at 207-808-5428.

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<sup>1</sup> Submitting an Annual Report. Code of the Ordinances, Chapter 18: Parks, Recreation and Public Buildings and Grounds <http://portlandmaine.gov/DocumentCenter/Home/View/1084>

<sup>2</sup> Conducting an Annual Meeting. Code of the Ordinances, Chapter 18: Parks, Recreation and Public Buildings and Grounds <http://portlandmaine.gov/DocumentCenter/Home/View/1084>

## 2. PORTLAND PARKS COMMISSION

### 2.1 Mission and Organization

The PC is a group of volunteer members of the community who are interested in the stewardship of the City of Portland Parks. The PC is a citizen body of 13 commissioners appointed by the City Council (Sec. 18-10(c))<sup>3</sup>. By city ordinance, members include one City Council member who is on the Transportation, Sustainability and Energy Committee, one member representing Friends of Deering Oaks, one member representing Friends of the Eastern Promenade, one member representing Friends of Evergreen Cemetery, and one member representing Portland Trails. Seven members represent the public-at-large and one member represents the Land Bank Commission (LBC). Except for the City Council representative, all appointments are for three-year terms. Commissioners are interviewed and appointed by the Council's Legislative/Nominating Committee.

The mission of the Portland Parks Commission is:

*The Mission of the Portland Parks Commission is to advocate for the enhancement and stewardship of our parks and open spaces, to review and propose projects that impact parks and open spaces and recommend appropriate action, to foster collaboration among park users and the City, to promote public access and enjoyment of our parks and open spaces, and to advocate for public and private funding for parks and open spaces.*

*Enjoy Portland for Life!*

Each month the Commission meets with the Director or Deputy Director of the DPRF to review projects and proposals. The Commission also receives citizen input prior to and during each monthly public meeting to provide recommendations to the Director of Parks, Recreation & Facilities and the City Council.

As established by City ordinance (Sec. 18-10(d))<sup>4</sup>, the duties of the Portland Parks Commission include:

1. **Soliciting, encouraging and accepting private contributions** to the city, in cash or in kind, whether by gift, trust, or subject to conditions;
2. **Making recommendations** to the city council as to the sale of dedicated parks and public grounds and disposition of trust funds held for parks, trails and open space;
3. **Maintaining inventories** of parks, trails and open space needs as it determines to be desirable;
4. **Submitting an annual report** to the city council regarding the state of the city's parks and public grounds and City of Portland Parks, Recreation and Public Buildings and

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<sup>3</sup> Composition. Code of the Ordinances, Chapter 18: Parks, Recreation and Public Buildings and Grounds  
<http://portlandmaine.gov/DocumentCenter/Home/View/1084>

<sup>4</sup> Duties. Code of the Ordinances, Chapter 18: Parks, Recreation and Public Buildings and Grounds  
<http://portlandmaine.gov/DocumentCenter/Home/View/1084>

Grounds making specific recommendations therein about suggested goals and improvements for the parks and public grounds;

5. **Encouraging educational programs**, through the schools or otherwise, in forestry education or other relevant subjects it determines to be beneficial to the parks programs of the city;
6. **Undertaking such other activities as to enhance the parks, trails and open space** programs of the city as it deems appropriate from time to time; and
7. **Conducting an annual meeting** of all parks, trails and open space advocacy groups to discuss annual projects and to recommend goals and priorities for capital improvement projects to the city council.
8. **Adopting reasonable rules for the conduct of its meetings**, which rules shall include provisions for public comment.

The PC meets the first Thursday of each month from 5:00 pm – 6:30 pm at City Hall, 389 Congress St. Portland, ME 04101 in Room 24 (Basement Level) unless otherwise noted. All meeting and information pertaining to them are posted on the City website prior to the meeting. Meeting materials and minutes are also made available there.

<https://www.portlandmaine.gov/345/Parks-Commission>

A brief selected history of the park system is also included in Appendix A<sup>5</sup>.

## 2.2 Members of the Park Commission

### Park Commissioners

List includes all who were commissioners during this reporting period, and only includes their most recent term length.

Ana Lagunez, Public-at-large	2018-2021	current
Craig Lapine, Public-at-large	2018-2021	current
Cynthia Loebenstein, Friends of Evergreen Cemetery	2018-2021	current
Nathan Robbins, Public-at-large	2015-2021	current
Brian Batson, City Council Representative	2018-present	current
Amy Segal, Public-at-large	2017-2020	current
Zack Anchors, Friends of Eastern Promenade	2017-2020	current

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<sup>5</sup> For a more complete history of the parks some suggested reading includes *Bold Vision: the development of Parks of Portland, Maine* (1999), as well as additional park planning documents on the City's website <https://www.portlandmaine.gov/1862/Park-Master-Plans>

Chelsea Malacara, Public-at-large	2017-2020	current
Colette Bouchard, Public-at-large	2017-2020	current
Michael Mertaugh, Public-at-large	2017-2020	current
Dory Waxman, Public-at-large (Chair)	2017-2020	current
Meri Lowry, Land Bank Representative	2016-2019	current
Jaime Parker, Portland Trails (Vice-Chair)	2015-2018	past
Carol Hutchins, Friends of Deering Oaks	2015-2018	past
Steve Morgenstein, Public-at-large	2014-2017	past
Diane Davison, Friends of Eastern Promenade (Chair)	2014-2017	past
Travis Wagner, Public-at-large	2014-2017	past
Belinda Ray, City Council Representative	2016-2018	past

## City Staff

Sally DeLuca, Director, Department of Parks, Recreation, and Facilities

Ethan Hipple, Deputy Director, Department of Parks, Recreation, and Facilities

Allison Carroll, Senior Administrative Officer, Department of Parks, Recreation, and Facilities

## Recruitment

In 2017 the PC created a temporary trial Recruitment subcommittee. This concept was supported by the Commission to have an opportunity to keep the subcommittee strong and conduct strategic outreach for new members. Two Commissioners participated and City staff supported the Recruitment Subcommittee in 2017. Outreach occurred in parallel with the existing process under which individuals are invited to apply for PC vacancies as they are posted by the City Clerk. In Spring 2017, the Recruitment Subcommittee met with several candidates and forwarded their names and credentials to the rest of the Parks Commission.

## 2.3 Planning and Vision

Since reporting in the previous *2015-2016 Annual Report*, the PC has said goodbye to long-serving Commissioners and welcomed new ones, shared gratitude to our previous and new City Council representatives, elected a new Chair and Co-Chair, re-organized the roles and membership of the standing committees, and discussed several administrative aspects including roles outlined in the new park ordinance for the PC and beginning successes to fulfill them.

The Commission acknowledged and thanked Diane Davison for helping to Chair the PC for multiple terms through a period of great transition in responsibilities and of substantial growth. Many Commissioners remember challenges when they first began that were occurring in the parks, and in the organizational structure supporting them. In part, this was reflected at PC meetings, where there once seemed to be less ability to focus on visioning for the parks, less public participation, and observable deferred maintenance growing in the parks themselves coupled with lower financial support available. Over the years, the dedication of our communities to the Portland's Parks by community and subcommittee volunteers, city staff, and by the City Council, has resulted in several concurrent developments and visioning for the park system, and a common voice is beginning to emerge. For example, the turnaround that has been made since the DPRF was created after a hiatus since 2009 has been instrumental. The cumulative impact of these changes was discussed as bringing the PC to "another level". The PC feels that Portland's parks are beginning to receive the attention they deserve once again.



At several points throughout the year, there are opportunities where the PC can become uniquely informed, reflect, and discuss visioning for the parks. Green Space Gatherings held October 6, 2016 and May 3, 2018 continue to provide a unique opportunity for park stewards and local leaders to assemble in one place, to present recent accomplishments and highlights occurring in the park system, and to consider longer term goals for the park and open space system. On February 23, 2017, the LBC and PC held a joint meeting with Corporate Council to clarify each body's charge as outlined in the City Ordinances, and to create a guide for each body. On March 4, 2017, the PC held a strategic planning workshop to discuss larger issues relating to the PC, visions for the Park System, and ways the PC can help to achieve those goals. Commissioners and the DPRF Deputy Director also went on two field trips to collectively visit and tour the city's parks and open spaces in August 2017. The ideas gathered at these served as a basis for continued conversation throughout the year at monthly meetings.

Below are highlights of some of these updates:

## **Members and Officers**

PC rules were amended to elect officers in June. This is consistent with the LBC terms, and aligns them with the City of Portland's fiscal year. The PC also contemplated amending officers to two or three year terms, and passed through a unanimous vote to send to the City to make these changes to the rules. Current term length for Commissioners is three years, and for officers on the Commission, one year.

## Meetings

The PC established new meeting protocols, processes, and procedures to among other goals, increase transparency, efficiency, professionalism, and public engagement opportunities. The Commission makes efforts to review and engage those making presentations ahead of monthly meetings. Public comment is taken on action items and subcommittee agenda items where a vote is required, and a public comment period is included at the beginning of the meeting. Written comment is also invited at any time.

All dates, locations, times, and materials are added to the City of Portland website in advance of meetings.

<https://www.portlandmaine.gov/Calendar.aspx?EID=4386>

## Review of the Park and Open Space Ordinances

On February 23, 2017, the PC and LBC had a combined meeting with Corporate Council to clarify each body's charge as outlined in the City Ordinances. Some takeaways, further discussions and clarifications are summarized in the following sections. More information on the meeting can be found on the City's website here:

<https://www.portlandmaine.gov/AgendaCenter/Parks-Commission-13>

*Regarding scope of work:*

- Chapter 2<sup>6</sup> and Chapter 18 are the scope of the Commissions and the focus for each. Specifically, Sections 2-41 thru 2-45, City Code for City of Portland, Maine, revised 7/10/14 (the "Land Bank Ordinance"), and Chapter 18, City Code for City of Portland, Maine, revised 5/28/14 (the "Parks Ordinance"). Section 18-10D are the primary source of duties. 2-42B describes the purpose of the commission. 2-42G includes the deliverables, registry, record keeping, etc. 2-42H pertains to permissive things that the LBC may do. 2-45 describes the Land Bank fund.

*Regarding sale and development review:*

- For non-LBC parks, properties fall under the process in 18-14 to go to the PC for advisory opinion prior to review by the City Council. Most of these properties, though, have deed restrictions. Proposals or leasing of parks are reviewed by the PC only if the lease is greater than one year.
- If the park falls under both LBC and PC purview and if the LBC votes no to a sale or development of that park property, then it does not go to council for review.
- If a park is under both Commission ordinances, then sale or development review goes through both bodies. For that reason, PC meets earlier in the month so that the LBC will have the benefit of the PC's input, advice and opinion with respect to any contemplated sale or development of a park. Generally, LBC focus is on LBC properties, and PC on focus is on parks. With some exceptions, not every use of parks or LBC parcels comes to the commissioners. For example, if there is a legal requirement an approval process is not necessarily also required. In this case, staff informs each commission of the activity.

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<sup>6</sup> Code of the Ordinances, Chapter 2 Administration

<https://www.portlandmaine.gov/DocumentCenter/View/1066/Chapter-2-Administration---Revised-642018>

*Regarding protections for Parks, Cemeteries, Open Spaces, and Land Bank Properties:*

- In preparation of the inventory of park, open space, and cemetery lands in the City on behalf of the Annual Report subcommittee in 2015 and 2016, it was found that unless otherwise mentioned in City Ordinance, lands that were not listed as “Parks” are not afforded the same protections as those lands that are. Land Bank properties enjoy separate protections than parks or cemeteries. Under the current ordinance for cemeteries (Chapter 7 of the City Code), cemeteries can be sold, enlarged, reduced, replotted or have boundaries or grading changed.
- Increased protections for Cemeteries could be provided by strengthening the language in the existing Cemetery Ordinance, Chapter 7, or by including these properties in Park or Land Bank ordinances, particularly in those cases where the cemeteries also perform park functions and do not have another city commission with oversight for them.

Several recommendations regarding these findings and research needs are reported in the recommendations section of this report.

*“No Net Loss” Discussion*

The PC considered and discussed the concept of a “No Net Loss” policy or a change to City ordinance to include this provision. The concept regarded PC review of the lease or sale of park lands, and provided that there be no net loss of park land, with any prospective sale of park property offset with park land elsewhere in the City. The draft concept was included in discussion at PC meetings and considered by Corporate Counsel. After review it was determined the PC can change its bylaws, but including this additional policy would go beyond the provisions of the current parks ordinance; however, it could be included as a recommendation to those making proposals before the PC. The current review process involves at minimum four levels of review before the sale or lease of park lands, including a discussion with City staff, following by advisory review by the PC and by the LBC, with final approval by City Council (except for Land Bank property where the LBC has superseding approval after the City Council). The PC decided not to pursue establishing an offset policy, and instead retains procedural discretion to oppose proposed sale of park property in the course of its ongoing review. . This framework and procedural step is intended to align more consistently with other review levels on sale and lease of park lands.

## **2.4 Subcommittees of the Park Commission**

There are four Subcommittees of the PC. A summary of recent work on each Subcommittee is included below.

### **Park Initiatives**

The Parks Commission initiative for 2017 was to create a system of signage for the Portland Parks System. Commissioner Steve Morganstein, Cynthia Loebenstein, and Jaimie Parker along with Ethan Hipple from the City, and Mike King from the landscape architecture firm of Mitchell Associates designed a pilot project which included a large multi-mobile access park, Payson Park, an historic urban park, Lincoln Square, a linear park, Back Cove and a multi-recreational park, Dougherty Field.

Funding for the smaller family of signs are in the operating budget, and the larger signs are in the CIP. The PC is looking to expand this pilot system throughout the Park system. Signs will be under the City budget and in all City parks, not just those piloted, or that are gifted by a donor.

The Parks initiative for 2018 is the creation of the Baxter Trail. The Baxter Trail is an east- west trail over 3 miles long which begins on Back Cove/Baxter Boulevard and terminates at the Baxter Memorial in Evergreen Cemetery connecting points of interest celebrating the lives of James Phinney Baxter, his son, Percival Baxter, and the Baxter Family contributions to the City of Portland Parks System. By follow the wayfinding markers and the interpretive signs one can follow a route originating from the Back Cove, traveling up Vannah and Woodfords Streets to Woodford Corner, meandering through the Woodfords neighborhood streets named for the Mayor Baxter's children, through trails and Baxter Park and ending at the Baxter family circle burial sites in Evergreen Cemetery. This project has been chaired by Commissioner Cynthia Loebenstein, Friends of Evergreen Board Member David Little, City Staff, Ethan Hipple and Jeff Tarling.

## **Annual Report and Inventory**

Focus areas for the Annual Report and Inventory Subcommittee during 2017 and 2018 were to produce the Annual Report 2017-2018. This included making efforts to align the reporting process and information included with other activities. An outcome of this coordination is available in Appendix D adoption of the Park Inventory, and Appendix E the Timeline for Annual Report and Capital Improvement Projects.

The Park Inventory was researched and drafted between 2016 and 2018. In February 2018, the PC adopted the Park Inventory (as per City ordinance). At the same time the PC voted to have the park inventory adopted at the same time as the annual report, and have included in the 2017-2018 Annual Report. The parks inventory is determined by the list of parks in the Parks Ordinance at Section 18-11. It is not subject to change unless a change in the ordinance that includes a broader definition of city parks is enacted by the City Council. Consideration of changes to the Parks Ordinances is included under the scope of work for the Annual Report, under Annual Report Initiative.

The Annual Report and Inventory also is tasked with work on any ordinance changes. Some preliminary discussion and recommendations pertaining to any changes is included in Section 2.3 and again in Section 5. Some discussion has already been initiated by the PC Chair and PC/LBC representative. It is anticipated additional conversations will continue through early- to mid-2019.

## **Communications and Outreach**

In 2017, the Green Space Gathering Subcommittee was renamed as the Communications and Outreach Subcommittee. This change reflects the newly defined roles of this subcommittee, in addition to planning the annual Green Space Gathering, these include support for other outreach efforts and events and corresponding communications with FCPs and other interested stakeholders that the PC is intended to engage and support.

Focus areas for the subcommittee during 2017 and 2018 were to continue to maintain and update a current list of friends and community partner groups and organizations with contact information for each, and coordinated activities for the 2018 Green Space Gathering. The Green

Space Gathering is an annual occasion for the PC, the LBC, and the public to celebrate the significant accomplishments of the City's parks and land bank properties throughout the year.

## **Finance**

In addition to its ongoing review of the annual Capital Improvement Program (CIP), the Finance Subcommittee continued to explore options for augmenting resources to improve the quality of Portland's parks and open spaces. Among the options examined were: a) earmarked property taxes, b) improved cost recovery through user charges, c) tax increment financing, d) public gifts, and e) impact fees. The Finance Subcommittee Chair provided documentation to city planning staff on experiences of impact-fee financing for parks in other communities. The city is currently pursuing the collection of impact fees for future development projects. Revenues from impact fees could help finance the provision of infrastructure and services necessitated by development projects. This could include new park facilities such as Portland Landing, the new waterfront park that is to be developed on the site of the current Amethyst Lot. This site is adjacent to the Portland Company development and close to a number of new developments in the India Street neighborhood.

The Finance Subcommittee is also working closely with staff of the DPRF to update and expand the options for gifts for Portland's parks by individuals and organizations. While there are some large corporate gifts for the benefit of Portland's parks and open spaces, the giving program – called "Giving Back to Portland's Parks" – especially targets individuals who are motivated to support Portland's parks. Key DPRF staff involved in this work are Sally Deluca, Ethan Hipple, Jeff Tarling, Marie Davis, and -- especially, Allison Carroll, who is developing the on-line version of the program, with links to other portions of the city's website. Michael Mertaugh represents the Finance Subcommittee in this work

During the period covered by this Annual report, the new Portland Parks Conservancy came into being, with the mission of "supporting Portland's parks, trails, and open spaces by raising philanthropic capital and encouraging civic engagement in alignment with community priorities." The Conservancy is expected to focus on larger, institutional gifts for the benefit of Portland's parks and open spaces.

## **2.5 Projects Reviewed by the Parks Commission**

### **Peppermint Park**

The City received a request to lease a small parcel of land within Peppermint Park that was currently unused and fenced off but was attracting unwanted activities collecting litter including used needles. The PC discussed this proposal and took citizen comment, noting a long-term interest in the preservation of open spaces in the City. Other bodies were also consulted in the review process. The PC ultimately made a recommendation not to sell the property. The City Manager decided to postpone indefinitely the sale or lease of the small parcel adjacent to Peppermint Park.

## Future view protection for Portland's green spaces

Through discussions in 2017, the PC considered future view protection for Portland's green spaces. While the immediate need was prompted by the Fort Sumner Moratorium in response to development occurring adjacent to the park, the PC also considered whether view protections ought to be pursued more generally or addressed place by place to meet different needs of individual parks.



After multiple reviews and design considerations with developers, the planning board, city council, the PC, and the Friends of Fort Sumner a positive outcome was reached. An overlay zone for development was approved that limits the rise over determined distances to keep projects under the viewing area of the plaza in Fort Sumner Park. The project also incorporated a green roof extending the 'meadow feel' from the park, and other stormwater management practices. A shared gate between the two properties will be an architectural, painted, aluminum fence instead of chain-link. And, pending funding, the developer will consider continuing segments of a trail from Fort Sumner to Marion Street to meet a trail that goes down towards Washington Street. The process was suggested as a model for what a review could include when significant or precious resources are at risk.

## Portland Landing (Amethyst Lot)

In September 2017, a conceptual design of the Portland Landing project was presented to the PC by the members of the design team and the City's Waterfront Coordinator. This update furthered previous discussion in Spring 2017 by the PC on the Amethyst Lot, now renamed as the Portland Landing to reflect the anticipated park usage for the site. Currently, the area proposed for redevelopment as a park includes an attended vehicle only parking lot and Moon Tide Park that is filled with rip rap. The proposal includes landings for different uses to be determined (water taxi/charter boat and access to Ft. Gorges, public berthing/marina, etc.), a promenade along the water's edge, a naturalization of some of the shore line, a raise in elevation to 14 feet (from 10-11 feet currently) and 21 feet for structures, and expansion of Moontide Park to become a more utilized space for events and incoming cruise ship guests (could include tide pool playgrounds, landscape features, art, etc.). In addition to that there would be hills up to 21 feet for view and wave extenuation in the upland area that wouldn't prevent flooding, but are intended to reduce wave damage to benefit coastal resilience interests.

Relatively quiet for the past twelve years, the site is seeing interest in part from neighboring development and recognition as well as an increase in the number of cruise ships. A phasing budget was not finalized, near term steps include plans to further designs, and to start thinking of the space as a park and presenting it partially as a park. Temporary designs for a "Pop-Up Park" were solicited at the meeting and requested following, and the PC Chair was requested to

participate in future project planning work. Additional funding was anticipated through fundraising and grants, and through Capital Improvement Project funds to bring to a higher level of design and permitting. Pending funding shortfalls, core concepts to retain include the Sail Maine Program, community boating, a view, possibilities of events, weddings, and the pure enjoyment that can be had in this area.

The PC expressed interest in considering impact fees for this project by neighboring property owners and developments occurring.



### **East End Waterfront Access Project**

In Spring 2016, the PC reviewed the EEWAP. Public sentiment at the meeting tended away from a single large intervention (a new floating dock system) and toward a more dispersed enhancement of existing landscape features to satisfy dual goals of improved access and improved safety for users of human-powered watercraft. This led to the selection of a ramp and step structure located east of the existing recreational boat ramp at the North-East Shore. This also includes improvements to the stairs leading to the North-West Beach and development of a wash-down station for boats and gear in the vicinity of the kayak storage racks. The working group, comprised of city staff and Friend of Eastern Promenade board members refined the proposal with the support of project engineers and landscape architects to derive a final plan that both meets fundamental EEWAP goals while bringing some aesthetic distinction to the project. The final design calls for a flared, stepped ramp bordered on one side by elevated drag rails for kayaks and other watercraft, and integrated into an improved waterfront greenspace. The Friends of the Eastern Promenade is currently in the process of raising funds to satisfy the required 1:1 match to DOT's Small Harbor Improvement Program grant, with the goal of having all funds raised and encumbered by the end of 2018. The Quimby Foundation committed \$20,000 toward the EEWAP project. This generous grant provides a solid foundation for future fundraising.

### **Congress Square Redesign**

WRT presented to the PC on December 15th during a public meeting. Traffic will be reworked with project to improve accessibility. Ideally would like to create an identity due to it residing in the arts district. Also, would like to create an open space for citizens. At the time of the presentation, this was shown as a schematic design, with lot of steps to go through still. Materials for example were not selected yet. There was interest in obtaining feedback and thoughts from the PC on how the schematic meets the vision for the space and how it will improve accessibility. The design uses very durable materials such as granite. Overall, the PC was excited about the plaza in front of the art museum and were pleased with its simplicity. They enjoyed seeing it come together. There was interest in hearing more about what is

planned for storm water. At the time, this was not addressed yet, but they will be using local plants that will be naturally watered by rain. The PC expressed some concern that it may be high maintenance cost. Now that this is designed, meeting with field staff to discuss what to expect.

## **Portland Roundabout Project & Bedford Park – University of Southern Maine**

Department of Public Works presented to the PC regarding the proposal to create a roundabout at Bedford street and at the intersection between Bedford and Fessenden Parks. The project is proposed as a benefit to improve traffic flow, prohibit left turns. The project would also reduce impact to USM properties and impact Bedford Park by 2,400 feet with that land given to the University. By deed, when the park was conveyed to the City one of the acceptable impacts to the park would be for widening for roadway purposes. Bedford Park would remain a public park. Public Works engaged the University and City Arborist, for landscaping to identify roles and responsibilities for each entity.

The PC expressed interest in several proposal aspects including, lessening any impacts to Bedford Park, incorporating 'shared space' design concepts, integrating bicycle traffic into designs (could utilize sidewalks and widen), and to review any future developments on the property for example should the University pursue siting a building on the new land deeded. City will continue to update the PC on the process of this project as the DPRF will be working closely with the Public Works Department on this.

# 3. DEPARTMENT OF PARKS, RECREATION, AND FACILITIES

## 3.1 Mission and Organization

The Department of Parks, Recreation and Facilities manages recreational and cultural activities and spaces for Portland residents and visitors of all ages. The Parks Division within the Parks, Recreation and Facilities Department oversees: 66 parks spanning over 1,278 acres, including 29 playgrounds, 24 Tennis Courts, 8 Pickleball Courts, 2 Sand Volleyball Courts, 1 beach, 8 miles of city-maintained multi-use trails, 7 multi-use fields, 2 artificial turf fields, 4 skating ponds, 1 skate park, 5 splashpads, 11 community gardens (at 10 different locations), 16 cemeteries with over 100,000 burial plots, dozens of horticultural beds, and 20,000 inventoried park and street trees. Park Rangers make sure our parks are safe for all, and our hard-working maintenance crews keep our parks beautiful in the summer, and plow our city sidewalks and trails in the winter.

The Parks Division aims to provide outdoor recreational opportunities for everyone, during all four seasons of the year: from the Portland Skatepark, to 4 splash pads and wading pools, 2 dog parks, 4 maintained ice skating ponds, a sledding hill and miles of groomed XC ski tracks.

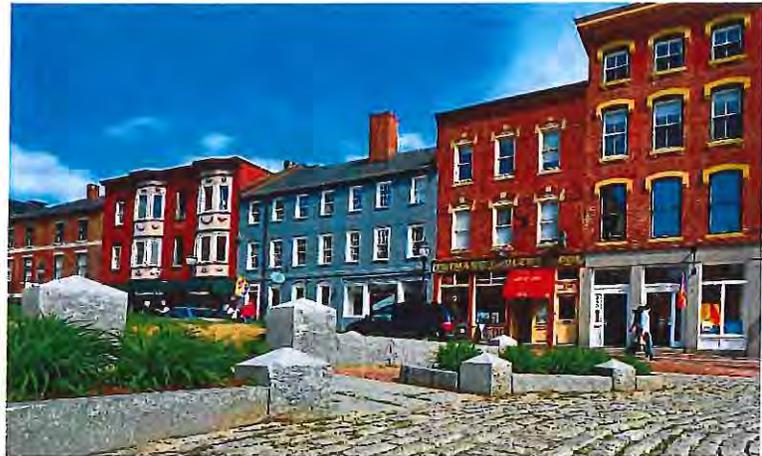


Parks improve our quality of life, increase property values, and contribute to the economic engine of Portland. They are a place for people to come together and create community—whether you are playing an after-work softball game, growing your first tomato, or taking a hike along a babbling brook. These are your parks!

## 3.3 Accomplishments

The Department of Parks, Recreation and Facilities was able to create a new position of Deputy Director of Parks, Recreation and Facilities. This position will add capacity for management oversight, project management, budgeting, and building partnerships with Friends Groups, Neighborhood groups, and the Portland Parks Conservancy. For a Department with a \$12M budget, \$10M in revenues, and close to 500 employees, this position will add critical capacity to keep priorities moving.

Former Park Manager Ethan Hipple was promoted into the role as Deputy Director. The city plans to hire a new Park Manager who will continue to oversee Parks Maintenance, Athletic Facilities, Cemeteries, Forestry and Horticulture.



Presented below are lists of accomplishments achieved or in progress for Portland parks during the reporting year.

- Cousins Memorial Plaza Restoration (Complete)
- Deering Oaks Playground Zip Line and Net Climber (In progress)
- Deering Oaks Pond Wall Reconstruction (Engineering and Construction Drawings Complete)
- Deering Oaks Rocky Hill Playground and Water Feature (Complete)
- Dougherty Field Playground (In Progress)
- Evergreen Cemetery Stevens Avenue Wall Reconstruction (Complete)
- Evergreen Cemetery Urban Forest Management Project (Complete)
- Fort Gorges Hazard Mitigation Project (Railings and Gates, funded by US Army Corps of Engineers—Complete)
- Fox Field Food Forest (In progress)
- Futsal Court at Fox Field (In progress)
- Island Playgrounds Replacement: Cliff, Peaks, Great Diamond (In Progress)
- Lincoln Park Fence Restoration (In Progress)
- Lincoln Park Fountain and Walkway Restoration (Complete)
- Lyman Moore Athletic Fields Reconstruction, Drainage and Irrigation (In progress)
- Memorial Field Artificial Turf Replacement (In progress)
- Parks Signage Project: Large Welcome Signs for 5 Parks (In Progress)
- Parks Signage Project: Small Pedestrian Welcome Signs for 15 Parks (In Progress)
- Payson Park Softball Field Upgrades (In progress)
- Pickleball lines and nets added to Tennis Courts at Deering Oaks and Eastern Prom (Complete)
- Skatepark Expansion Design (Concept Design Complete, currently fundraising)
- Tennis Court Resurfacing, Deering High School and Deering Oaks (Complete)
- Tree Planting: 149 Trees planted city-wide
- Western Prom Valley St Wall Reconstruction and Repair (Complete)

## 3.4 Partner Opportunities

### Community Gardens

Community gardeners and urban agriculturalists are dedicated—and among the most volunteer-spirited—users of Portland parks. During the period of this report, two additions were made to

the garden network that dots Portland's parks. The Libbytown Garden was built in Doherty Field and the Common Share Community Garden was added at the site of the Casco Bay Community Garden on the Eastern Promenade. Both were completed in October 2016 and welcomed their first gardeners in May 2017. While City of Portland and Cultivating Community staff oversaw both projects, scores of volunteers contributed thousands of hours of labor to bring both projects into existence. And beyond these two projects, 226 people interested in Portland's edible landscapes—its community and school gardens, its urban orchards, and its emergent food forests—volunteered 2,694 hours pruning trees, spreading wood chips, hauling seaweed and performing scores of other tasks essential to the health and beauty of our community growing spaces. And those are just the people and hours that managed to get logged! We know many volunteer and stewardship efforts go uncounted.

In addition to being a magnet for civic engagement, community gardens are also a place parks are living out Portland's value of being an equitable city. During this year, the Parks Department and Cultivating Community collaborated to ensure that the community gardens program more fully reflected the diversity of the City. The strategies included:

- Reviewing and revising waiting list guideline to prioritize families living on low incomes
- Conducting culturally appropriate and linguistically diverse outreach about the garden program
- More robustly funding a scholarship pool so that fee abatements were available to more families.



This work was generously supported by a grant from the Sam L. Cohen Foundation to Cultivating Community. The efforts yielded undeniable results. Within a year, participation of gardeners identifying as low-income went from under 10% to more than 25%. In a City where 52% of students are eligible for free or reduced-price lunch in schools, community gardens can be an important part of a coordinated community food security strategy—if barriers are lowered and access is equitably made. That is a goal of the program.

<https://www.cultivatingcommunity.org/>

## **Portland Trails**

Portland Trails serves the 230,000 residents of Greater Portland and many of the area's 4 million annual visitors. Our trail network reaches within a half mile of every resident, and within a quarter mile of 95% of all Portland residents. The network includes over 70-miles of trails in Portland, Westbrook, South Portland and Falmouth, and the trails we maintain and build provide free recreation and active transportation for all ages.

<http://trails.org/>

# 4. OPERATIONS, IMPROVEMENTS, AND GOALS

## 4.1 Operating Budget, Non-Capital, and General Improvements

The Capital Improvement budget includes projects over \$25,000. Many small projects are accomplished in parks for less than \$25,000 and those items are included in the Operating Budget. These types of projects include fencing, walkway repairs, trail work, crack sealing tennis and basketball courts, hazard tree removal, water fountains, signage and landscaping.

The City Manager and City Council have been supportive of continuing to grow our operating budget for Parks within healthy limits. After several new staff positions were added for FY 2018, we have continued to grow our capacity by replacing aging vehicles and small equipment.

Highlights for the upcoming 2019 Operating Budget:

- Additional Seasonal Athletic Facilities Staff to help with additional work created by the Pesticide Ordinance.
- \$10,000 for ongoing multi-year park rebranding sign project
- Electric chainsaws for Forestry Crew
- Deering Oaks Park Attendant
- \$15,000 for Hazardous Tree removal and replacement in Evergreen cemetery
- Replacement Gator ATV for Deering Oaks Park
- Fence repair at Quarry Run Dog Park and Community Gardens

## 4.2 Volunteer and In-kind Support

Information is derived from self-reporting by Friends Groups and covers the period of October 2016 to May 2018. It is likely that hours shown are likely lower than actual.

Group or Project	Attendees	Hours	Volunteer Hours
Student Conservation Association youth trail work crew	8	80	640
Maine Conservation Corps Trail Crew	8	40	320
Take Action Portland	20	6	120
Friends of Bramhall Square			150
Friends of the Eastern Promenade			60

Libbytown Neighborhood Association			150
West End Neighborhood Association			770
Cultivating Community / Community gardens, urban orchards, and food forests		678	2694
Peaks Environmental Action Team (PEAT)			215
Friends of Payson Park			41
Friends of Woodfords Corner			100
Friends of Evergreen Cemetery			3,500

### 4.3. Capital Improvement Projects & Funding Goals

#### CIP Process and Improvements

In April 2017, City staff crafted a timeline for submission and approval of the DPRF's Capital Improvement Projects. The CIP timeline is expressly designed to invite review and input from the Parks Commission, each of the Friends Groups and the public. The goal of the timeline is to build a schedule for Capital Improvement Projects that reflects the priorities of the DPRF, the Parks Commission, the Friends Groups and the public in a manner designed to be inclusive, responsive, efficient and realistic.

The schedule for the annual CIP review process starts in May, when the DPRF invites Friends Groups to submit CIP proposals for their respective parks by mid-July. Accompanying this request is the DPRF's current 10-year plan of parks investments, based in part on former Friends Groups' requests. The DPRF reviews the submissions from Friends groups, along with proposals from the various DPRF divisions, and information about the status of ongoing and pending operations. Based on this review, the DPRF establishes its priorities for the upcoming CIP and presents them to the Parks Commission at the end of July for review, along with its updated recommendations for the 10-year investment plan. The Parks Commission reviews these materials with Friends groups and other stakeholders in August and September, and hosts a public workshop to discuss the proposed CIP. By the end of September, the Parks Commission provides its comments to the DPRF on the annual CIP request and the 10-year plan. In October, the DPRF refines its CIP request and the 10-year plan, based on inputs from the Parks Commission, Friends Groups and other stakeholders, budget guidelines from the City Manager, and updated information from its staff divisions. In November, the DPRF submits its revised CIP request to the City Manager for review. The City Manager then meets with each Department and prepares a consolidated CIP request for the city which is reviewed by City Council's Finance Subcommittee before being voted on by the full City Council.

The Parks Commission makes recommendations, and works in concert with the DPRF, but the Department acts on it. In this way, the Parks Commission has a concurrent process that supports and fits into the CIP by working more with the Friends Groups, so that they can represent all of them instead of just relying on the members of the Commission who are part of their own groups. By having the City, the Parks Commission, and all Friends Groups come

together to work through the CIP process, a strong ten-year plan is established to bring to the City Manager.

## **Looking Ahead: 10-year Plan for Capital Improvement Projects**

The 10-Year Plan for Capital Improvement Projects provides a complete list of projects contemplated for attention by the Department of Parks, Recreation and Facilities and is designed to reflect priorities established by collaboration between the Department of Parks, Recreation and Facilities, the Parks Commission and the Friends organizations which support Portland's parks. A complete list of the 10-year CIP plan reviewed in 2017 can be found in Appendix E. The Parks CIP 10-year chart, 2020-2029, can be found on the City website at: <https://www.portlandmaine.gov/1943/Park-Projects>.

As of the publication of this report, the CIP 10-year chart includes the following specific list of park projects contemplated for completion in 2019:

- Memorial Field Artificial Turf Replacement - \$673,000 - 2019
- Dougherty Field-Athletic Field at West School Site, Parking - \$350,000 - 2019
- Payson A Replace Lights - \$250,000 - 2019
- Portland Landing Design Development (Amethyst Lot) - \$250,000 - 2019
- Riverton Playground - \$250,000 - 2019
- Dougherty Skate Park Expansion - \$240,000 - 2019
- Fort Gorges Structural Improvements - \$209,000 - 2019
- Fitzpatrick Scoreboard and Road Drainage - \$102,000 - 2019
- Riverton Softball Site Work - Drainage and Erosion Issues - \$65,000 - 2019
- Evergreen Columbarium: Phase II and III - \$52,000 - 2019
- Payson Park Community Garden - Expansion - \$14,500 - 2019

## **Additional Funding Goals**

Portland's parks are a blessing that we cherish. Maintaining our parks so that they continue to enrich our lives and remain safe, clean, and accessible to Portland residents and visitors requires a continuing financial commitment on the part of many stakeholders. Moreover, the acquisition and development of new parks -- such as the city is now planning for the new waterfront park -- requires yet additional financial support. An objective of the Parks Commission is to help mobilize additional financing to improve maintenance standards for Portland's existing parks and, as opportunities arise, to develop new parks.

The city budget is the main source -- but by no means the only source -- of financing for Portland's parks. With the support and encouragement of the Parks Commission, parks friend's groups have been instrumental in making recommendations for improvements to the city's parks and mobilizing grant and private funding for upgrades to several of Portland's parks to support and match city funding for these projects. In addition, friend's groups help mobilize important contributions in volunteer and in-kind support (section 4.2).

For the past three years, the Parks Commission has made recommendations for city expenditures on parks under the city's investment budget, the annual Capital Improvement Program (CIP), based on inputs from Friends Groups and using explicit criteria for expenditure

priorities. The review process described at the beginning of this section of the report was improved by adopting a more formal review schedule that allows Friends Groups, other stakeholders, and the Parks Commission more time for input to CIP formulation.

The Parks Commission is also working with the DPRF to develop a new online resource for public giving for Portland's parks, linked to the city's Park Finder map (please Section 6 for more information). This online resource will be user-friendly and allow immediate contributions for designated gifts and memorials in Portland's parks. Initially, this effort is starting with gifts of trees, park furniture, and youth recreation programs. It will be expanded in the future to include additional park enhancements.



An important new player in park financing is the Portland Park Conservancy.

### **Blue Sky Commission & Park Conservancy**

In May 2017, the PC met with Lucas St. Clair about creating a Parks Foundation for the City of Portland. Parks often get overlooked yet they benefit other organizations and the community. The intention of the foundation would be to help raise money as a philanthropic arm, and would work in alignment with The City, Parks Commission and Friends Groups, including responding to recommendations on how to move forward as a public private partnership. The PC was interested in supporting different types of programming reflecting the different types of parks spaces (for example urban squares versus open spaces), and should be open to opportunities to be additive and expand our thought on park spaces. There was an expressed interest to focus on standard of maintenance and raising those standards, as well as improving the quality and functionality of the parks. There was an interest from the PC to respect equity of parks and potentially uneven representation of those advocating for parks based on presence or absence of Friends groups and the differing capacity at existing groups. For example, there are many parks and few developed Friends Groups. Additionally, the PC expressed concern that funding meant to be additional may end up being substituted for what is budgeted. Ways to involve others should be part of the process, matching opportunities with those wanting to help. The PC also asked for part of the Parks Report to be permanently dedicated to the Park Conservancy.

The Blue-Sky Commission met several times in 2017 establishing the overall structure, bylaws, and organizational relationship with The City. The City remains in charge of maintenance and care of the Parks, and The Conservancy is intended to go beyond that. Currently the Conservancy is seeking an Executive Director.

City Joins Forces with Elliotsville Plantation to Create Parks Conservancy, September 6, 2017.  
<http://www.portlandmaine.gov/CivicAlerts.aspx?AID=2778>

## 5. RECOMMENDATIONS

Information for the recommendations section was cultivated through PC discussion at meetings, and are contributions by members during those discussions. Voting at meetings by Commissioners is only done on specific actions items that require a vote, and is not the case for general discussion. Therefore, the PC did not vote on specific recommendations as they were initially discussed; however, the final list of recommendations was reviewed by the PC prior to adoption of this 2016-2018 report.

### 1. *Organizational*

- a. The PC and City of Portland staff should make a calendar to keep track of all items worked on by, or presented to, the Parks Commission.
- b. The PC should include a part of the Parks Report to be permanently dedicated to the Park Conservancy.

### 2. *Ordinances*

- a. Continue to review and be involved in decision making as appropriate or afforded to the PC ordinances. Sent to the PC while in draft, and for discussion at PC meetings prior to public hearings at higher levels, at the LBC, City Council, or other levels.
  - i. For example, reference ordinance 18-1 & 18-12 regarding view sheds.
- b. The park ordinance was enacted on April 28, 2014 and may not be amended or repealed for 5 years from that date – April 28, 2019. Discussion on ordinance changes with the PC should occur throughout calendar years 2018-2019. An ad hoc subcommittee was appointed to work with Corporation Council to work in collaboration with the LBC and authors of the ordinance to see if any changes need to be made.

### 3. *Inventory, Land and Use Protections*

- a. The ordinance defines city parks in the form of a list. That list serves as the inventory of parks attached to this annual report.
  - i. Further research was also identified to not only determine what defines a park, but also what parks are defined by. Some parks do not have great supporting documents.
    - Locate any back up documents that define these properties, including boundaries and parcel definitions.
    - Look into title related matters of parks, cemeteries, open spaces, and land bank properties, because there could be restrictions that are longer lasting and ironclad to what is currently in City Code.
    - Similarly, a review of state laws should be conducted for additional pertinent information for cemeteries, parks, and open spaces.
- b. In 2017 a subcommittee including, Jamie Parker, Jeff Tarling, Doug Roncarati, Ethan Hipple and Meri Lowry met to look at all the city's open spaces and determine whether any should be included as either parks or land bank properties. The subcommittee did not recommend adding any particular site as a park. Boundaries should be added or confirmed to all parks, for historical precedence as well. Surveyors and lawyers and finances to cover associated costs should be secured for what could be an expensive

- project. Original documents should be found if possible, including an initial search of the Public Works 'vault'.
- c. The PC recommends the City Council look into protections for cemetery lands based on the findings by the PC, LB and Corporation Council discussions.
    - i. Possible methods discussed for increasing protections for Cemeteries could be done by strengthening the language in the existing Cemetery Ordinance, Chapter 7, or by including these properties in Park or Land Bank ordinances particularly since they also perform park functions and do not have another city commission with oversight for them.
  - d. 2/2018 motion for the inventory to be adopted at the same time as the report.

#### 4. *Advocacy*

- a. PC should become more familiar with the operating budget process and current items (including the list of Minor Capital projects Under \$25,000 kept by the DPRFs) to have a better understanding of the bigger picture addressing Parks and Open Spaces.
- b. PC should also be informed and be proactively engaged in the budget process.
- c. PC should become more familiar with revenues raised through fees gathered at sporting events on athletic.
- d. PC ordinance says that we are to raise funds. The PC should continue to help support the city fundraise for park improvements. Would like to see improvements to the quality of parks, because they are capital investments. They could be valuable if the city has major acquisitions. The best outcome would be to improve ongoing budget process and improve documenting needs. Additional potential sources for funding and financing could include:
  - i. Continued attention the updating and use of the Giving Back to Portland Catalog, putting it on the city website and direction interested individuals to it. For example, the "Adopt-A-Park" program is still in existence, but no one really knows about it. The PC was also interested in creative ways to bulk up the catalogue to fit park's needs,
  - ii. Support investments as park infrastructure,
  - iii. Earmarked property taxes,
  - iv. Improved cost recovery through user charges,
  - v. TIFs (tax increment financing) and impact fees, and
  - vi. Fundraising potential through pursuing a tree fund, or "green fund".

#### 5. *Concurrent City Planning and Efforts*

- a. Support efforts to make use of public lands to further City sustainability efforts such as utilizing the Landfill on Ocean Avenue for a Community Solar Farm.
- b. Work with the LBC and other pertinent entities on priorities for land acquisition and preservation, including a prioritization of those lands and funding sources or mechanisms to realize these strategic planning outcomes.
- c. Take actions to put strategies in motion so funding is available as needed when opportunities arise.
  - i. Example: those identified in the Comprehensive Plan 2017:  
<http://www.portlandmaine.gov/DocumentCenter/Home/View/15411>
- d. Coordinate with city departments, boards, councils, and other stakeholder organizations to support them in furthering climate resilience priorities identified in other concurrent Portland park and open space related plans and efforts. Examples:

- i. City's technical standards and land use code, planning for investments (for example, park to buffer accommodate and protect), and pursue strategic study, investment, code changes and education.
  - ii. Some priority locations identified: waterfront and Bayside, Back Cove trail, East End Boat Launch Area and Beaches, and the eastern promenade trail, and properties along the Fore River and neighboring wetlands.
  - iii. Comprehensive Plan 2017:
    - <http://www.portlandmaine.gov/DocumentCenter/Home/View/15411>
      - MEMORANDUM Waterfront: Climate Resiliency:
      - Facilities & Services: Enhance Resiliency:
      - Environment: Develop Climate Resilience:
  - iv. Bayside Adapts: Adaptation Planning
  - v. 2016 Communication on Climate Change Adaptation Planning – Status and next steps Memorandum to: Energy and Sustainability Committee
    - <http://www.portlandmaine.gov/AgendaCenter/ViewFile/Item/3689?fileID=15668>
  - vi. 2013 Sea Level Rise Vulnerability Assessment
    - [http://www.cascobayestuary.org/wp-content/uploads/2015/10/SSM-Sea-Level-Rise-Vulnerability-Assessment\\_FINAL.pdf](http://www.cascobayestuary.org/wp-content/uploads/2015/10/SSM-Sea-Level-Rise-Vulnerability-Assessment_FINAL.pdf) (Sustain Southern Maine)
  - vii. 2012 Draft Framework for Approaching Sea - level Rise Adaptation To: Transportation, Sustainability and Energy Committee
    - <http://www.portlandmaine.gov/DocumentCenter/View/6321>
      - Question #6: Approaching Recreation and Park Space Recreational and Park Space in Portland
      - Question #5: Approaching Wetland Impacts
- e. PC should promote and cross-promote active transportation to the parks and through the parks for commuters so that they can be more accessible.

## 6. *Maintenance & Stewardship*

- a. Continue to build staffing to appropriate levels to maintain parks to a higher standard.
- b. Develop Parks Maintenance Standards and performance measures, per the 2016 Open Space Vision Plan.
- c. Continue to support park partnerships as unique ways to foster improved maintenance and stewardship, such as the well-established examples of existing relationships with Portland Trails and Cultivating Community.
- d. Explore the concept of a Portland Youth Corps to engage young people in meaningful service opportunities and career exploration in Portland Parks.
- e. Encourage revitalizing the “Adopt a Spot” concept, allowing citizens and businesses to adopt small garden sites and horticultural beds throughout the city.
  - i. Highlight historic Baxter family contributions to the Portland park system.
  - ii. Continue collaboration with neighborhood organizations, Cultivating Community and The Resilience Hub to create and expand vibrant community gardens.
  - iii. Collaborate with the Portland Parks Conservancy and continue process of enhancing ease of individual donations to Portland Parks projects.
- f. Support implementation 2016 Invasive Species Plan, including efforts to continue monitoring, treatment and removal of invasive species.
- g. Support Opportunity Group project.
  - i. PC should cross-promote the Department's new initiative to use Mobilecause for fundraising. *Example, the Portland Opportunity Crew:*
    - <https://www.portlandmaine.gov/1989/Portland-Opportunity-Crew>

<http://www.portlandmaine.gov/2062/Support-POC>

- h. Support efforts to expand the park encroachment project, such as sending friendly letters to residents.

#### *7. Programming / Use*

- a. Support the programming opportunities by the DPRF such as:
  - i. implementation of the Athletic Facilities Task Force Report recommendations approved by City Council in 2011.
  - ii. developing interpretive and educational programs.
  - iii. Improving the Parks website, including "Park Finder" and related web pages on parks history, uses, offerings, pictures, events, and other information of interest.
  - iv. developing a Parks app for use by the public.

#### *8. Identifying and Supporting Partnerships*

The PC collaborates closely with friend's organizations and community partners (FCPs) associated with certain Portland Parks. The PC invites regular input from friends groups at its meetings and relies on their advocacy and enthusiasm to provide special benefit to their associated parks. Each year, devoted Portlanders help the city's natural areas, trails, playgrounds, open spaces, athletic and recreational facilities flourish through volunteerism and can be counted on to make the PC aware of needs and improvements that will enhance our parks. The PC is committed to fostering the beneficially mutual relationship between FCP groups and their collaborative alliances with the PC and with the DPRF. Although currently there is no formal procedure to be designated a FCP group, the PC maintains a list of active "friends groups" and contact information.

Next year, PC should continue to foster relationships with Friends Groups and see what we can accomplish with them.

# 6.ADDITIONAL RESOURCES

## Portland's Park Commission

<http://www.portlandmaine.gov/345/Parks-Commission>

## Portland's Department of Parks, Recreation and Facilities

<https://www.portlandmaine.gov/182/Parks-Recreation-Facilities>

## Park Finder

<https://www.portlandmaine.gov/1063/Parks>

Explore Portland's 63 parks, 27 playgrounds, 10 community gardens, miles of multi-use path, dog parks, splash pads, winter recreation areas and dozens of athletic facilities using the Park Finder Map.

## Park 'Places'

<https://www.portlandmaine.gov/1907/Places>

## Photo Gallery

<http://www.portlandmaine.gov/gallery.aspx?AID=26>

## Open Space Vision & Implementation Plan

<https://www.portlandmaine.gov/1503/Portland-Open-Space-Vision>

<https://www.portlandmaine.gov/DocumentCenter/View/14562/Open-Space-Vision-Implementation-Plan->

## Bold Vision, The Development of the Parks of Portland, Maine

## Park Master Plans

<https://www.portlandmaine.gov/1862/Park-Master-Plans>

Green Spaces Blue Edges (system wide)  
Baxter Boulevard  
Deering Oaks  
Dougherty Field

Eastern Promenade  
Evergreen Cemetery  
Green Spaces Blue Edges  
Ocean Avenue Recreation Area

## Parks and Friends Groups List

Friends of Bramhall Square  
Friends of Canco Woods  
Friends of Capisic Pond  
Friends of Congress Square  
Friends of Deering Oaks  
Friends of the Eastern Promenade  
Friends of Evergreen Cemetery

Friends of Heseltine Park  
Friends of Lincoln Park  
Friends of Longfellow Park  
Friends of Payson Park  
Friends of Eastern Cemetery – Spirits Alive  
Friends of Fort Gorges  
Friends of Fort Sumner  
Friends of the Western Promenade

# Appendix A: Portland's Park System

Portland Park History (Video)  
<http://portlandprf.com/1063/Parks>

*As reported in the 2016 Annual Report Section 1.4:*

Portland's parks and open spaces are a treasure – an important element of who we are. They anchor Portland's spectacular natural setting and offer repose and recreation for the population of Maine's largest city and for its many visitors. They also offer respectful places for burial and commemoration of Portland's deceased loved ones.

Of all the cities in the United States, few can compete with Portland's unique natural setting – overlooking the beauties of Casco Bay, the islands and seaway to the East, and the White Mountains to the West. Portland's parks and open spaces ensure that these priceless vistas can be enjoyed by present and future generations of Portland residents and visitors.

Portland's parks and open spaces did not just happen. They resulted from the vision, dedication, and generosity of many Portland residents, friends, and public officials over the past two centuries. Safeguarding Portland's existing parks for the benefit of future generations and creating new parks as the city continues to develop will require continuing vigilance and commitment by the citizens of Portland.

Portland's park system began with the city's acquisition in 1828 of a parcel of land on Munjoy Hill that would become part of the Eastern Promenade Park. [1] The Eastern and Western Promenade roadways were established by 1837, and in 1878 the city engaged Calvert Vaux, Frederick Law Olmsted's collaborator in the design of New York's Central Park, to advise on improvements in Portland's public spaces. That same year, the city's civil engineer, William A. Goodwin, outlined a vision for protection of the vistas from the Eastern and Western Promenades as permanent scenic resources of the city. The high vantage points of the Eastern and Western Promenades were key features of Mayor James Phinney Baxter's 1897 plan for Portland's park system, modeled on the linked system of parks in Boston's "Emerald Necklace." Another element of this plan was the peripheral road and pedestrian trail around Portland's Back Cove, known today as Baxter Boulevard. Baxter Boulevard with its border of linden trees has become a much-loved feature of Portland's park system. In addition to offering a splendid view of the Portland peninsula, the pedestrian trail provides a year-around outlet for exercise and renewal for many of Portland's residents.

The first of Portland's designated parks, Lincoln Park (originally named Phoenix Square), was created just after the great fire of 1866 as a central park for Portland's residents and as a fire break in the event of a future conflagration. Lincoln Park became a focal point for the city's development in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, but has suffered from neglect in recent years.

Through the generosity of the Deering family, Deering Oaks Park was another early addition to Portland's park system. The park was given to the city by Nathaniel Deering II and his son, Henry Deering in 1878. For many years prior to that, the park's wooded space had been freely used by the public. Once it became a Portland park, there was a risk that the park's trees would be thinned to make room for organized activities. City engineer William Goodwin successfully advocated to keep the trees and to move slowly and cautiously in deciding how to develop the

park, consistent with Olmsted's design principles. He also had the mill pond dammed to create the skating pond, and installed the fountain and the first of the pond's duck houses.

Evergreen Cemetery was established by the city of Portland as a cemetery in 1852 in what was then the town of Westbrook. Its development was inspired by the garden cemetery movement, which had begun with Cambridge's Mount Auburn Cemetery in 1831 and Bangor's Mount Hope Cemetery in 1834. Like Mount Auburn and Mount Hope Cemeteries, the site for Evergreen Cemetery was selected for its attractive landscape features – its hills and natural contours, pond, and specimen trees. These were enhanced with thoughtful plantings and grave layouts that respect and enhance the natural features of the site. The Friends of Evergreen was established in 1991 to help protect Evergreen Cemetery and to promote public appreciation of the cemetery. This was the first of the several friends groups that have been established since to advocate for the needs of Portland's parks and open spaces. Its first initiative was to obtain recognition of Evergreen Cemetery on the National Register of Historic Places. This was followed soon after by its effort to lead the restoration of Wilde Memorial Chapel after a period of serious neglect.

Congress Square Park has undergone a major revitalization effort and is emblematic of Portlander's support of city parks. Congress Square was created in the early 1980s through an urban renewal grant. In the 2000s, neglect compounded by a poor design led to decline and underutilization. In 2013, the City Council voted to sell most of the park to a private entity for commercial use. This proposal led to a citizen referendum to block the sale and to restrict the selling of any public park in the future, which was subsequently approved by the voters. The proposed sale also was a catalyst to reimagine Congress Square Park led by the newly formed Friends of Congress Square Park with the intent of redesigning the park and the entire intersection in the heart of Portland's vibrant Arts District. The Park is now a destination park with numerous free events year round ranging from yoga, to music, to film, to kids events and is a focal point during Portland's popular first Friday Art Walk.

As described in this report, Portland has added many parks and open spaces to its parks system since these early park acquisitions. Together with the various parks friends groups, the PC is committed to protecting Portland's parks, promoting the respectful use and appreciation of Portland's parks by the public, and advocating for their needs.

# Appendix B: Brief History of the Parks Commission

- 1885** The city Cemeteries and Public Grounds Commission was created by the Maine Legislature.
- 1913** The Cemeteries and Public Grounds Commission was changed to the Parks Commission.
- 1915** The city Recreation Commission was created by the Maine Legislature.
- 1923** Citizen Commissioners were replaced by City Councilors who also served as Parks Commissioners.
- 1947** The Parks Commission was eliminated and the Portland Department of Parks and Recreation was created.
- 1983** The Friends of the Parks Committee (popularly known as the Friends of the Parks Commission) was created by the city.
- 1987** The Friends of the Parks Commission held its first meeting.
- 2008** The Friends of the Parks Commission was changed to the Parks Commission.
- 2014** Through a city ordinance prompted by a Citizen's Referendum, the role of the Parks Commission was strengthened and given formal advisory and review function to the City Council regarding the modification and/or sale of public parks.

# Appendix C: Park Inventory 2018

## 2016 City of Portland, Maine Parks Commission Annual Report Parks Inventory

The following sources were used in drafting the below inventory of Parks of Portland, Maine:

1. Section 2-44, City Code for City of Portland, Maine, revised 7/10/14 (the “**Land Bank Ordinance**”)
2. Section 18-11, City Code for City of Portland, Maine, revised 5/28/14 (the “**Parks Ordinance**”)

**N.B.** School playgrounds and athletic fields are not included in the park inventory even though the City of Portland does maintain and fund ongoing maintenance and replacement.

### **PARKS IN THE CITY OF PORTLAND, MAINE**

#### **Dedicated Parks Listed in both the Parks Ordinance and the Land Bank Ordinance:**

Back Cove Park and Trail  
Barrows Park/Baxters Sundial  
Baxter Pines  
Baxter Woods  
Bayside Park, also known as Stone Street Playground  
Bell Buoy Park  
Belmeade Park  
Capisic Pond Park  
Clark Street Park  
Congress Square Park  
Deering Oaks Park  
Dougherty Field  
Eastern Promenade Park, East End Beach, Fort Allen Park  
Fessenden Park  
Fort Gorges  
Fort Sumner Park  
Fox Field/Kennedy Park  
Harbor View Park and Tate-Tyng Park  
Heseltine Park  
Lincoln Park  
Lobsterman Park  
Longfellow Square  
Monument Square  
Munjoy South Playground  
Payson Park  
Peppermint Park  
Pleasant Street Park  
Post Office Park  
Riverside Golf Course  
Riverton Trolley Park (incorrectly listed as Riverton Park in the Ordinances)  
Stroudwater Parks (there are 2 listed in the Ordinances)  
Taylor Street Park

Tommy's Park  
Western Promenade Park

**Dedicated Parks Listed in the Parks Ordinance and Not the Land Bank Ordinance**

Andrews Square – **N.B.** This Park consists of a flagpole only  
Bayside Trail  
Bedford Park  
Boothby Square  
Boyd Street Gardens  
Bramhall Square  
Caldwell Square  
Clark Street Playground  
Tate-Tyng Playground (not in alphabetical order because of association with Harborview Park)  
Longfellow Park  
Marada Adams Playground **N.B.** This Park is located at the corner of Beckett and O'Brien  
Streets and is not the Adams School Playground  
Martin's Point Park  
Nason's Corner Park  
Pedro Field  
Pleasant Street Playground  
Quaker Park  
South Street Playground  
Trinity Park  
Winslow Park

The Parks Commission notes that University Park is listed in the Land Bank Ordinance and not in the Parks Ordinance. University Park is therefore included on the Land Bank Registry as a Land Bank property that is not a park.

# Appendix D: Timeline for Annual Report and Capital Improvement Projects

Prepared by the Portland Park Commission Winter 2017/2018

## Annual Report Outline

Chapter 18 PARKS, RECREATION AND PUBLIC BUILDINGS AND GROUNDS

Sec. 18-10. Parks Commission

(d) Duties. The duties of the commission shall include:

(4) Submitting an annual report to the city council regarding the state of the city's parks and public grounds and making specific recommendations therein about suggested goals and improvements for the parks and public grounds.

Tasks:

1. State of the City's Parks and Public Grounds
2. Recommended Goals
3. Recommended Improvements

## Capital Improvement Projects (CIP)

Chapter 18 PARKS, RECREATION AND PUBLIC BUILDINGS AND GROUNDS

Sec. 18-10. Parks Commission

(d) Duties. The duties of the commission shall include:

(7) Conducting an annual meeting of all parks, trails and open space advocacy groups to discuss annual projects and to recommend goals and priorities for capital improvement projects to the city council.

## Key

*Print in color.* Conforms to CIP and Annual Report periods in the timeline.

'Above the timeline': established by the Capital Improvement Process and Chapter 18 of Portland's City Code

'Below the timeline': summary information

DPRF: Department of Parks, Recreation, and Facilities

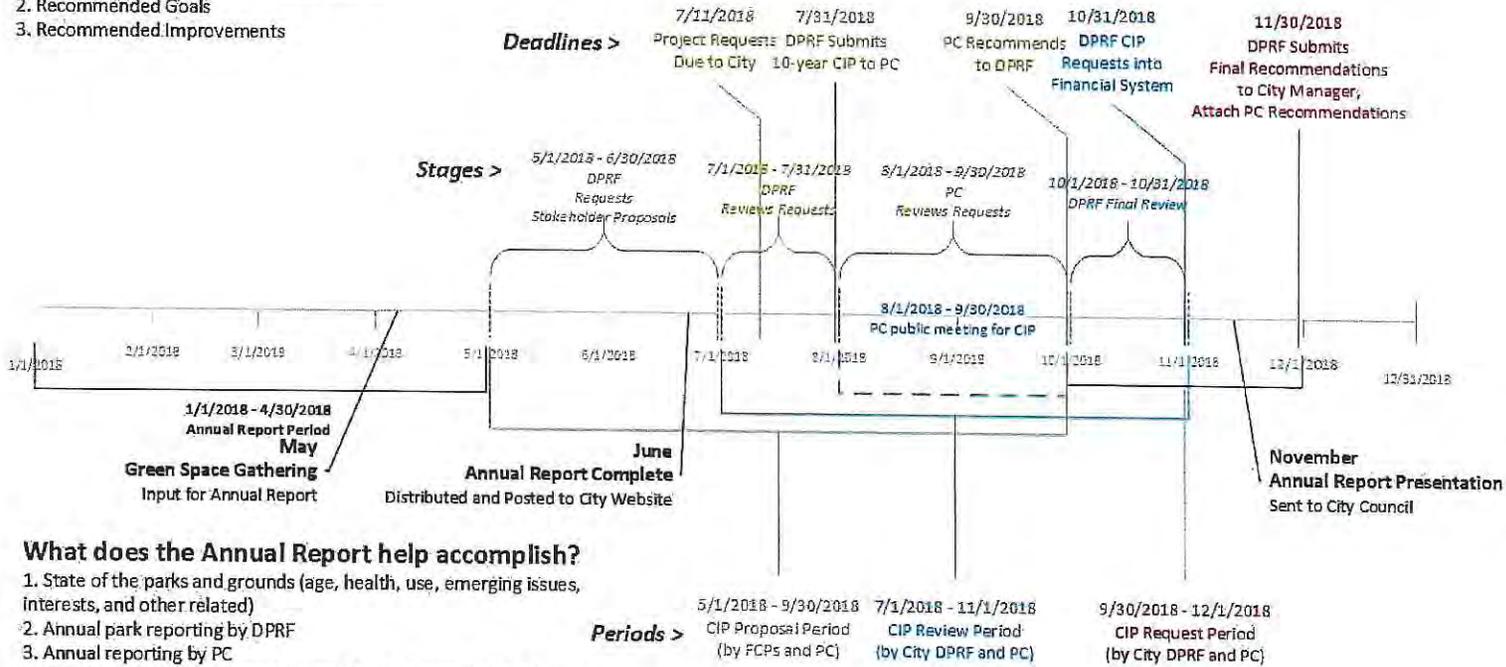
PC: Portland Parks Commission

FCPs: Friends Groups and Community Partners

Deadlines: CIP specific deadlines

Stages: Stages in the CIP process

Periods: CIP proposal, review, and request periods



## What does the Annual Report help accomplish?

1. State of the parks and grounds (age, health, use, emerging issues, interests, and other related)
2. Annual park reporting by DPRF
3. Annual reporting by PC
4. Aggregating project proposals from Friends Groups ("FCPs") & Stakeholders
5. Set stage for transition from winter to spring/summer/fall uses

# Appendix F: Capital Improvement Project 10-year Plan

## Capital Improvement Project 10-year Plan

<https://www.portlandmaine.gov/1943/Park-Projects>

<https://www.portlandmaine.gov/DocumentCenter/Home/View/17170>

## 2017 PC CIP Public Meeting and Workshop

### *Public Input*

- Great Diamond tennis court redo is not necessary. There are hotel tennis courts around the area and the money could be put to better use. The Fitzpatrick score board could be a great chance for a fundraising opportunity.
- West End Neighborhood Association
  - Regarding Harbor View Park:
    - A great connector between West End and Commercial Street but the area under the bridge is dark and scary. Lighting would make it easier to pass through.
    - Put stairs in from Chestnut Meadow to Commercial Street.
    - Resurface the steps where the concrete facing is flaking off. Suggested granite facing instead.
    - Exercise equipment put periodically throughout the park.
    - Thanked the Commission for listening and to DPRFs staff for continuously taking care of the park's graffiti.
  - Regarding Dougherty Field:
    - Reiterated wishes for Dougherty Field and Playground improvements.
    - Whatever the Division could do to help the field and families there.
- University Neighborhood Association & Longfellow Park
  - Created to bridge between Longfellow neighborhood and to University students by using Longfellow Park.
  - For the past five years, held an annual park cleanup, and held a neighborhood block party. More people came back to the park because of these events.
  - In 2015, proposal to the Parks Commission to help improve the walkways in the park. At the time, the Commission chose not to do that. People redid the walkways in Longfellow Park.
  - Requesting a round patio in the middle of the park, to bring the electricity back, and to be included in the City LED Plan.
  - Left a petition, letters and other information with PC and thanked the Commission for listening.

### *Additional Requests to the PC Throughout the Year*

- Dougherty Field
  - Greatly desire improvements for Dougherty Field and playground. Children who grew up there now want other children to have opportunities to play and enjoy such a great neighborhood.

- Athletic field: There was a masterplan done in 2008 that calls for replacing the West School athletic field. This is a multipurpose athletic field. This was recommended by the 2011 athletic facilities studies that was done.
- Portland Assisted Living Center
  - Expressed a moment where individual got stuck while crossing the park and had to be pushed out. Expressed need for the park to be ADA accessible. Also, hoped that there could be a slab of concrete next to benches so that wheelchair users can sit next to those sitting on the benches. Even lighting could be useful when passing through at night as street lights are not enough.
- Cousins Memorial
  - Questioned where money for Cousins Memorial had come from CIP or another budget. suggested the resurfacing projects to wait until spring so that they don't have to endure the winter elements soon after.

*Additional Request to the DPRF from Neighborhood Associations and Friends Groups:*

- Deering Oaks Vegetative Sound Barrier:
  - Division is not opposed to this concept, but are designing a multiuse trail for this area and aren't sure what the landscape architect is planning for trees just yet.
- Longfellow Park lighting, electrical and water:
  - Division does not feel that this is necessary because of the size of the park.
- Longfellow Park sidewalk widening to 60":
  - City is aiming to make parks, facilities, etc. ADA accessible. Currently studying the issue and have a consultant. We didn't include this request in this list because we need to know what the study says first. At this time, the sidewalks at Longfellow Park meet the minimum requirements.
- Orland St. Parklet:
  - Requested by Libbytown Neighborhood Association. Transportation project. Recommended to contact that department.
- Thompsons Point boat launch:
  - Requested by Libbytown Neighborhood Association, unfortunately not on City property.

*PC Review*

- Fitzpatrick Scoreboard and Road Drainage:
  - Pushed forward from last year. Scoreboard is out of date and needs to be replaced. Other piece is the drainage. Road between Hadlock field and Fitzpatrick track has water rushing down it and it is hitting the track.
- Memorial Field Turf Replacement:
  - Biggest project. Estimate from those replacing the turf and sand and rubber base. Usually have a life expectancy of 10 years and is overdue.
- Payson A Softball Field:
  - A number of Title VIII improvements. Lights need replacing. The current lights are too worn to continue to be repaired. They will be LED. This is a legal finding from the office of civil rights to make the girls in compliance to the boys that play on Hadlock.
- Riverton Softball Field:

- Significant drainage problem. All the drainage from the school flows right by the field. When rain comes, it erodes the infield. Crews have been filling it in but the water should be redirected.
- Evergreen Columbarium phases 2 and 3:
  - Part of the cemetery expansion. Have built 1/3 so far and are selling niches slowly. Is revenue producing. Once the circle is complete, believe it would be much more attractive to people. It would be a more secluded place for reflection and mourning.
- Evergreen Tree Planting:
  - Request from the Friends of Evergreen, however, that is in the operating budget. We are not seeking CIP money for this.
  - PC interest in tree planting, especially in Evergreen Cemetery. Currently planting more than taken down, and division is budgeting to take care of hazardous trees and continuing to budget to plant more trees.
- Community Gardens:
  - Have shifted our thoughts on Community Gardens to expanding existing gardens.
  - CDBG usually funds this. Funding could be supplemental, because the division does not know if they will receive CDBG funding.
- Deering Oaks Light Replacement:
  - Could be under the City Manager's budget for the LED street light replacement program. Working with project planners to prioritize parks and facilities lights.
- Deering Oaks restroom:
  - Has been one of the top priorities from the Parks Commission, but CIP listed under fiscal year 2021 (July 2020). There are restaurants there and porta potties. By adding permanent bathrooms have to budget to maintain them. The Department is dealing with not having any sort of bathroom in other areas.
- Dougherty Skatepark Expansion:
  - Loving it to death. It is very crowded and needs to expand. Held two public meetings to plan a design with more advanced terrain. Total price tag for this is \$300,000. It will be a public private partnership with \$100,000 fundraised by the public.
- Fort Gorges Structural Improvements:
  - Public-private partnership with the U.S. Army Corps of Engineers and the Friends of Fort Gorges. These are improvements that will help preserve the area, make it safer for the public, and more accessible. Right now, people go at their own risk. The City would like to get to a place where it is comfortable giving event permits. This is a public private partnership with the Friends of Fort Gorges and the Army Corp.
- Portland Landing:
  - For design development.
- Riverton Playground:
  - The City has 27 Playgrounds city wide but the Riverton playground is used heavily. Trying to do a rotation where one year do one playground, the next two playgrounds, the next one, etc. Riverton used to have two playgrounds. Now everyone is using one. New design will most likely be a mixture of manufactured and natural elements.
- Concern that most projects are for playgrounds and ballfields:
  - The amount of use they get and that their revenue needs to come in to offset operations. As for trails, the City maintains Fore River, Bayside, Back Cove, and

Eastern Prom Trail. The City partners with Portland Trails to maintain the rest with some exceptions. Most trail project aren't that expensive, so they don't end up on this list of projects over \$25,000.

- Could an assessment be done so that trails don't fall behind. People do value trails and the improvement of those are instrumental. A bundle of all trail issues could result in \$50,000 in improvements.



*Com 5-18/19  
Tab 12 10-15-18*

Economic Development Department  
Gregory A. Mitchell, Director

**MEMORANDUM**

**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Sonia Bean, Danielle West-Chuhta, Nancy English

**FROM:** Gregory A. Mitchell, Economic Development Director

**DATE:** October 1, 2018

**SUBJECT:** Communication Agenda Item - FYE2018 Tax Increment Financing Annual Report

**SPONSOR:** **Councilor Costa, Chair of the Economic Development Committee; meeting held on September 4, 2018, and the vote was unanimous (2-0; Councilor Thibodeau was absent).**

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

1<sup>st</sup> reading and Final Action: October 15, 2018

Can action be taken at a later date: Yes

**PRESENTATION:** Greg Mitchell/5 Minutes

**I. ONE SENTENCE SUMMARY**

As part of the Council's TIF Policy, an Annual Report is to be provided to the City Council.

**II. AGENDA DESCRIPTION AND BACKGROUND**

The Economic Development Committee voted 2-0 (Councilor Thibodeau absent) on September 4, 2018 to forward the FYE2018 TIF District Annual Report to the City Council.

City Tax Increment Financing (TIF) Policy requires the preparation and presentation of an annual TIF district activity report. The FYE2018 TIF Annual Report represents the sixth year of reporting.

Highlights of this year's Report notes City Council TIF actions during FY2018. This includes:

The City Council passed five items relating to TIFs, specifically:

- A. The City Council adopted a revised TIF Policy, included in the Report.
- B. The Downtown Transit Oriented Development (TOD) and TIF District was amended to take out a property from the District, 58 Boyd Street, so that that property could then be its own freestanding Affordable Housing TIF District.
- C. Approved an Affordable Housing TIF District for 58 Boyd Street for a term of 30 years (FY2019 through FY2048), with 50% capture to the Developer and 50% into the City's General Fund. This District supports the development of a 55 unit, mixed income, multi-family rental apartment building. TIF revenues will be used by Developer to pay for operating costs for the project.
- D. Approved an Affordable Housing TIF District for Deering Place, located at 61 Deering Street and 510 Cumberland Avenue, for a term of 30 years (FY2019 through FY2048), with 75% capture to the Developer and 25% into the City's General Fund. This Affordable Housing TIF District supports the development of 75 units of residential rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.
- E. Approved adding parcels to the Waterfront TIF District as there are two projects under construction in the District that would provide additional TIF revenue, approximately \$490,000 annually, as well as additional tax sheltering savings at approximately \$145,000 annually. Those projects are 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.

The Report also has a table showing the past six-year trend, as well as an Appendix which lists all the current TIFs and the activity numbers associated with them.

### **III. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

The FYE2018 TIF Annual Report is being submitted to the City Council as a communication item.

### **IV. FINANCIAL IMPACT**

There is no financial impact with this communication item.

### **V. STAFF ANALYSIS**

Staff recommends the City Council accept the FYE2018 TIF Annual Report as a communication.

### **VI. RECOMMENDATION**

The Economic Development Committee reviewed the FYE2018 TIF Annual Report at its September 4, 2018 meeting and voted unanimously (2-0; Councilor Thibodeau absent) to forward the Report to the City Council.

Attachment:

- FYE2018 TIF Annual Report

Portland, Maine



Yes. Life's good here.

## Tax Increment Financing

Fiscal Year End (FYE) 2018 Annual Report  
(July 1, 2017 through June 30, 2018)

Prepared by the Economic Development Department

(Report prepared 8/2018)

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Appendix:

- a. TIF Policy Adopted November 20, 2017
- b. Summary of All Approved TIF Districts
- c. Map Highlighting Current TIF Districts
- d. Spreadsheet Showing Individual TIF Districts and Area Wide Amounts

## 1. Introduction

City TIF Policy requires an annual report, to the City Council Committee and full City Council, regarding TIF District activity. This Report provides an overview of the TIF District Program, Portland's utilization of TIF Districts to date, and TIF District financial value impacts.

## 2. Definitions

Commonly used terms, included in this Report, include:

**“Captured Assessed Value”** means increased assessed value retained in a TIF District each year during its term.

**“Credit Enhancement Agreement (CEA)”** means the agreement between the City and the site specific TIF District Developer whereby it includes the terms under which the City will provide a portion of the Retained Tax Increment Revenue back to the Developer.

**“Current Assessed Value”** means the then current assessed value of the property located in the TIF District to be determined by the City Assessor as of April 1 of each year during the term of the District.

**“District”** means that portion of property depicted on a map to apply to the TIF.

**“Increased Assessed Value (IAV)”** means the valuation amount by which the Current Assessed Value exceeds the Original Assessed Value (OAV). If the Current Assessed Value is less than or equal to the OAV, there is no Increased Assessed Value in that year.

**“Infrastructure”** is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements, and placing above ground overhead electric and telecommunications lines underground.

**“Non-Captured Value (NCV)”** means the value over and above the OAV (defined below) that is not captured by TIF percentage capture rates, with associated taxes from NCV returned to the General Fund.

**“Original Assessed Value (OAV)”** means the assessed value of the property in the TIF District as of March 31 of the year that it was created. For instance, if a TIF District was approved as of the date of this report, or November 2017, the OAV would be the assessed value of the property on March 31, 2017. All taxes from the OAV go into the City's General Fund for any City use.

**“Property Taxes”** means any and all ad valorem property taxes levied, charged or assessed against the property by the City or on its behalf and actually paid to the City, but excluding any county, state, or special District taxes that are separately levied, charged, or assessed against the property.

***“Retained Tax Increment Revenues”*** means that portion of the Property Taxes paid with respect to the Captured Assessed Value.

***“Tax Year”*** means April 1 to March 31.

### 3. **Revised TIF Policy Adopted by City Council on November 20, 2017**

Pursuant to City Council Order 61 passed September 19, 2016, the City Council referred to the Economic Development Committee (EDC) consideration of amendments to the current TIF policy, including, but not limited to provisions for:

- A. Local Hire;
- B. Ethnic and Gender Diversity;
- C. Economically Disadvantaged Participation;
- D. Veteran Preference;
- E. Adherence to State or Federal Prevailing Wages; and,
- F. Participation in a Job Training or Apprenticeship Program.

The Order further requested the EDC report their findings and recommendation on amending the current TIF Policy to the City Council.

The EDC began its review for possible amendments to the TIF policy in April 2017. On November 20, 2017, the City Council reviewed the EDC’s recommendation and adopted revised City Tax Increment Financing (TIF) Policy (Item A in Appendix) in support of both private development projects and public investment in municipal economic development programs and infrastructure investment. Revised City Policy includes:

- A. Addition of State prevailing wage requirements in the construction phase of a TIF CEA;
- B. Equal employment opportunities and nondiscrimination;
- C. Increasing the capture rate and the term for affordable housing projects; and,
- D. Housekeeping amendments.

The EDC also recommended that the City look into establishing and sponsoring a Workforce Job Training program to be funded by area-wide TIF Districts, as well as having the City Manager and/or his/her designee undertake an analysis of the costs associated with the City undertaking an Employment Disparity Study.

### 4. **Tax Increment Financing Overview and Value**

Tax Increment Financing (TIF) is the most flexible economic development program available to municipalities. TIFs support municipal investment, as well as can be associated with private sector or affordable housing investment. TIFs are flexible municipal financing tools to fund the following types of activities to support public and private sector investment:

- public infrastructure projects;
- economic development programs, including municipal marketing and staff; and,
- support of individual private commercial and affordable housing project financing needs.

The three property tax components associated with TIF Districts include:

- A. ***New Property Taxes.*** TIF revenue is generated from new increased municipal assessed value and associated new property taxes. TIFs can be established for up to thirty (30) years and new or “captured assessed value” in the TIF District can range from 1% to 100% of the amount of new property taxes.
- B. ***Original Assessed Property Value (OAV).*** The taxes from property base or “Original Assessed Value” reverts to the municipal general fund and is not captured in a TIF District.
- C. ***Flow of TIF CEA Funds:*** The flow of taxes to return to the developer through a CEA is as follows.
  - i. The City sends its yearly tax bills for payments due in September and March of each fiscal year;
  - ii. Developer pays the taxes;
  - iii. In April and May of each year, for each CEA, a check is made to be sure the Developer’s taxes are current. If current, the Economic Development Department proceeds to process that fiscal year TIF payment to return a portion of the taxes to the developer according to the CEA. If not current, the Economic Development Department will not move forward with the payment until current.

## 5. **TIF District Approval Process**

There is a three step process to approve establishment of a TIF District. The three steps include:

- A. Economic Development Committee recommendation for approval to the City Council for commercial TIFs, or Housing Committee for affordable housing TIFs;
- B. City Council approval; and,
- C. State of Maine Department of Economic Development Department approval for commercial TIF districts or Maine State Housing Authority approval for affordable housing TIF Districts.

## 6. City Council Actions During FY2018:

The City Council passed five items relating to TIFs, specifically:

- A. As noted in Section 2, the City Council adopted a revised TIF Policy, which is attached hereto as Appendix A.
- B. The Downtown Transit Oriented Development (TOD) and TIF District was amended to take out a property from the District, 58 Boyd Street, so that that property could then be its own freestanding Affordable Housing TIF District.
- C. Approved an Affordable Housing TIF District for 58 Boyd Street for a term of 30 years (FY2019 through FY2048), with 50% capture to the Developer and 50% into the City's General Fund. This District supports the development of a 55 unit, mixed income, multi-family rental apartment building. TIF revenues will be used by Developer to pay for operating costs for the project.
- D. Approved an Affordable Housing TIF District for Deering Place, located at 61 Deering Street and 510 Cumberland Avenue, for a term of 30 years (FY2019 through FY2048), with 75% capture to the Developer and 25% into the City's General Fund. This Affordable Housing TIF District supports the development of 75 units of residential rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.
- E. Approved adding parcels to the Waterfront TIF District as there are two projects under construction in the District that would provide additional TIF revenue, approximately \$490,000 annually, as well as additional tax sheltering savings at approximately \$145,000 annually. Those projects are 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.

## 7. Statutory Limits for TIF Districts

There are two State statutory limitations which include:

- A. **Acreege:** No single TIF District, including Affordable Housing Districts, can be larger than 2% of a municipality's total acreage, or in the case of Portland, 2% of Portland's 12,386 acres is 247 acres. Also, all active TIF Districts have to be less than 5% of a municipality's total acreage, or in the case of Portland, 5% is 619 acres. Based upon active TIF Districts, including Affordable Housing TIF Districts, as of FYE2018, Portland has the ability to include 466 additional acres in TIF Districts.
- B. **Value:**
  - i. **Commercial/Area Wide TIF Districts:** The OAV of all these TIF Districts in a municipality cannot be more than 5% of its total aggregate value (FY18 aggregate value: \$9,049,500,000), or in the case of Portland, 5% is

\$452,475,000. Based upon active TIF Districts as of FYE2018, Portland has the ability to include an additional \$318.5 Million of property value in TIF Districts.

- ii. **Affordable Housing TIF Districts:** The OAV of all Affordable Housing TIF Districts cannot be more than 5% of the total aggregate value (FY18 aggregate value: \$9,049,500,000), or in the case of Portland, 5% is \$452,475,000. Based upon active Affordable Housing Districts as of FYE2018, Portland has the ability to include an additional \$450.6 Million of property value in Affordable Housing TIF Districts.

It is noted that the amount of acreage and value to include in TIF Districts fluctuates as TIF districts are created, expired, and/or terminated.

There are exemptions from State limitations for Transit Oriented Development (TOD) and Downtown TIF Districts, for which Portland now has two: Thompson's Point TOD TIF, and the Downtown TOD and Omnibus TIF.

## 8. Tax Sheltering Benefits

Municipalities realize "savings" from the tax sheltering effect of TIF Districts. The following direct financial impacts occur when municipal valuation increases:

- A. State Education Aid is reduced,
- B. State Municipal Revenue Sharing is reduced, and
- C. A municipality pays a higher percentage of the County budget.

*This amount of "savings" is significant and one of the most important benefits of establishing TIF Districts.*

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF district. Portland's estimated total tax shelter savings for all active TIF Districts is just over \$1.2 Million for FYE2018.

## 9. TIF Districts in Portland

A listing of all approved TIF Districts as of FYE2018 is provided as Item B in the Report Appendix. This listing includes four expired TIF Districts – Auto Europe, Shipyard Brewery, Nichols Portland, and UNUM. It is noted that FYE2018 also ends the Credit Enhancement Agreement for the Bayside Student Housing project, with FY2018 being the last year of TIF payments. This listing also includes two TIF Districts which were terminated by the City Council during FY15 – those being the Village at Oceangate (Bay House), and the Fore India Middle LLC TIF District.

It is noted that after expiration and termination of the above TIF Districts, 100% of their property tax revenue reverts to the City's General Fund.

Also, this listing provides the following information for each TIF District:

- A. TIF District duration;
- B. percentages of taxes allocated to the Recipient/Developer, City, and General Fund;
- C. TIF District location; and
- D. brief description.

Item C in the Appendix provides a map showing the location for each active TIF District.

A listing of approved active individual site specific TIF Districts, area-wide TIF Districts, Downtown TOD TIF, Thompson's Point TOD TIF, non-active TIF Districts, and terminated TIF Districts by name are provided below.

#### ***Active Approved Individual Site Specific TIF Districts***

As of FYE2018, the City has twelve, single site active TIF Districts with associated CEAs, namely:

- Holt Hall
- Riverwalk/Ocean Gateway
- PowerPay/Portland Public Market
- Baxter Library
- McAuley Place
- ImmuCell
- Avesta/Pearl Place Affordable Housing TIF
- 409 Cumberland Avenue Affordable Housing TIF
- 134 Washington Avenue Affordable Housing TIF
- 17 Carleton Street Affordable Housing TIF
- Deering Place Affordable Housing TIF
- 58 Boyd Street Affordable Housing TIF

#### ***Active Approved Area Wide TIF Districts and Associated CEAs***

The City has two active area wide TIF Districts, for which the City retains a portion of the TIF funds for public infrastructure projects, with a portion of the TIF funds targeted to CEAs within those Districts, namely:

- Bayside
  - Capital LLC CEA
  - Bayside Student Housing CEA (expires FY2018)
- Waterfront
  - Waterfront Maine CEA

### ***Approved Downtown and/or Transit-Oriented Development (TOD) TIF Districts***

- Downtown TOD TIF

The City retains a portion of the TIF funds for public infrastructure, Creative Portland, and transit projects for the Downtown TOD TIF. This Downtown TOD TIF was approved during FY2015 and was activated with FY2016. There is no CEA associated with it at this time.

- Thompson's Point TOD TIF and CEA

For the Thompson's Point TOD TIF, the City retains a portion of TIF Funds for transit projects. This TOD TIF also has an associated CEA with Thompson's Point Development Company, Inc. for development of Thompson's Point.

### ***Terminated TIF Districts***

The City Council has terminated two TIF Districts, namely:

- Fore India Middle LLC – This TIF project had not come to fruition and, therefore, was terminated by the City Council in November 2014; and,
- The Village at Oceangate, LLC (Bay House) – This TIF District was also terminated by the City Council in November 2014 due to this District's use being converted into residential condominiums which is not an allowable TIF District use.

### ***Three TIF Credit Enhancement Agreements to Expire at the end of FY2019***

It is noted that three TIF CEAs will expire at the end of FY2019, namely:

- Holt Hall
- Baxter Library
- Riverwalk/Ocean Gateway

## **10. TIF District Financial Overview for FYE2018, including FY2014, FY15, FY16, and FY17:**

See below for financial comparison of FYE2017, FYE2016, FYE2015, FYE2014, and FY2013 for then active TIF Districts:

	FYE2014	FYE2015	FYE2016	FYE2017	FYE2018
City General Fund-Taxes from OAV	\$6.1 Million	\$6.3 Million	\$22.8 Million	\$23.38 Million	\$23.98 Million
City General Fund-Taxes from Non-Captured Value	\$341,000	\$720,000	\$2.4 Million	\$2.2 Million	\$3.6 Million
Total TIF Taxes From Captured Value	\$3.5 Million	\$3.2 Million	\$1.8 Million	\$2.09 Million	\$2.7 Million
- TIF Taxes to CEAs	\$2.0 Million	\$2.0 Million	\$1 Million	\$1.08 Million	\$1.187 Million
- TIF Taxes to Public Infrastructure/Arts/Staff	\$1.5 Million	\$1.2 Million	\$ .8 Million	\$1.01 Million	\$1.54 Million
Total Tax Sheltering Value	\$180 Million	\$160 Million	\$87 Million	\$99.6 Million	\$126 Million
Estimated Annual Average Tax Sheltering Savings	\$1.6 Million	\$1.3 Million	\$ .7 Million	\$ .831 Million	\$1.2 Million

Table Explanations:

City General Fund-Taxes from OAV - The above table shows a yearly increase in taxes from the OAV into the General Fund. For FYE 2014 and FYE2015, this is based on increases in tax rates. FYE2016's higher increase is due to the Downtown TOD TIF Activation, where the OAV is just under \$1 Billion, and associated taxes with that OAV at \$20 Million. As noted earlier in the definition section, all taxes from the OAVs go to the General Fund.

City General Fund-Taxes from Non-Captured Value – The number fluctuates based on each CEA, as well as the City's budget needs for public infrastructure/Economic Development Department staff salaries/debt service. The captured value percentages for the area wide TIF Districts - Bayside and Waterfront - are adjusted yearly based on those needs. The captured value percentage for the Downtown TOD TIF was set at 12% for the first year (FY2016) and then set at 22% for years 2 through 30. The decrease in this table for FYE2017 is due to capturing 22% from the Downtown TOD TIF and having the remaining non-captured 78% go into the General Fund. The increase for FYE2018 of \$1.4 Million is due to an IAV in the Downtown TOD TIF and area wide TIF Districts increasing by over \$52 Million over FYE2017, and the Ocean Gateway/Riverwalk IAV increasing by over \$9 Million and associated capture percentages for each district. Non-captured increased assessed value taxes flow into the General Fund.

Total TIF Taxes From Captured Value – The percentage of captured value varies yearly based on CEAs and the City’s financial needs. This TIF Revenue is then allotted to the various CEAs, and then to the City public infrastructure projects/arts/staff investments.

Total Tax Sheltering Value – This number represents the total percentage of the increased assessed of value (IAV) all TIF Districts that has been captured. It is noted that the captured value percentage for area TIFs is adjusted yearly based on City use of TIF funds needed for public infrastructure projects, staff, as well as debt service for payment of the Bayside HUD loan and for Ocean Gateway associated debt expenses.

Estimated Tax Sheltering Savings – This number increased by just over \$37K from FYE2017. This is due to the IAVs and associated capture percentages.

Appendix D is a spreadsheet showing the FYE 2018 TIF Districts funding allocation and individual CEA annual payments.

## **11. Example of a Performing TIF**

An example will be provided annually.

### ***Performing TIF District: Baxter Library LLC***

***Duration:*** 9 year term (FY11 through FY19)

***Percentages:*** Lesser of annual 65% to return to Developer or amount necessary to service project debt; 35% to General Fund.

***Location:*** 621 Congress Street

The City entered into the CEA in order to assist with the reuse, redevelopment, and preservation of a hallmark downtown building built in 1888, where adaptive reuse of this former library was challenging and expensive to support the relocation and retention of the The VIA Group. With over \$4 Million invested by the Developer, this Project added \$2.5 Million (which was estimated in new value when approved) in new municipal assessed commercial valuation and generates an average of \$14,000 annually, in funds, for the City’s General Fund. The reuse of this building accommodated the relocation of The VIA Group, retaining its 64 employees to this upper Congress Street area of downtown Portland, with anticipated creation of an additional 30 jobs within the next 5 years.

This CEA was originally in the Creative Portland Development and Arts (CPDA) TIF District from its inception in FY11. The CPDA TIF District was then reduced and renamed the Baxter Library TIF District by the Council in January 2015, and subsequently approved the MDECD June 2015.

It is noted that the CPDA TIF District geography, minus the Baxter Library TIF, was included in the Downtown TOD TIF beginning with FY16.

The subsequent investment and increases in assessed value is as follows:

Assessed Values	Real Estate	Total Value
OAV 4/1/2007	\$0	\$0
4/1/2010	\$1,240,800	\$1,248,800
4/1/2012	\$2,502,600	\$2,502,600
4/1/2017	\$2,502,600	\$2,502,600

Through the life of this District, through FY19, the Developer will realize just over \$273,000 in TIF revenue funds, and the City will realize approximately \$155,500 in General Fund revenue from the project. With the expiration of this TIF District in FY19, beginning with FY20, the City will realize 100% of real estate taxes from this project into the General Fund, or approximately \$55,000 in FY20.

This TIF District provided economic stability in this area of the downtown, providing economic vitality which has resulted in an economic boost to that upper area of Congress Street.

## **12. Strategies and Recommendations to Optimize use of TIF Districts**

- ***Future public infrastructure investment and staff expenses.*** Align the City's future Capital Improvement Program investments, including public utility and transportation investment, staff expenses; and,
- ***Future Growth Areas.*** Decide where the City wants to direct investment by location and type (i.e. commercial and affordable housing).

## **13. Summary**

TIF CEAs are driven by development occurring and increasing the assessed value. With no development, the assessed value remains the same and no TIF dollars are returned to the developer. On the other hand, when the development moves forward and the assessed value increases, that is when TIF dollars can be returned to the Developer. It is performance based.

## **PORTLAND TIF POLICY**

**November 20, 2017**

### **I. INTRODUCTION**

Tax Increment Financing (TIF) is an economic development program authorized under state law to support municipal projects. The TIF program allows municipalities to provide financial assistance to local economic development projects and programs – from infrastructure, municipal economic development programs and staff, to business expansions - by using new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

Portland TIF Policy supports investment in municipal economic development programs, infrastructure investment (which is generally through the establishment of area wide or neighborhood TIF districts) and individual project site specific TIF districts to support either infrastructure or individual private project financing needs.

The City is committed to invest in infrastructure located within the public rights-of-way that encourage economic development. Use of TIF investment to invest in infrastructure recognizes the savings which occurs through the TIF Program tax sheltering benefits.

“Infrastructure” is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements and placing above ground overhead electric and telecommunications lines underground.

### **II. STATE TIF LIMITATION**

There are acreage and value caps limitations for municipalities to establish TIF along with term limits. Term limits include bonds which may be issued for a maximum of 20 years (anticipation notes for three years). TIF districts may be designated for a maximum of 30 years.

### **III. PURPOSE**

The primary purposes of the TIF Policy include:

- A. To support Portland Economic Development and Housing Plans and Policies;
- B. To stimulate expansion of the City’s commercial and industrial tax base;
- C. To stimulate new affordable and market rate housing investment;
- D. To retain and create quality employment;
- E. To support Portland’s Capital Improvement Plan; and,
- F. To establish standards upon which the City Council will authorize TIF.

#### **IV. GENERAL PRINCIPLES**

The three primary general principles for the City Council to establish TIF districts include:

##### **A. Investment**

***Minimum Real Property Investment.*** A minimum of \$1 million in new taxable investment property value for commercial and industrial development and \$500,000 for affordable housing development is needed to qualify for a TIF. This is the minimum amount which makes practical sense to consider use of the TIF program due to the amount of new municipal property tax revenue generated from new private investment.

##### **B. Jobs Associated with Commercial and Industrial Development**

Applicants for TIF participation will be required to provide a plan outlining the number and quality of jobs retained or created associated with each TIF district. While there is not a specific formula for the numbers of jobs associated with the amount of TIF financial assistance, the number and quality of the jobs will be taken into consideration for each TIF district. It is recognized that housing projects do not create many permanent jobs.

##### **C. Maximize Tax Sheltering Benefits**

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy) and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. In other words, specific municipal shelter benefits, for the term of the TIF, include:

- 1) No reduction in State aid for education,
- 2) No reduction in municipal revenue sharing and
- 3) No increase in County taxes.

Annually, the Council Committee with jurisdiction over housing and community development and City Council will evaluate available TIF district capacity related to State acreage and value limitations to determine whether existing TIF districts need amending and/or new TIF district establishment. Scheduled public infrastructure investments included in the City's Capital Improvement Plan will inform decisions about adjustments to existing TIF districts or establishment of new TIF districts.

## V. APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

### A. Approach

There are three approaches to consider establishing TIF districts. They include:

- 1) ***Municipal Economic Development Programs funded directly through a pay-as-you-go approach.***

Examples of municipal economic development programs include paying for economic development staff, annual funding to Creative Portland for city marketing/branding, and other TIF law allowable activities.

- 2) ***Area wide TIF districts financed by City Bond/Debt Issuance***

Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a TIF district program. Allowable uses are spelled out in state TIF law. Generally, municipalities will issue debt to cover the cost of infrastructure investment.

- 3) ***Individual Site Specific TIF districts utilizing Credit Enhancement Agreements (CEAs)***

A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in state TIF law.

### B. Policy for the Three Approaches

1. **Policy for Municipal Economic Development Programs.**

Requires annual review and City Council financial appropriations.

2. **Policy for Area wide TIF District Locations (for City Bond/Debt Issuance)**

- a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.
- b) City TIF emphasis will be placed upon the following general "Priority Revitalization Areas" to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

The above list of general priority revitalization areas serve as guides to establish specific boundaries for TIF districts at time of district establishment.

- c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.
- d) Affordable Housing. Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

The relevant City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing TIF districts.

Allowable uses of AHTIF revenues are defined by State law.

- e) City preference is to invest in area wide public infrastructure TIF districts versus establishing individual private site specific TIF districts.

- f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.
- g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastructure.

**NOTE 1:** As of this Amended TIF Policy date, there are two existing area wide TIF Districts, i.e., Bayside and Waterfront TIF Districts.

**NOTE 2:** As of this Amended TIF Policy date, there also exists two Transit Oriented Development (TOD) District, namely the Thompson Point TOD TIF District and the Downtown TOD TIF District to support new or expanded transit services and improved transit connections between the Portland Transportation Center, Jetport and Downtown.

### **3. Policy for Individual Site Specific TIF Districts Utilizing Credit Enhancement Agreements (CEAs)**

- a) CEAs for individual site specific TIF districts will be considered for investment in infrastructure or project financing need and cannot be applied to any agreed upon public infrastructure improvements associated with a City Council approved conditional rezone agreement. Additional provisions related to CEAs include:

- i) City Green Building Code

Compliance with the City's Green Building Code is required when TIF assistance is provided to individual private project CEAs.

- ii) Affordable Housing

Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis. Developments are encouraged to promote economic diversity.

The City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide AHTIF districts.

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.

City staff shall provide to the relevant City Council Committee an annual update on:

- a) the impact of this prevailing wage requirements on CEAs;
- b) feasibility of construction firms to pay prevailing wages and benefits; and
- c) compliance with this section.

(iv) Equal Employment Opportunities and Nondiscrimination

The developer and its contractors employed in the construction phase of a TIF-assisted project shall adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. All employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate. This policy shall not be construed to prohibit any employment action or policy which is required by federal law, rule or executive order.

b) Applicants for CEA participation must demonstrate and pay the following:

i) Financial Necessity.

The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed.

ii) Financial Capacity.

The applicant must demonstrate financial capacity to support their project.

iii) Fees

A financial underwriting analysis will be conducted by a third party on all projects requesting CEA participation. Applicants for CEA assistance will be responsible for reimbursing the City for all project third party legal and financial underwriting costs.

### **C. Terms for CEA Projects**

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEAs. Notwithstanding the previous sentence, the maximum average percentage for the entire term associated with individual project CEAs for affordable housing shall be 75%. For the purposes of this policy, the term affordable housing shall be defined as in "V. Approach, Policy, and Term Requirements" Section B(2)(d) (Affordable Housing) of the Portland TIF Policy.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms; for Affordable Housing projects, up to thirty (30) years. The term of a TIF may start upon agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

## **VI. TIF APPLICATION AND ADMINISTRATION PROCESS**

### **A. Application Information and Contact.**

The Economic Development Department and the Housing and Community Development Division (for affordable housing projects) handle all TIF inquires and processes requests for TIF. An applicant must submit a letter to either the Economic Development Department for commercial projects or the Housing and Community Development Division for affordable housing projects outlining the proposed project, including TIF project financial information, a plan outlining both the number of permanent and construction jobs associated with the proposed project, as well as a demonstrated ability to meet the requirements under Section B(3)(a) of this policy.

### **B. Approval Process.**

There is a two step approval process which includes obtaining a recommendation from the City Council Committee and City Council approval. Two meetings (or readings) by the City Council are needed. The City Council vote on the TIF occurs at the second meeting.

### **C. Post-Construction Report to City Council.**

The Economic Development Department and the Housing and Community Development Division shall provide a post-construction report to the City Council Committee and City Council regarding each TIF-assisted project which shall include, but not be limited to, an analysis of the adherence to Section (V)(B)(3)(a) of this policy.

### **D. Annual Report to City Council.**

The Economic Development Department and the Housing and Community Development Division shall provide annual reports to the City Council Committee and City Council regarding TIF district activity.



**SUMMARY OF ALL APPROVED**  
**TAX INCREMENT FINANCING (TIF) DISTRICTS**  
**IN THE CITY OF PORTLAND A/O FYE2018 (June 30, 2018)**

This provides an overview of tax increment financing districts (TIF's) approved by the City of Portland.

Please note that the City approved twenty-two TIF's, with three of these TIFs having separate Credit Enhancement Agreements (CEA) for various projects included in the respective TIF Districts. These two TIF Districts are the Bayside TIF, Waterfront TIF, and Creative Portland Development and Arts TIF District. The separate CEAs are detailed in the listing below.

**1. Nichols Portland (Economic Development TIF) (Expired FY14)**

***Duration:*** 20 year term (FY95 through FY14)

***Percentages:*** Years 1 to 5, 90% to Recipient, 10% to City General Fund; years 6 to 10, 75% to Recipient, 25% to City General Fund; years 11 to 20, 50% to Recipient, 50% to City General Fund.

***Location:*** 2400 Congress Street

This TIF was created to support Nichols Portland expansion of its existing manufacturing facility at 2400 Congress Street and retain 450 jobs.

**2. Shipyard/Longfellow (Economic Development TIF) (Expired FY07)**

***Duration:*** 12 year term (FY96 through FY07). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.

***Percentages:*** 90% to Recipient, 10% to City General Fund Years 1 through 6; 50% to Recipient; 50% to City General Fund Years 7 through 11; 1% to Recipient, 99% to City General Fund Year 12.

***Location:*** Newbury Street

This TIF was used to transform the former Crosby-Laughlin site on Newbury Street into the Shipyard Brewing Company.

**3. Auto Europe (Economic Development TIF) (Expired FY11)**

***Duration:*** 15 year term (FY97 through FY11). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.

***Percentages:*** 75% to Recipient; 25% to City General Fund

***Location:*** Commercial Street across the street from Casco Bay Lines, former Galt Block building.

This TIF was used to renovate the former Galt Block Building into the headquarters for Auto Europe. The Galt Block Building had been vacant for over 10 years.

**4. Bramhall/Holt Hall (Economic Development TIF)**

*Duration:* 20 year term (FY00 through FY19)

*Percentages:* 75% to Recipient; 25% to City General Fund, plus a Payment in Lieu of Taxes (PILOT) associated with first floor space.

*Location:* 794 Congress Street

This TIF was used to renovate Holt Hall, built in the 1860's, and then vacant in excess of 10 years, into 36 market rate rental apartments and office space on the ground floor at a cost of almost \$4 Million.

**5. UNUM (Economic Development TIF) (~~Expired FYE15~~)**

*Duration:* 15 year term (FY01 through FY15)

*Percentages:* 100% capture of increased value with 75% going to the Recipient, and 25% going to economic development projects for the City.

*Location:* Outer Congress Street.

This TIF was utilized to support expansion of UNUM offices and to build a 1,200 space parking garage.

**6. Waterfront TIF (Economic Development TIF)**

*Duration as originally approved March 18, 2002:* 10 year term (FY03 to FY12)

*Duration Extended as of June 7, 2010 for a 30-year term:* FY03 to FY32

*Percentage:* 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place a portion of the property tax revenue in the City General Fund.

*Location:* Selected waterfront properties.

This is a municipal TIF to be used for waterfront projects.

**6a. Waterfront Maine LP (Cumberland Cold Storage Building) on Commercial Street (Economic Development TIF)**

*Duration:* 20-year term (FY12 through FY31)

*Percentage:* 63% years 1 through 5; 64% years 6 through 10; 55% years 7 through 15; 45% years 16 and 17; 40% years 18 and 19; and, 35% year 20 – with a maximum cumulative TIF payment numeric cap not to exceed \$2,870,058.

*Location:* 252 Commercial Street on the Portland waterfront.

The City entered into the TIF in order to support the renovation of the Cumberland Cold Storage building into a Class A office building, with continued marine uses on the first floor and berthing according to zoning regulations. The reuse of this building will accommodate the relocation of Pierce Atwood, bringing its 175 employees to the Portland waterfront.

7. **Bayside TIF** (Economic Development TIF)

*Duration:* 30 year term (FY04 through FY33)

*Percentages:* 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place property tax revenue in the City General Fund.

The geographic area of this TIF District was expanded by City Council vote on November 17, 2014, expanding it from 62 acres, to 129 acres, to align with the area of Bayside contained in the *Bayside Vision Plans I and II*.

This is a municipal TIF to be used for public infrastructure improvements, relocation of the one remaining scrap metal recycling facility and acquisition of the scrap metal yard site, business recruitment marketing for the Bayside area, pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances Bayside investment, and administrative and staff costs for the Economic Development Department. Investments from this TIF also include two Credit Enhancement Agreements (CEA's) with the following:

**7a. Capital LLC (Intermed Building) on Marginal Way** (Economic Development TIF)

*Duration:* 15 year term (FY09 through FY23)

*Percentage:* 100% to return, to Developer, to an annual maximum cap of \$355,000 and annual debt service threshold test.

*Location:* Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the office building.

**7b. Southern Maine Student Housing on Marginal Way** (Economic Development TIF)

*Duration:* 11 year term (FY08 through FY18) (**Expired FY18**)

*Percentage:* 100% to return, to Developer, to a maximum annual cap of \$120,000 and annual debt services threshold test.

*Location:* Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the student housing development.

8. **Riverwalk/Ocean Gateway** (Economic Development TIF)

*Duration:* 13 year term (FY07 through FY19)

*Percentages:* Formula based percentages in Credit Enhancement Agreement

*Location:* Hancock and Fore Street area

The TIF was entered into to assist with the construction of a parking structure for the development plan for the area adjacent to Hancock Street.

9. **Avesta/Pearl Place** (Affordable Housing TIF)

**Duration:** 30 year term (FY08 through FY37)

**Percentages:** Various percentages captured value to return to Developer based on Maine State Housing Authority Certificate of Approval, to a maximum of \$22,000 annual cap.

**Location:** Oxford and Pearl Streets

This TIF is an affordable housing TIF to assist in the creation of affordable housing in the City's Bayside area along Oxford and Pearl Streets.

10. **Creative Portland Development and Arts** (Economic Development TIF)

**NOTE:** *This area wide TIF District was reduced/renamed by the City Council on February 19, 2015, reducing the geography to just the Baxter Library property (see #10a below), and renaming it the Baxter Library TIF District with the term ending FY19; this will take effect with FY16).*

**Original Duration:** 15-year term (FY10 through FY24); **Term amended as noted above to end FY19.**

**Original Percentages:** 100% capture; annually, the City Council may adjust this TIF capture rate to place property tax revenue in the City General Fund; **Percentage amended to reflect the 65% capture for the Baxter Library project.**

**Original Location:** Multiple properties included in the Downtown Area; **Location amended as noted above to be only the Baxter Library property.**

This TIF was *originally* created to assist in maintaining the creative economy businesses through the creation of the Creative Portland Corporation and TIF funds to assist in funding its administrative personnel and program of activities up to a maximum of \$100,000 annually. ***This element of the original TIF District is now included in the recently created Downtown Transit Oriented Development (TOD) TIF District – See Item #18 below.***

10a. **Baxter Library LP at 621 Congress Street** (Economic Development TIF)

**Duration:** 9-year term (FY11 through FY19)

**Percentage:** Lesser of annual 65% to return to Developer or amount necessary to service project debt. Adjustments to annual payment if project refinancing occurs.

**Location:** 621 Congress Street

The City entered into the CEA in order to assist with the reuse, redevelopment, and preservation of a hallmark downtown building built in 1888, where adaptive reuse of this former library is challenging and expensive. This Project added \$2.5 Million in new municipal assessed commercial valuation and generate an average of \$14,000 annually, in funds, to support the Creative Economy TIF Program or

the City's General Fund as directed by the City Council. The reuse of this building will accommodate the relocation of the VIA Group, bringing its 64 employees to this upper area of downtown Portland.

**11. McAuley Place** (Economic Development TIF)

**Duration:** 30 year term (FY10 through FY39)

**Percentages:** 60% to Recipient; 40% to City General Fund.

**Location:** 605 Stevens Avenue

This TIF was created to assist in the renovation of the former Mother House/Convent (built over 100 years ago) on Stevens Avenue into a market rate independent senior living community, including 45 to 50 apartments in the renovated Convent; 25 to 30 apartments (new construction) in an addition to the Convent; and, 36 units (new construction) located in three townhouse/cottages adjacent to the Convent.

**12. PowerPay/Portland Public Market** (Economic Development TIF)

**Duration:** 30 year term (FY11 through FY40)

**Percentages:** Years 1 through 8 – 75% to Developer, 25% to City General Fund; Years 9 through 30 – 50% to Developer, 50% to City General Fund.

**Location:** 25 Preble Street

This TIF district was created to support the retention and expansion of PowerPay along with redeveloping an important asset in Portland's Downtown that was formerly known as the Portland Public Market. Because of the complex renovation issues and the high cost associated with redeveloping the Portland Public Market property, PowerPay requested TIF assistance to cover the Project financing gap. PowerPay renovated and moved its headquarters to this location with well over 150 employees.

**13. Thompson's Point Development Company, Inc.** (Transit-Oriented TIF)

**Duration:** 30 year term (FY15 through FY44).

**Percentages:**

**Phase One of Project:** Years 1 through 10 – 75% to Developer and 25% to City transit-oriented projects; years 11 through 15 – 60% to Developer, 25% to City transit-oriented projects, and 15% to City's General Fund; years 16 through 20 – 50% to Developer, 25% to City transit-oriented projects, and 25% to City's General Fund; years 21 through 30 – 40% to Developer, 25% to City transit-oriented projects, and 35% to City's General Fund.

**Phases Two and Three of Project:** Years 1 through 30 – 0% to Developer; 25% to City transit-oriented projects; 75% to City's General Fund.

**Location:** Thompson's Point

This Transit-Orient Development (TOD) Tax Increment Financing (TIF) District was created to support Thompson's Point Development Company Inc.'s redevelopment of

Thompson's Point into the **Forefront at Thompson's Point**. Additionally, the TOD will assist to expand and improve transit connections between Thompson's Point and key commercial locations within Portland (i.e. Jetport, Portland Transportation Center and Portland's Downtown) and around the region.

Thompson's Point consists of approximately 30 acres of real estate adjacent to the Portland Transportation Center that is home to the Northern New England Passenger Rail Authority, which runs the Amtrak Downeaster and Concord Trailways bus company.

The Forefront at Thompson's Point is a proposed mixed-use development that will transform a blighted and grossly underutilized 30-acre parcel located along Interstate 295 into a highly visible gateway destination event center that is expected to generate significant economic activity within the District and throughout Portland. The Company plans to redevelop Thompson's Point in a manner that includes a substantial investment in public infrastructure, including construction of an above-ground parking garage with approximately 700 spaces, road extensions and widenings, rail crossings upgrade, utility investments, and expanded walking and biking trails.

- 14. The Village at Oceangate, LLC (Bay House) (Economic Development TIF)**  
*This TIF was terminated by the City Council on November 3, 2014 due to the conversion of market rate apartments into condominiums which is not allowable use of TIF funds.*

**Duration:** 11 year term (FY14 through FY25)

**Percentages:** Years 1 through 5 – 75% to Developer, 25% to City General Fund; Years 6 through 10 - 65% to Developer, 35% to City General Fund. Total revenue to developer is capped at \$647,971 over the term of the District.

**Location:** Hancock Street, between Newbury and Middle Streets.

This TIF district was created to support the development of The Bay House Project. The Project includes the construction of two new buildings that will contain ninety-four (94) market rate apartments, a parking garage, and approximately 5,700 square feet of commercial retail space. Use of TIF proceeds is directed to support public infrastructure investments.

- 15. Fore India Middle, LLC (former Jordan's Meat Site) (Economic Development TIF)**

*This TIF was terminated by the City Council on November 3, 2014 due to the project not coming to fruition.*

**Duration:** 4 year term (FY14 through FY17)

**Percentages:** Years 1 and 2 – 50% to Developer, 10% to City TIF Project; 40% to City General Fund; Year 3 - 40% to Developer, 10% to City TIF Project; 50% to City General Fund; Year 4 – 40% to Developer, 60% to City General Fund. Total revenue to developer is capped at \$650,000 over the term of the District.

**Location:** Portion of block surrounded by Fore, India, and Middle Streets.

This TIF district was created to support the development of a portion of the former Jordan's Meats site. This development project includes a five-story, approximately 180,000 sf. of mixed-use consisting of 12,300 sf. of retail space on Middle Street, 9,800 sf. of retail space on Fore Street, three levels of office space comprising 63,900 sf. on Middle Street, and 18 residential condominium units along Fore Street and India Street. In addition, there will be two "internal" parking garages behind the retail spaces (not visible from the street), one 110-space garage at the Fore Street level, and another 63-space garage one story above at the Middle Street Level. The Developer expects to have an urban grocery on Middle Street with a variety of produce, meats, food, and household items, with an emphasis on natural, organic and healthy items. The other retail users and the office users have not been identified yet. Use of TIF proceeds is directed to support public infrastructure investments.

**16. 409 Cumberland Avenue (Affordable Housing TIF)**

**Duration:** 22 year term (FY14 through FY35)

**Percentage:** 50% to Developer; 50% to City Housing Affordable Housing Revolving Loan Fund

**Location:** 409 Cumberland Avenue

This Affordable Housing TIF District supports the development of 46 affordable units and 11 market rate units of rental housing. TIF revenues will be used by Developer to pay operating costs for the project; City TIF revenues will be used for the establishment of an affordable housing revolving loan fund.

**17. 134 Washington Avenue (Affordable Housing TIF)**

**Duration:** 20 year term (FY15 through FY34)

**Percentages:** 50% to Developer; 50% to City General Fund.

This Affordable Housing TIF District supports the development of an 18-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

**18. Downtown Transit Oriented Development (TOD) TIF (Economic Development TIF District)**

**Duration:** 30 year term (FY16 through FY45)

**Percentages:** 12% Year One; 22% years 2 through 30; 88% to General Fund Year One; 78% to General Fund Years Two through Thirty.

This Downtown TOD TIF will support various municipal and other development projects, including sidewalk and pedestrian enhancements, streetscape, lighting, yearly funding of up to \$100,000 for Creative Portland to assist in funding its administrative personnel and program of activities (see Item #10 above), street alignment, utilities, bicycle improvements, public transit, wayfinding, and administrative and staff costs for the Economic Development Department.

**19. 17 Carleton Street (Affordable Housing TIF)**

***Duration:*** 22 year term (FY16 through FY37)

***Percentages:*** Years 1 and 2: 0% to Developer; 100% to City. Years 3 through 22: 65% to Developer; 35% to City General Fund.

This Affordable Housing TIF District supports the development of a 37-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

**20. ImmuCell (Economic Development TIF)**

***Duration:*** 12 year term (FY18 through FY29)

***Percentages:*** Years 1 through 11: 65% to Developer, 35% to City General Fund; Year 12: 30% to Developer, 70% to General Fund.

This Economic Development TIF supports ImmuCell Corporation's expansion from its existing facility at 56 Evergreen Drive to a new two-story, 12,625 sq. ft. (est.) production facility on Caddie Lane off of Riverside Street. ImmuCell Corporation is a growing animal health company that develops, manufactures, and sells products that improve animal health and productivity in the dairy and beef industry. Over the last nearly 16 years, the Company has invested in excess of \$11 Million in the R&D of a product that addresses mastitis, the most significant cause of economic loss to the dairy industry. This lead product in development is **Mast Ont**, a novel, ground-breaking treatment for mastitis in lactating dairy cows. Completion of construction of this new facility is expected in 2017.

**21. Deering Place (Affordable Housing TIF)**

***Duration:*** 30 year term (FY19 through FY48)

***Percentages:*** 75% to Developer, 25% to City General Fund for 30 year term.

This Affordable Housing TIF District supports the development of 75 units of residential rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

**22. 58 Boyd Street (Affordable Housing TIF)**

***Duration:*** 30 year term (FY19 through FY48)

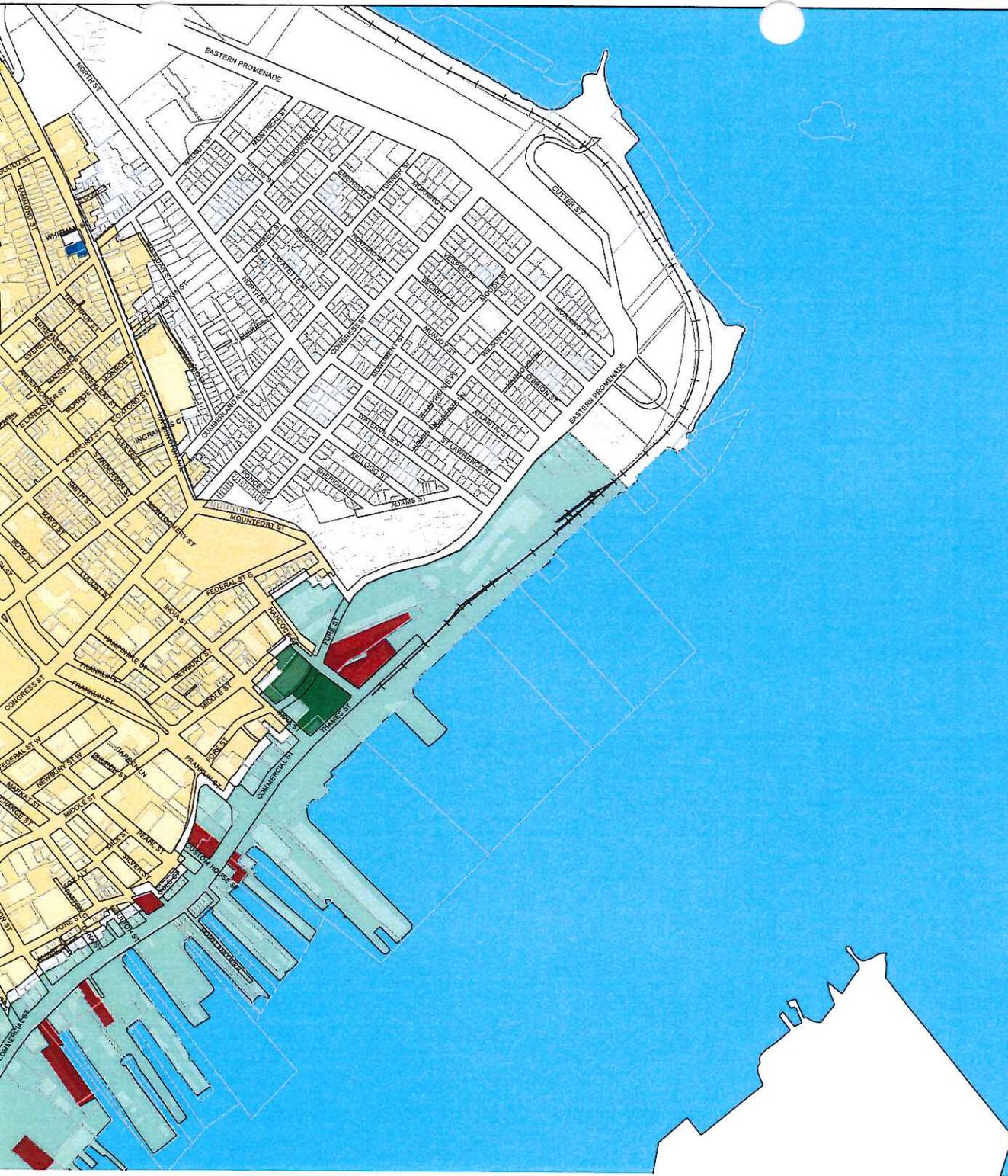
***Percentages:*** 50% to Developer, 50% to City General Fund for 30 year term.

This Affordable Housing TIF District supports the development of a 55 unit, mixed income, multi-family rental apartment building. TIF revenues will be used by Developer to pay for operating costs for the project.

# Tax Increment Financing Districts on Peninsula May 2018

## Legend

- Deering Place AH
  - 58 Boyd St AH
  - 17 Carleton St AH
  - Bramhall/Holt Hall
  - 409 Cumberland Ave Affordable Housing
  - 134 Washington Ave Affordable Housing
  - Baxter Library
  - Bayside TIF
  - Downtown TOD
  - Pearl Place
  - Power Pay
  - Riverwalk
  - Waterfront
- Waterfront Capital Improvment**
- Waterfront Capital Impro



FYE2018 Report

FY 18 Tax Rate:

0.02165

TIF Name	Starts/ Ends-FY	TERM	TIF PLAN YEAR	TOTAL ASSESSED	ORIGINAL ASSESSED	Increased Assessed value	PERCENT APPLIED	Total Cpt. Value	PROCEEDS TO OWNER	City TIF Funds	City General Fund (OAV and Non-Captured Taxes from IAV)
<b>SITE Specific with CEA:</b>											
HOLT HALL - FY18 Taxes	00/19	20 YEARS	19	4,956,760 107,314	349,110 7,558	4,607,650 99,756	67%	3,070,538 66,477	66,477	0	40,837
Baxter Library (f/k/a Arts) - FY18 Taxes	11/19	9 YEARS	8	2,502,600 54,181	0 0	2,502,600 54,181	65%	1,626,690 35,218	35,218	0	18,963
AVESTA/Pearl Place - FY18 Taxes	08/37	30 YEARS	11	3,578,380 77,471	646,050 13,987	2,932,310 63,485	34%	996,985 21,585	21,585	0	55,887
OCEAN GATEWAY/Riverwalk - FY18 Taxes	07/19	13 YEARS	12	22,448,600 486,012	1,085,550 23,502	21,363,050 462,510	33%	7,105,350 153,831	153,814	0	332,198
PowerPay/Ptld Pub Mkt - FY18 Taxes	11/40	30 YEARS	8	6,259,500 135,518	1,862,600 40,325	4,396,900 95,193	75%	3,297,675 71,395	71,395	0	64,124
McAuley - FY18 Taxes	10/39	30 YEARS	9	1,345,700 29,134	0	1,345,700 29,134	60%	807,420 17,481	17,481	0	11,654
Thompson's Point TOD - FY18 Taxes	15/44	30 YEARS	4	10,298,470 222,962	4,970,470 107,611	5,328,000 115,351	100%	5,328,000 115,351	86,513	28,838	107,611
409 Cumberland Ave. AH - FY18 Taxes	14/35	22 YEARS	5	3,717,960 80,494	470,200 10,180	3,247,760 70,314	100%	3,247,760 70,314	35,157	35,157	10,180
134 Washington Ave. AH - FY18 Taxes	15/34	20 YEARS	4	1,079,400 23,369	155,600 3,369	923,800 20,000	50%	461,900 10,000	10,000	0	13,369
17 Carleton St. AH - FY18 Taxes	16/37	22 YEARS	3	757,500 16,400	261,600 5,664	495,900 10,736	65%	322,335 6,979	6,979	0	9,421
ImmuCell - FY18 Taxes	18/29	12 YEARS	1	1,651,100 35,746	52,600 1,139	1,598,500 34,608	65%	1,039,025 22,495	22,495	0	13,251
<b>Area-Wide TIFs, with CEA</b>											
<b>BAYSIDE</b> FY18 Taxes	04/33	30 YEARS	15	204,355,870 4,424,305	122,318,180 2,848,189	82,037,690	58%	47,803,362 1,034,943	463,312	571,631	3,389,362
- CEA/Atlantic Bayside Trust	09/23	15 YEARS	10	31,005,420	0	31,005,420	Formula		355,000		
- CEA/Blue Atlantic	08/18	11 YEARS	11	16,248,030	0	16,312,380	Formula		108,312		
<b>WATERFRONT</b> FY18 Taxes	03/32	30 YEARS	16	42,287,660 915,528	7,667,340 165,998	34,620,320	66%	23,015,589 498,287	197,259	301,028	417,240
- CEA/Waterfront Maine	12/31	20 YEARS	7	15,187,300	950,930	14,236,370	64%	9,111,277	197,259		
<b>DOWNTOWN TOD TIF</b> FY18 Taxes	16/45	30 YEARS	3	1,094,825,490 23,702,972	968,136,850 20,960,163	126,688,640 2,742,809	22%	27,871,501 603,418		603,418	23,099,554

<b>Total Value:</b>				1,400,064,970	1,107,976,150	292,088,820		125,994,130			
<b>Total Taxes:</b>				30,311,407	23,987,684	6,323,723		2,727,773	1,187,684	1,540,072	27,583,651

*Order 77-18/19  
Tab 10 10-1-18  
Tab 13 10-15-18*

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER AMENDING THE BAYSIDE TAX INCREMENT  
FINANCING DISTRICT TO INCREASE PUBLIC INVESTMENT OPTIONS**

**ORDERED,** that the Bayside Tax Increment Financing (TIF) District approved by City Council Order 135-03/04 and as amended by Orders 255-04/05, 239-05/06, 224-06/07, 242-07/08, 262-08/09, 217-09/10, 86-14/15, 13-15/16, and 266-17/18 is hereby further amended to add more public investment options for the use of TIF income, in substantially the form attached hereto; and

**BE IT FURTHER ORDERED,** that the City Council hereby authorizes the City Manager or his or her designee to execute said documents and any other related documents necessary or convenient to carry out the intent of said documents.



Economic Development Department  
Gregory A. Mitchell, Director

**MEMORANDUM**

**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Greg Mitchell, Economic Development Director  
Brendan O'Connell, Finance Director

**DATE:** September 19, 2018

**SUBJECT:** **Proposed Amendments to City Bayside Area-wide Tax Increment Financing District**

**SPONSOR:** Economic Development Committee, Councilor Costa/Chair;  
Meeting held on September 18, 2018, and the vote was 3-0 to forward to the City Council with a recommendation to approve.

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

**1<sup>st</sup> reading:** October 1, 2018    **2<sup>nd</sup> Reading/Public Hearing/Final Action:** October 15, 2018

**Can action be taken at a later date:** \_\_\_ Yes     X  No (If no why not?) Public Notice has been advertised in the Portland Press Herald for the public hearing on this for October 15, 2018.

**PRESENTATION: (List the presenter(s), type and length of presentation):** Greg Mitchell/  
5 Minutes

**I. ONE SENTENCE SUMMARY**

City Council action is being requested to approve the proposed amendments to the Bayside TIF District.

**II. AGENDA DESCRIPTION**

Amendments to the Bayside Tax Increment Financing (TIF) District are proposed to maximize utilization of the TIF District revenue by adding more public investment options for use of TIF revenue, including, but not limited to professional service costs; pro-rated salaries of the City Manager, Finance Director, and Planning staff; and workforce training funds.

It is noted that the City staff proposed amendments do not involve credit enhancement agreements.

**III. BACKGROUND**

**Bayside (Existing and Proposed Amendments)**

**Geography.** 129.18 acres bounded by Franklin Street, Cumberland Avenue, Forest Avenue and I-295.

**TIF Term.** Fiscal Years 2004-2033

**Capture Rate.** 100%

**Overview of TIF District Expenditures FY2016 to Date:**

<b>Bayside TIF Expenditures From FY2016 thru FY2018</b>	
<b>Uses</b>	<b>Expenditures</b>
Public Infrastructure	\$541,950
Credit Enhancement Agreements	\$1,376,957
Debt Service	\$1,208,616
<b>Total Invested:</b>	<b>\$3,127,524</b>

**Existing and Proposed Amendments to Uses of Revenue.** See attached Bayside TIF District Program which shows existing and proposed amendments to allowable uses of TIF District revenue in a strike through and underline format. Adding additional uses of TIF revenue creates the maximum flexibility to use TIF revenue.

*There are no proposed amendments to the capture rate or geography.*

**IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

City Council approval of the proposed amendments to the Bayside TIF District to support increased private sector investment and associated job creation.

**V. FINANCIAL IMPACT**

**TIF District Estimates.** See attached spreadsheet for estimated property revenue funds available to the City General Fund and one Credit enhancement Agreement which expires in FY2023.

**Tax Shelter (Financial Benefits).** Probably the most important, but least understood public benefit associated with TIF districts, is the tax shelter or local financial benefits.

Municipalities realize “savings” from the tax sheltering effect of TIF Districts. The following direct financial impacts occur when municipal valuation increases:

- A. State Education Aid is reduced,
- B. State Municipal Revenue Sharing is reduced, and
- C. A municipality pays a higher percentage of the County budget.

***This amount of “savings” is significant and one of the most important benefits of establishing TIF Districts.***

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF District. The estimated tax shelter savings for the remainder of the Bayside TIF District term – FY2020 through FY2033 - at a 100% capture rate is just under \$13 Million, or a yearly average of \$927,000.

### ***Net Impact to the General Fund***

The savings referenced above is a direct benefit to the general fund – both to the City and the School Department via an increase in revenue from the State of Maine for education, increased revenues for the City from municipal revenue sharing, and decreased expenses for county tax. It is important to note that whenever the TIF capture rate is adjusted upward there will change in how property tax revenue flows between the general fund and the area TIFs. Via careful TIF budgeting, subject to annual budget approval by City Council, certain types of approved expenditures can be moved from the general fund into area TIFs. If the impact of the revenue shift is able to be fully offset the end result is the 30 cent savings on the dollar. A good example is what was done in the FY19 budget. TIF capture rates were adjusted upward by approximately 5% in the Waterfront and Bayside TIF. Although this resulted in slightly less revenue to the general fund, expenses related to Economic Development Department staff, in an amount approximately equal to the revenue shift, were shifted into the TIF. The net result was an increased capture rate in both TIFs, more sheltering savings (approximately 30% in benefits) and no other negative impact on the City or School budgets. It is this type of calculated TIF budgeting which is expected to continue to be utilized moving forward to increase capture rates, maximize sheltering, and ensure only positive impacts to the City and School budgets.

## **VI. STAFF ANALYSIS**

Based on the above, City staff recommends approval of the proposed amendments to the Bayside TIF District.

## **VII. RECOMMENDATION**

The Economic Development Committee recommended, in a vote of 3-0 on September 18, 2018, that this be forwarded to the City Council for approval.

## **VII. LIST ATTACHMENTS**

- Updated Spreadsheets for Actual and Estimated TIF Revenue and Tax Shelter Savings
- Marked Revision and Clean Version of TIF Narrative and updated Spreadsheets; additional attachments noted in the Narrative are available upon request.
-

Revised Exhibit 1 for Bayside TIF Amendment #9

City of Portland - Bayside TIF Model

Total OAV ao 4/1/2001: \$1,608,190  
 Total OAV ao 4/1/2006: \$44,066,380  
 Total OAV ao of 4/1/2013: \$122,318,180

Note: These numbers are actuals through FY2019 (Tax Year 4/1/2018); estimates for FY2020 through End of FY2033 (Tax Year 4/1/2032), 9/7/2018

Bayside TIF												
TIF Years 1 (FY2004) through 16 (FY2019) Actual Numbers; Years 17 (FY2020) through 30 (FY2033) Estimates												
TIF Year	Tax Year-April 1	City Fiscal Year	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Municipal Project and CEAs Account	City Non-Captured General Fund Revenues	OAV General Fund Revenue	Captured Revenue to Municipal Project Account	Capture Revenue to CEAs
1	2003	FY2003/2004	\$5,468,950	1.00%	\$54,690	26.80	\$1,466	\$1,466	\$145,102	\$43,099	\$1,466	
2	2004	FY2004/2005	\$7,295,740	1.00%	\$72,957	26.53	\$1,936	\$1,936	\$191,620	\$42,665	\$1,936	
3	2005	FY2005/2006	\$9,171,480	54.16%	\$4,967,274	20.13	\$99,991	\$99,991	\$84,631	\$32,373	\$99,991	
4	2006	FY2006/2007	\$11,052,960	27.74%	\$3,066,091	16.31	\$50,008	\$50,008	\$130,266	\$718,723	\$50,008	
5	2007	FY2007/2008	\$23,657,250	1.00%	\$236,573	17.10	\$4,045	\$4,045	\$400,494	\$753,535	\$4,045	
6	2008	FY2008/2009	\$49,496,900	100.00%	\$49,496,900	17.74	\$878,075	\$878,075	\$0	\$781,738	\$452,194	\$425,881
7	2009	FY2009/2010	\$69,217,260	78.00%	\$53,989,463	17.74	\$957,773	\$957,773	\$270,141	\$781,738	\$602,773	\$355,000
8	2010	FY2010/2011	\$68,355,920	71.00%	\$48,532,703	17.92	\$869,706	\$869,706	\$355,232	\$789,670	\$395,064	\$474,642
9	2011	FY2011/2012	\$62,808,110	73.00%	\$45,849,920	18.28	\$838,137	\$838,137	\$309,996	\$805,533	\$483,137	\$355,000
10	2012	FY2012/2013	\$66,477,790	47.00%	\$31,244,561	18.82	\$588,023	\$588,023	\$663,089	\$829,329	\$141,688	\$446,335
11	2013	FY2013/2014	\$65,716,350	97.72%	\$64,218,017	19.41	\$1,246,472	\$1,246,472	\$29,083	\$855,328	\$800,235	\$446,237
12	2014	FY2014/2015	\$65,131,890	83.00%	\$54,059,469	20.00	\$1,081,189	\$1,081,189	\$221,448	\$881,328	\$634,952	\$446,237
13	2015	FY2015/2016	\$67,362,090	54.58%	\$36,766,229	20.63	\$758,487	\$758,487	\$631,193	\$2,523,424	\$294,738	\$463,749
14	2016	FY2016/2017	\$70,121,790	54.97%	\$38,545,948	21.11	\$813,705	\$813,705	\$666,566	\$2,582,137	\$349,899	\$463,806
15	2017	FY2017/2018	\$82,037,690	58.27%	\$47,803,362	21.65	\$1,034,943	\$1,034,943	\$741,173	\$2,648,189	\$571,631	\$463,312
16	2018	FY2018/2019	\$80,301,620	63.27%	\$50,806,835	22.48	\$1,142,138	\$1,142,138	\$663,043	\$2,749,713	\$817,138	\$325,000
17	2019	FY2019/2020	\$82,327,818	100.00%	\$82,327,818	22.93	\$1,887,744	\$1,887,744	\$0	\$2,804,707	\$1,562,744	\$325,000
18	2020	FY2020/2021	\$84,374,278	100.00%	\$84,374,278	23.39	\$1,973,362	\$1,973,362	\$0	\$2,860,801	\$1,648,362	\$325,000
19	2021	FY2021/2022	\$86,441,203	100.00%	\$86,441,203	23.86	\$2,062,138	\$2,062,138	\$0	\$2,918,017	\$1,737,138	\$325,000
20	2022	FY2022/2023	\$88,528,796	100.00%	\$88,528,796	24.33	\$2,154,178	\$2,154,178	\$0	\$2,976,377	\$1,829,178	\$325,000
21	2023	FY2023/2024	\$90,637,265	100.00%	\$90,637,266	24.82	\$2,249,593	\$2,249,593	\$0	\$3,035,905	\$2,249,593	
22	2024	FY2024/2025	\$92,766,821	100.00%	\$92,766,821	25.32	\$2,348,497	\$2,348,497	\$0	\$3,096,623	\$2,348,497	
23	2025	FY2025/2026	\$94,917,671	100.00%	\$94,917,671	25.82	\$2,451,007	\$2,451,007	\$0	\$3,158,556	\$2,451,007	
24	2026	FY2026/2027	\$97,090,029	100.00%	\$97,090,029	26.34	\$2,557,245	\$2,557,245	\$0	\$3,221,727	\$2,557,245	
25	2027	FY2027/2028	\$99,284,111	100.00%	\$99,284,111	26.87	\$2,667,335	\$2,667,335	\$0	\$3,286,161	\$2,667,335	
26	2028	FY2028/2029	\$101,500,134	100.00%	\$101,500,134	27.40	\$2,781,408	\$2,781,408	\$0	\$3,351,884	\$2,781,408	
27	2029	FY2029/2030	\$103,738,317	100.00%	\$103,738,317	27.95	\$2,899,595	\$2,899,595	\$0	\$3,418,922	\$2,899,595	
28	2030	FY2030/2031	\$105,998,882	100.00%	\$105,998,882	28.51	\$3,022,036	\$3,022,036	\$0	\$3,487,301	\$3,022,036	
29	2031	FY2031/2032	\$108,282,053	100.00%	\$108,282,053	29.08	\$3,148,872	\$3,148,872	\$0	\$3,557,047	\$3,148,872	
30	2032	FY2032/2033	\$110,588,055	100.00%	\$110,588,055	29.66	\$3,280,250	\$3,280,250	\$0	\$3,628,187	\$3,280,250	
30 Year TIF Total			\$2,150,149,224		\$1,876,186,426		\$45,849,352	\$45,849,352	\$5,503,077	\$62,620,736	\$39,884,153	\$5,965,199
30 Year Average			\$71,671,641		\$62,539,548		\$1,528,312	\$1,528,312	\$183,436	\$2,087,358	\$1,329,472	\$198,840

Actual Above This Line  
 Estimates Below This Line

Revised Exhibit 2 for Bayside TIF Amendment #9

City of Portland Bayside TIF Model  
9/7/2018

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- Bayside TIF Model									
TIF Years 1 (FY2004) through 16 (FY2019) Actual Numbers with Varying Percentage Captures; Years 17 (FY2020) through 30 (FY2033) Estimates at 100% Capture									
TIF Year	Tax Year- April 1	City Fiscal Year	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	2003	FY2003/2004	\$5,468,950	\$54,690	\$0	\$32	\$30	\$62	
2	2004	FY2004/2005	\$7,295,740	\$72,957	\$0	\$43	\$40	\$83	
3	2005	FY2005/2006	\$9,171,480	\$4,967,274	\$0	\$2,906	\$2,742	\$5,649	
4	2006	FY2006/2007	\$11,052,960	\$3,066,091	\$13,046	\$1,794	\$1,693	\$16,533	
5	2007	FY2007/2008	\$23,657,250	\$236,573	\$2,013	\$138	\$131	\$2,282	
6	2008	FY2008/2009	\$49,496,900	\$49,496,900	\$421,219	\$28,959	\$27,300	\$477,478	
7	2009	FY2009/2010	\$69,217,260	\$53,989,463	\$459,450	\$31,587	\$29,775	\$520,813	
8	2010	FY2010/2011	\$68,355,920	\$48,532,703	\$413,013	\$28,395	\$26,769	\$468,177	
9	2011	FY2011/2012	\$62,808,110	\$45,849,920	\$390,183	\$26,825	\$25,291	\$442,299	
10	2012	FY2012/2013	\$66,477,790	\$31,244,561	\$265,891	\$18,280	\$17,240	\$301,412	
11	2013	FY2013/2014	\$65,716,350	\$64,218,017	\$546,495	\$37,572	\$35,408	\$619,475	
12	2014	FY2014/2015	\$65,131,890	\$54,059,469	\$460,046	\$31,628	\$29,814	\$521,488	
13	2015	FY2015/2016	\$67,362,090	\$36,766,229	\$312,881	\$21,511	\$20,284	\$354,676	
14	2016	FY2016/2017	\$70,121,790	\$38,545,948	\$328,026	\$22,552	\$21,266	\$371,843	
15	2017	FY2017/2018	\$82,037,690	\$47,803,362	\$406,807	\$27,968	\$26,367	\$461,142	
16	2018	FY2018/2019	\$80,301,620	\$50,806,835	\$432,366	\$29,725	\$28,022	\$490,113	
17	2019	FY2019/2020	\$82,327,818	\$82,327,818	\$700,610	\$48,167	\$45,375	\$794,152	
18	2020	FY2020/2021	\$84,374,278	\$84,374,278	\$718,025	\$49,365	\$46,500	\$813,890	
19	2021	FY2021/2022	\$86,441,203	\$86,441,203	\$735,615	\$49,365	\$47,637	\$832,616	
20	2022	FY2022/2023	\$88,528,796	\$88,528,796	\$753,380	\$51,795	\$48,785	\$853,961	
21	2023	FY2023/2024	\$90,637,266	\$90,637,266	\$771,323	\$53,029	\$49,945	\$874,297	
22	2024	FY2024/2025	\$92,766,821	\$92,766,821	\$789,446	\$54,275	\$51,116	\$894,836	
23	2025	FY2025/2026	\$94,917,671	\$94,917,671	\$807,749	\$55,533	\$52,298	\$915,581	
24	2026	FY2026/2027	\$97,090,029	\$97,090,029	\$826,236	\$56,804	\$53,493	\$936,533	
25	2027	FY2027/2028	\$99,284,111	\$99,284,111	\$844,908	\$58,088	\$54,699	\$957,695	
26	2028	FY2028/2029	\$101,500,134	\$101,500,134	\$863,766	\$59,384	\$55,917	\$979,067	
27	2029	FY2029/2030	\$103,738,317	\$103,738,317	\$882,813	\$60,694	\$57,147	\$1,000,654	
28	2030	FY2030/2031	\$105,998,882	\$105,998,882	\$902,050	\$62,016	\$58,389	\$1,022,456	
29	2031	FY2031/2032	\$108,282,053	\$108,282,053	\$921,480	\$63,352	\$59,644	\$1,044,476	
30	2032	FY2032/2033	\$110,588,055	\$110,588,055	\$941,104	\$64,701	\$60,911	\$1,066,717	
<b>30 Year TIF Total</b>			<b>\$2,150,149,224</b>	<b>\$1,876,186,426</b>	<b>\$15,909,942</b>	<b>\$1,096,484</b>	<b>\$1,034,030</b>	<b>\$18,040,457</b>	
<b>30 Year Average</b>			<b>\$71,671,641</b>	<b>\$62,539,548</b>	<b>\$530,331</b>	<b>\$36,549</b>	<b>\$34,468</b>	<b>\$601,349</b>	

O:\TIF\Bayside\Amendments Fall 2018-Spring 2018 TIF Model Update\Portland TIF Model - Revised 2018 Spring Update-Actual and Est

## PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9

### **I. Introduction/Updated 2018**

East and West Bayside continue to be gateways to Portland’s peninsula. A lot of changes to East and West Bayside have occurred since the Bayside (West) TIF District was adopted by the City Council on March 17, 2003. Relocation of one scrap yard and the addition of new medical office buildings, new housing for college students, , two new grocery stores, pharmacies, and financial institutions have transformed West Bayside’s industrial heritage to a more compact urban development pattern, which extends the Central Business District to I-295. Additionally, City Council approval, during 2017 and 2018, of the sale of six Bayside properties formerly occupied by the Public Works Department will continue to support area wide economic revitalization.

East Bayside has been experiencing its own transformation with new coffee shops, artist studios, and new housing. Continued attention to the West Bayside TIF District is needed to fulfill the *Bayside Vision*.

#### History

In 1996, the process began when the City of Portland obtained funding from the Environmental Protection Agency (EPA) to undertake a Brownfield’s Pilot Project in Bayside. The City designated a ten-lot, 14-acre parcel between Oxford Street and Marginal Way as the Bayside Brownfield’s Project Area and has since created a \$500,000 loan fund for the express purpose of cleaning up the site to clear the way for future development. The study area was subsequently enlarged to incorporate the area from Congress Street to I-295, and from Franklin Arterial to Forest Avenue, which is approximately 129 acres.

Since 1996, the City of Portland has been working with a team of consultants on planning for opportunities for the reuse of the Bayside land. An extensive public participation process, which involved hundreds of participants, produced a plan entitled “A New Vision for Bayside”. The Bayside plan identifies the following eleven development principles and five critical actions in order to transform this area into a vital, productive and diverse urban neighborhood:

#### **Development Principles**

- Urban Gateway
- Economic and Employment Opportunities
- A Walkable District
- A Critical Mass of Dwellings
- Transit Oriented Development
- Multi-level Parking Structures
- A Neighborhood Center
- Recreation and Open Space
- A Social Service Network
- Environmental Remediation
- Scrap yard Redevelopment

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

**Critical Actions**

- Acquire the Railroad Property
- Redevelop the Scrap yard Parcels
- Build More Housing
- Create Transit Oriented Development
- Secure the Future of Portland’s Social Service Network

Public participation continues to be an ongoing aspect of the Plan’s implementation. The Bayside Neighborhood Association and the Bayside Community Development Corporation include neighborhood property owners, residents, commercial owners and tenants.

Since adopting the Bayside Vision Plan in December 1999 as a part of the Comprehensive Plan, the City has moved forward on several of the identified critical actions. After several years of complex negotiations with Guilford Transportation and the Maine Department of Transportation, the City purchased the Railroad property. Using Housing and Urban Development (“HUD”) and Economic Development Administration (“EDA”) funding, this 6+ acre parcel made the City a major property owner in the area of Bayside slated primarily for commercial redevelopment.

EDA and City Capital Improvement Funds have been used to rebuild the sewer system along Somerset Street, adjacent to the railroad parcel, as well as to extend Chestnut Street from Somerset Street to Marginal Way. These improvements were key infrastructure investments for new development in Bayside. The City continues to be committed to investing in Bayside as funding becomes available, but clearly a variety of financing mechanisms have been and will continue to be needed.

With these first actions completed, attention has been focused on the need for structured parking associated with the Federated Midtown Project. At meeting after meeting, then Bayside Development Committee (BDC) members stated unequivocally that the Bayside Plan cannot be implemented to its fullest without structured parking; and that the entire redevelopment plan hinges upon the relocation of the scrap metal recycling facilities. Furthermore, it is clear that the private sector cannot afford to make new investments in Bayside that include the cost of creating structured parking, nor can the market alone bear the cost of relocating the scrap metal recycling facilities.

The first such private development project which included constructing garages occurred on property that was sold by the City to two private developers (Capital, LLC and Southern Maine Student Housing, LLC) who planned a then estimated \$38,400,000 in new taxable commercial investment. The project consisted of a 72,000 sq. ft. office building, perched upon a 430 space parking garage with ground floor retail, alongside a 405 bed student housing facility with a 130 space parking garage. The cost of constructing the structured parking added more costs to the project than market rents could support, so financing relief was sought through the use of Credit Enhancement Agreements (Exhibit 5) so that the project moved forward with the density sought for

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

Bayside. This entire investment occupies just over 3 acres by reducing the footprint and allowing for vertical expansion.

Amendment #7 Approved by MDECD March 28, 2016

The purpose of ~~this~~ Amendment #7 to this TIF application ~~is~~was to amend the Development Program to include municipal use of TIF funds for costs of public transportation improvement projects – including traffic signals, costs associated with environmental site assessment and remediation work to support commercial development, costs associated with environmental sea level adaptation planning and public infrastructure to support commercial development, as well as other development principles and critical actions items contained in the *Bayside Vision Report I and II*

The public benefits associated with an amended Bayside TIF District include:

- Provide support for Portland’s **continued economic development;**
- Help increase the **vibrancy and stability of the Bayside neighborhood;**
- Create **employment opportunities** for area residents;
- Produce **tax shift benefits** averaging an estimated savings to the City of \$680,307 annually **at that time;**
- Improve the general economy of Portland and the State of Maine;
- Improved public transportation infrastructure investment;
- Clean up contaminated property to support commercial development;
- Planning for environmental sea level adaptation, and public infrastructure to support commercial development.

Amendment #8 ~~Proposed to~~Approved by the Portland City Council July 16, 2018/MDECD Approval Pending

Amendment #8 includes a single property in the Expanded Bayside TIF District located at 178 Kennebec Street, Assessor Chart, Block, and Lot Number 034 F001001. The City is in the process of selling this property to a private developer. This developer proposes an elderly affordable housing project on that property with two condominium units. Unit 1 would be ground level commercial space and Unit 2 (air rights above Unit 1) is proposed to be an elderly affordable housing project.

The amendments will exclude all floors above the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 2 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland. Such specified area is referred to below as “178 Kennebec Street Unit 2” or “Unit 2”.

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

The amendments will provide that the following specified area will remain: the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 1 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland.

**II. Amended Development Program**

*A. The Amended Project*

**Amendment #8/Pending Approval By MDECD**

With this amended and restated Development Program, the City of Portland seeks to amend the Bayside Redevelopment Tax Increment Financing District to allow for 178 Kennebec Street, Condominium Unit 1 on the ground level/commercial space to remain in the Bayside TIF District; and, Condominium Unit 2, floors above the ground level commercial space, to be an Affordable Housing TIF District.

The amendments will exclude all floors above the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 2 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland. Such specified area is referred to below as “178 Kennebec Street Unit 2” or “Unit 2”.

The amendments will provide that the following specified area will remain: the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 1 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland.

Municipal uses of TIF revenue consistent *Bayside Vision Plans I and II* are detailed in Table 1 in Section II(D) below.

The success of these efforts will enhance the City’s ability to attract new investment to Bayside, leading to a densely developed commercial district, which will create new taxable value and provide expanded opportunities for employment and housing.

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

The City’s Economic Development Department will continue to market other City land as potential building sites to prospective businesses and developers, in addition to promoting Bayside as a whole.

**Amendment #9 – Proposed to Portland City Council**

**Amendment #9 would increase and clarify the allowable uses of Municipal TIF Revenue in the District. Proposed additional uses include:**

- **Professional service costs to administer the TIF District Program and to assist the City’s Economic Development Department to market and prepare for Bayside Redevelopment;**
- **Pro-rated salaries of the City’s Finance Director, and the City’s Planning staff;**
- **Workforce training funds.**

*B. The Development District*

Properties that are to be designated as part of the TIF District are shown on the attached map (Exhibit 4), containing approximately 129.18 acres with an original assessed value as shown on Exhibit 11 as \$122,318,180

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

*C. The Amended Development Program*

The City of Portland, by designating the Amended Bayside Redevelopment TIF District, will capture all new investments made within the Amended District. The City is projecting to capture up to 100% of the new assessed value over the original assessed value, and retain from the district the new tax revenues generated from that captured assessed value. These revenues will be allocated to the Project Cost Account for the purposes described in II.A. above and further detailed in Section II(D) below. Each year, the City Council may adjust the specific amount to be captured and retained for purposes of this Amended TIF, based upon the needs of the Amended District, and the commitments made through Credit Enhancement Agreements, collateral for loan or bond repayment, and the like.

*D. The Projects*

**The projects/public benefits associated with an amended Bayside TIF District include:**

- **Provide support for Portland’s continued economic development;**
- **Help increase the vibrancy and stability of the Bayside neighborhood;**
- **Create employment opportunities for area residents;**
- **Produce tax shift benefits averaging an estimated savings to the City of \$1.3 Million annually;**

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

- Improve the general economy of Portland and the State of Maine;
- Improved public transportation infrastructure investment;
- Clean up contaminated property to support commercial development;
- Planning for environmental sea level adaptation, and public infrastructure to support commercial development.

The City of Portland seeks authorization to utilize the revenues generated from the Amended Bayside TIF District to support economic development in Bayside, all as more detailed in Table 1 below: See Table 1 Below for Municipal Use of TIF Revenues, Statutory Citation, and Cost Estimates – Citations all refer to Title 30-A, Chapter 206, Section 5225.

**Table 1**

<b>Municipal Use of TIF Revenues</b>	<b>Statutory Citation</b>	<b>Cost Estimate</b>
In District: Create Additional Parking Structures	(1)(A)(1)(2)(3)(6)(7)	\$10,000,000
In District: Existing Credit Enhancement Agreements; others as negotiated, executed with public process per <u>Section H-A City of Portland TIF Policy as may be amended from time to time</u>	(1)(A)(1)(2)(3)(6)(7)	\$6,000,000 over life of TIF District for existing CEAs
In District: Relocate one remaining scrap metal recycling facility and acquisition of scrap metal yard site	(1)(A)(1)(2)(3)(6)(7)	T/B/D
In District: <u>Design, upgrades, and construction of public infrastructure, utilities, and financing costs (but not limited to roadway, sidewalk, water, stormwater, sewer systems, telecommunication, electrical distribution upgrades, and transportation improvement projects) located in District</u>	(1)(A)(1)(2)(3)(6)(7)	T/B/D
In District: Pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances public Bayside investment	(1)(A)(2)	\$6,000,000 over life of TIF District
In District: Public infrastructure improvements for both pedestrians and transit, lighting, and open space/trails	(1)(A)(1)(2)(3)(6)(7)(8)	T/B/D
In District: Funding the Economic Development Department, including salaries, to market and prepare for Bayside Redevelopment <u>and professional service costs to administer the TIF District Program</u>	(1)(A)(4)(5)	\$500,000
In and out of District:		

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

a.) Cover the City’s Economic Development Department costs, including <u>pro-rated salaries of City Manager, Finance Director, and Planning and Urban Development Director and Planning staff*</u> ;	(1)(A)(5) and (1)(C)(1)	\$250,000/annual or \$47,500,000 over life of TIF District <u>(30 Years)</u>
b.) Environmental site assessment and remediation to support commercial development;	(1)(C)(2)	\$150,000
<u>c.) Environmental sea level adaptation planning and public infrastructure to support commercial development;</u>	(1)(C)(2)	T/B/D
<u>d.) Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.</u>	(1)(C)(4)	T/B/D
<u>e.) Professional services costs.</u>	(1)(A)(4); (1)(C)(1)	T/B/D
<b>Total:</b>		<b>\$2730,150,000</b>

\*This item is not unique to this TIF District; it is also partially included in the Riverwalk TIF District, and is proposed to be fully included Downtown TIF District and the Waterfront TIF District.

*E. Operational Components*

1. Public Facilities

The City will invest in projects to further goals of the *Bayside Vision*, and as outlined in Table 1 above.

2. Uses of Private Property

The Amended Bayside Economic Redevelopment Program and TIF District includes both public and private property. The funds generated from this district will be used to support commercial investment on both public and private land, the latter through the use of CEA as noted II.(D) above.

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

Though not contemplated at this point, any possible relocation costs of displaced persons resulted from one or more City projects funded through this Amended Development Program shall be covered by the City as required.

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

4. Transportation Improvements

A description of the transportation-related improvements to be financed through this Amended Development Program is set forth above in Table 1 of the Development Program Section II(D).

5. Environmental Controls

The 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 of Amended District

During the life of the Amended Tax Increment Financing District, the City of Portland, City Council, or their designee, will be responsible for the administration of the District.

**III. Physical Description**

As noted previously, properties that are to be designated as part of the Amended TIF District are shown on the attached map (Exhibit 4), totaling 129.18 acres. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. Section 5223(3) are set forth in Exhibit 6.

Proposed Amendment #8 does not change the acreage numbers for the Bayside TIF District because the 178 Kennebec Street Unit 1 (ground level commercial space) will remain in the Bayside TIF District and Unit 2 (affordable residential units located in the upper floors) is proposed to be an Affordable Housing TIF District.

Enclosed municipal maps:

1. Area map showing site location of the Amended TIF District in relation to geographic location of municipality (see new Exhibit 3(A)).
2. Site map showing tax map locations of the Amended TIF District (see new Exhibit 4(A)).

**IV. Financial Plan**

*A. Costs and Sources of Revenues*

With Amendment #6 to this TIF District, the acreage was increased to 129.18 acres, with an associated OAV set at \$122,318,180 as set forth in Exhibit 11. Exhibit 11 details the OAV from the inception of the Bayside TIF District, to its 1<sup>st</sup> expansion

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

via Amendment 1, and 2nd expansion via Amendment 6. Exhibit 4 is the map which highlights the District encompassing the entire 129.18 acres.

The Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the District to be captured and designated as TIF Revenues. The City will apply the retained revenues to the economic development activities described in the Amended Development Program. To date, these activities are included in Table 1, Section II(D) above.

The attached Revised Exhibit 1, as revised and updated for Amendment 9, details the actual numbers from its inception – Tax Year 2003/City Fiscal Year 2003/2004 – through Tax Year April 1, 2018/City Fiscal Year 2018/2019; and estimates beginning Tax Year April 1, 2019/City Fiscal Year 2019/2020 through the life of District ending with Tax Year April 1, 2032/City Fiscal Year 2032/2033. The projections of retained revenues is based upon the anticipated assessed value increases within the District- for the remainder of the District term. Revised Exhibit 1 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 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. §5227(3).

The Bayside 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 Company Cost Subaccounts (Company Cost Subaccount), pledged to and charged with payment to authorized companies under the terms of an approved Credit Enhancement Agreement for reimbursements for eligible project costs, and 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.

*C. Financing Plan*

The original TIF District comprised an area of approximately 11 acres of real and personal property. The value of the real and personal property within the district as of March 31, 2002 was established as the original assessed value. With the subsequent expansion (Amendment 1), the value of the additional real and personal property within the district expansion as of March 31, 2007 was established as the original assessed value, with that value being \$44,066,380. With the additional expansion via Amendment 6 from 62.18 to add 67 acres to the District, for a total of 129.18 acres, the value of real property within the expanded District of 67 acres has a March 31, 2014 date established as the original assessed value, or \$78,251,800 as detailed in Section IV.A. above, for a total OAV of the District at \$122,318,180.

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

The developments within the described Amended Bayside TIF District will add significant new taxable value in the City of Portland. TIF revenues will be allocated as described on revised Exhibit 1 to finance the costs described in the Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained, or a specific amount to be retained within the Amended District, and the actual annual assessed value within the Amended District, to be determined by the City Council on a yearly basis.

**V. Amended Financial Data (See Statutory Requirements & Thresholds, Exhibit 6)**

- A. Estimate of increased assessed value by year after implementation of the development program: See Revised Exhibit 1
- B. Percentage of increased assessed value to be applied to the development program fund: See Revised Exhibit 1
- C. Estimated annual tax increment: \$1,717,654,528,312 (Average)
- D. Total average annual value of development program fund: \$1,717,654,528,312 (Average)
- E. Annual principal and interest payment of bonded indebtedness: N/A at this time \$400,000
- F. Financial assumptions and safeguards: The City of Portland is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit.

**VI. Tax Shifts (See Revised Exhibit 2)**

*A. Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$593,812,530,331

Municipal Revenue Sharing Tax Shift: \$47,751,36,549

County Tax Shift: \$38,745,34,468

Total Average Annual Savings: \$680,307,601,349

**VII. Municipal Approvals**

*A. Public Hearing Notice*

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

The City of Portland did give proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §~~5253-5226(1)~~. The notice was published on **July 3,** \_\_\_\_\_, 2018, in a newspaper of general circulation (see new Exhibit 8).

B. *Public Hearing*

A Public Hearing at which the proposed Amended Bayside Municipal Tax Increment Financing District was discussed was held on **July 16,** \_\_\_\_\_, 2018, in the Portland City Council Chambers. A copy of the minutes of that meeting is included as new Exhibit 9.

C. *Authorizing Votes*

An attested copy of the resolution of the Portland City Council designating the Amended Municipal TIF district created for the implementation of the Bayside Redevelopment Program is included as new Exhibit 10.

D. *Assessor's Certification*

An attested copy of the certification by the City of Portland Tax Assessor as to the revised Original Assessed Value of the expanded Bayside Municipal Tax Increment Financing District is included as Exhibit 11.

## PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9

### I. Introduction/Updated 2018

East and West Bayside continue to be gateways to Portland’s peninsula. A lot of changes to East and West Bayside have occurred since the Bayside (West) TIF District was adopted by the City Council on March 17, 2003. Relocation of one scrap yard and the addition of new medical office buildings, new housing for college students, , two new grocery stores, pharmacies, and financial institutions have transformed West Bayside’s industrial heritage to a more compact urban development pattern, which extends the Central Business District to I-295. Additionally, City Council approval, during 2017 and 2018, of the sale of six Bayside properties formerly occupied by the Public Works Department will continue to support area wide economic revitalization.

East Bayside has been experiencing its own transformation with new coffee shops, artist studios, and new housing. Continued attention to the West Bayside TIF District is needed to fulfill the *Bayside Vision*.

#### History

In 1996, the process began when the City of Portland obtained funding from the Environmental Protection Agency (EPA) to undertake a Brownfield’s Pilot Project in Bayside. The City designated a ten-lot, 14-acre parcel between Oxford Street and Marginal Way as the Bayside Brownfield’s Project Area and has since created a \$500,000 loan fund for the express purpose of cleaning up the site to clear the way for future development. The study area was subsequently enlarged to incorporate the area from Congress Street to I-295, and from Franklin Arterial to Forest Avenue, which is approximately 129 acres.

Since 1996, the City of Portland has been working with a team of consultants on planning for opportunities for the reuse of the Bayside land. An extensive public participation process, which involved hundreds of participants, produced a plan entitled “A New Vision for Bayside”. The Bayside plan identifies the following eleven development principles and five critical actions in order to transform this area into a vital, productive and diverse urban neighborhood:

#### **Development Principles**

- Urban Gateway
- Economic and Employment Opportunities
- A Walkable District
- A Critical Mass of Dwellings
- Transit Oriented Development
- Multi-level Parking Structures
- A Neighborhood Center
- Recreation and Open Space
- A Social Service Network
- Environmental Remediation
- Scrap yard Redevelopment

## PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9

### Critical Actions

- Acquire the Railroad Property
- Redevelop the Scrap yard Parcels
- Build More Housing
- Create Transit Oriented Development
- Secure the Future of Portland's Social Service Network

Public participation continues to be an ongoing aspect of the Plan's implementation. The Bayside Neighborhood Association and the Bayside Community Development Corporation include neighborhood property owners, residents, commercial owners and tenants.

Since adopting the Bayside Vision Plan in December 1999 as a part of the Comprehensive Plan, the City has moved forward on several of the identified critical actions. After several years of complex negotiations with Guilford Transportation and the Maine Department of Transportation, the City purchased the Railroad property. Using Housing and Urban Development ("HUD") and Economic Development Administration ("EDA") funding, this 6+ acre parcel made the City a major property owner in the area of Bayside slated primarily for commercial redevelopment.

EDA and City Capital Improvement Funds have been used to rebuild the sewer system along Somerset Street, adjacent to the railroad parcel, as well as to extend Chestnut Street from Somerset Street to Marginal Way. These improvements were key infrastructure investments for new development in Bayside. The City continues to be committed to investing in Bayside as funding becomes available, but clearly a variety of financing mechanisms have been and will continue to be needed.

With these first actions completed, attention has been focused on the need for structured parking associated with the Federated Midtown Project. At meeting after meeting, then Bayside Development Committee (BDC) members stated unequivocally that the Bayside Plan cannot be implemented to its fullest without structured parking; and that the entire redevelopment plan hinges upon the relocation of the scrap metal recycling facilities. Furthermore, it is clear that the private sector cannot afford to make new investments in Bayside that include the cost of creating structured parking, nor can the market alone bear the cost of relocating the scrap metal recycling facilities.

The first such private development project which included constructing garages occurred on property that was sold by the City to two private developers (Capital, LLC and Southern Maine Student Housing, LLC) who planned a then estimated \$38,400,000 in new taxable commercial investment. The project consisted of a 72,000 sq. ft. office building, perched upon a 430 space parking garage with ground floor retail, alongside a 405 bed student housing facility with a 130 space parking garage. The cost of constructing the structured parking added more costs to the project than market rents could support, so financing relief was sought through the use of Credit Enhancement Agreements (Exhibit 5) so that the project moved forward with the density sought for Bayside. This entire investment occupies just over 3 acres by reducing the footprint and allowing for vertical expansion.

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

Amendment #7 Approved by MDECD March 28, 2016

The purpose of Amendment #7 to this TIF application was to amend the Development Program to include municipal use of TIF funds for costs of public transportation improvement projects – including traffic signals, costs associated with environmental site assessment and remediation work to support commercial development, costs associated with environmental sea level adaptation planning and public infrastructure to support commercial development, as well as other development principles and critical actions items contained in the *Bayside Vision Report I and II*

The public benefits associated with an amended Bayside TIF District include:

- Provide support for Portland’s **continued economic development**;
- Help increase the **vibrancy and stability of the Bayside neighborhood**;
- Create **employment opportunities** for area residents;
- Produce **tax shift benefits** averaging an estimated savings to the City of \$680,307 annually at that time;
- Improve the general economy of Portland and the State of Maine;
- Improved public transportation infrastructure investment;
- Clean up contaminated property to support commercial development;
- Planning for environmental sea level adaptation, and public infrastructure to support commercial development.

Amendment #8 Approved by the Portland City Council July 16, 2018/MDECD Approval Pending

Amendment #8 includes a single property in the Expanded Bayside TIF District located at 178 Kennebec Street, Assessor Chart, Block, and Lot Number 034 F001001. The City is in the process of selling this property to a private developer. This developer proposes an elderly affordable housing project on that property with two condominium units. Unit 1 would be ground level commercial space and Unit 2 (air rights above Unit 1) is proposed to be an elderly affordable housing project.

The amendments will exclude all floors above the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 2 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland. Such specified area is referred to below as “178 Kennebec Street Unit 2” or “Unit 2”.

The amendments will provide that the following specified area will remain: the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to

## PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9

be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 1 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland.

### II. Amended Development Program

#### A. *The Amended Project*

##### Amendment #8/Pending Approval By MDECD

With this amended and restated Development Program, the City of Portland seeks to amend the Bayside Redevelopment Tax Increment Financing District to allow for 178 Kennebec Street, Condominium Unit 1 on the ground level/commercial space to remain in the Bayside TIF District; and, Condominium Unit 2, floors above the ground level commercial space, to be an Affordable Housing TIF District.

The amendments will exclude all floors above the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 2 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland. Such specified area is referred to below as “178 Kennebec Street Unit 2” or “Unit 2”.

The amendments will provide that the following specified area will remain: the first floor in a multi-story building to be constructed on a parcel of approximately 0.22 acres presently owned by the City of Portland located at 178 Kennebec Street, Portland and to be conveyed to 100 Parris Street, LP or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer to declare this specified area as Unit 1 in the Furman at Bayside Condominium following acquisition of the land from the City of Portland.

Municipal uses of TIF revenue consistent *Bayside Vision Plans I and II* are detailed in Table 1 in Section II(D) below.

The success of these efforts will enhance the City’s ability to attract new investment to Bayside, leading to a densely developed commercial district, which will create new taxable value and provide expanded opportunities for employment and housing.

The City’s Economic Development Department will continue to market other City land as potential building sites to prospective businesses and developers, in addition to promoting Bayside as a whole.

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

Amendment #9 – Proposed to Portland City Council

Amendment #9 would increase and clarify the allowable uses of Municipal TIF Revenue in the District. Proposed additional uses include:

- Professional service costs to administer the TIF District Program and to assist the City’s Economic Development Department to market and prepare for Bayside Redevelopment;
- Pro-rated salaries of the City’s Finance Director, and the City’s Planning staff;
- Workforce training funds.

*B. The Development District*

Properties that are to be designated as part of the TIF District are shown on the attached map (Exhibit 4), containing approximately 129.18 acres with an original assessed value as shown on Exhibit 11 as \$122,318,180

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

*C. The Amended Development Program*

The City of Portland, by designating the Amended Bayside Redevelopment TIF District, will capture all new investments made within the Amended District. The City is projecting to capture up to 100% of the new assessed value over the original assessed value, and retain from the district the new tax revenues generated from that captured assessed value. These revenues will be allocated to the Project Cost Account for the purposes described in II.A. above and further detailed in Section II(D) below. Each year, the City Council may adjust the specific amount to be captured and retained for purposes of this Amended TIF, based upon the needs of the Amended District, and the commitments made through Credit Enhancement Agreements, collateral for loan or bond repayment, and the like.

*D. The Projects*

The projects/public benefits associated with an amended Bayside TIF District include:

- Provide support for Portland’s **continued economic development**;
- Help increase the **vibrancy and stability of the Bayside neighborhood**;
- Create **employment opportunities** for area residents;
- Produce **tax shift benefits** averaging an estimated savings to the City of \$1.3 Million annually;
- Improve the general economy of Portland and the State of Maine;
- Improved public transportation infrastructure investment;
- Clean up contaminated property to support commercial development;

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

- Planning for environmental sea level adaptation, and public infrastructure to support commercial development.

The City of Portland seeks authorization to utilize the revenues generated from the Amended Bayside TIF District to support economic development in Bayside, all as more detailed in Table 1 below: See Table 1 Below for Municipal Use of TIF Revenues, Statutory Citation, and Cost Estimates – Citations all refer to Title 30-A, Chapter 206, Section 5225.

**Table 1**

<b>Municipal Use of TIF Revenues</b>	<b>Statutory Citation</b>	<b>Cost Estimate</b>
In District: Create Additional Parking	(1)(A)(1)(2)(3)(6)(7)	\$10,000,000
In District: Existing Credit Enhancement Agreements; others as negotiated, executed with public process per City of Portland TIF Policy as may be amended from time to time	(1)(A)(1)(2)(3)(6)(7)	\$6,000,000 over life of TIF District for existing CEAs
In District: Relocate one remaining scrap metal recycling facility and acquisition of scrap metal yard site	(1)(A)(1)(2)(3)(6)(7)	T/B/D
In District: Design, upgrades, and construction of public infrastructure, utilities, and financing costs (but not limited to roadway, sidewalk, water, stormwater, sewer systems, telecommunication, electrical distribution upgrades, and transportation improvement projects) located in District	(1)(A)(1)(2)(3)(6)(7)	T/B/D
In District: Pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances public Bayside investment	(1)(A)(2)	\$6,000,000 over life of TIF District
In District: Public infrastructure improvements for both pedestrians and transit, lighting, and open space/trails	(1)(A)(1)(2)(3)(6)(7)(8)	T/B/D
In District: Funding the Economic Development Department, including salaries, to market and prepare for Bayside Redevelopment and professional service costs to administer the TIF District Program	(1)(A)(4)(5)	\$500,000
In and out of District: a.) Cover the City’s Economic Development Department costs, including pro-rated salaries of City Manager, Finance Director, and	(1)(A)(5) and (1)(C)(1)	\$250,000/annual or \$7,500,000 over life of TIF District (30 Years)

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

Planning and Urban Development Director and Planning staff*; b.) Environmental site assessment and remediation to support commercial development; c.) Environmental sea level adaptation planning and public infrastructure to support commercial development; d.) Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained. e.) Professional services costs.	(1)(C)(2)  (1)(C)(2)  (1)(C)(4)  (1)(A)(4); (1)(C)(1)	\$150,000  T/B/D  T/B/D  T/B/D
<b>Total:</b>		<b>\$30,150,000</b>

\*This item is not unique to this TIF District; it is also partially included in the Riverwalk TIF District, and is proposed to be fully included Downtown TIF District and the Waterfront TIF District.

*E. Operational Components*

1. Public Facilities

The City will invest in projects to further goals of the *Bayside Vision*, and as outlined in Table 1 above.

2. Uses of Private Property

The Amended Bayside Economic Redevelopment Program and TIF District includes both public and private property. The funds generated from this district will be used to support commercial investment on both public and private land, the latter through the use of CEA as noted II.(D) above.

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

Though not contemplated at this point, any possible relocation costs of displaced persons resulted from one or more City projects funded through this Amended Development Program shall be covered by the City as required.

## PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9

### 4. Transportation Improvements

A description of the transportation-related improvements to be financed through this Amended Development Program is set forth above in Table 1 of the Development Program Section II(D).

### 5. Environmental Controls

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

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During the life of the Amended Tax Increment Financing District, the City of Portland, City Council, or their designee, will be responsible for the administration of the District.

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Enclosed municipal maps:

1. Area map showing site location of the Amended TIF District in relation to geographic location of municipality (see new Exhibit 3(A)).
2. Site map showing tax map locations of the Amended TIF District (see new Exhibit 4(A)).

## IV. Financial Plan

### A. *Costs and Sources of Revenues*

With Amendment #6 to this TIF District, the acreage was increased to 129.18 acres, with an associated OAV set at \$122,318,180 as set forth in Exhibit 11. Exhibit 11 details the OAV from the inception of the Bayside TIF District, to its 1<sup>st</sup> expansion

## PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9

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**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

The developments within the described Amended Bayside TIF District will add significant new taxable value in the City of Portland. TIF revenues will be allocated as described on revised Exhibit 1 to finance the costs described in the Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained, or a specific amount to be retained within the Amended District, and the actual annual assessed value within the Amended District, to be determined by the City Council on a yearly basis.

**V. Amended Financial Data (See Statutory Requirements & Thresholds, Exhibit 6)**

- A. Estimate of increased assessed value by year after implementation of the development program: See Revised Exhibit 1
- B. Percentage of increased assessed value to be applied to the development program fund: See Revised Exhibit 1
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- D. Total average annual value of development program fund: \$1,528,312 (Average)
- E. Annual principal and interest payment of bonded indebtedness: \$400,000
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**VI. Tax Shifts (See Revised Exhibit 2)**

*A. Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$530,331

Municipal Revenue Sharing Tax Shift: \$36,549

County Tax Shift: \$34,468

Total Average Annual Savings: \$601,349

**VII. 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(1). The notice was published on \_\_\_\_\_, 2018, in a newspaper of general circulation (see new Exhibit 8).

**PROPOSED BAYSIDE TIF DISTRICT CITY INVESTMENT OPTIONS –AMENDMENT 9**

**B. *Public Hearing***

A Public Hearing at which the proposed Amended Bayside Municipal Tax Increment Financing District was discussed was held on \_\_\_\_\_, 2018, in the Portland City Council Chambers. A copy of the minutes of that meeting is included as new Exhibit 9.

**C. *Authorizing Votes***

An attested copy of the resolution of the Portland City Council designating the Amended Municipal TIF district created for the implementation of the Bayside Redevelopment Program is included as new Exhibit 10.

**D. *Assessor's Certification***

An attested copy of the certification by the City of Portland Tax Assessor as to the revised Original Assessed Value of the expanded Bayside Municipal Tax Increment Financing District is included as Exhibit 11.

Revised Exhibit 1 for Bayside TIF Amendment #9

City of Portland - Bayside TIF Model

Total OAV as of 4/1/2001: \$1,608,190  
 Total OAV as of 4/1/2006: \$44,066,380  
 Total OAV as of 4/1/2013: \$122,318,180

Note: These numbers are actuals through FY2019 (Tax Year 4/1/2018); estimates for FY2020 through End of FY2033 (Tax Year 4/1/2032), 9/7/2018

Bayside TIF												
TIF Years 1 (FY2004) through 16 (FY2019) Actual Numbers; Years 17 (FY2020) through 30 (FY2033) Estimates												
TIF Year	Tax Year-April 1	City Fiscal Year	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Municipal Project and CEAs Account	City Non-Captured General Fund Revenues	OAV General Fund Revenue	Captured Revenue to Municipal Project Account	Capture Revenue to CEAs
1	2003	FY2003/2004	\$5,468,950	1.00%	\$54,690	26.80	\$1,466	\$1,466	\$145,102	\$43,099	\$1,466	
2	2004	FY2004/2005	\$7,295,740	1.00%	\$72,957	26.53	\$1,936	\$1,936	\$191,620	\$42,665	\$1,936	
3	2005	FY2005/2006	\$9,171,480	54.16%	\$4,967,274	20.13	\$99,991	\$99,991	\$84,631	\$32,373	\$99,991	
4	2006	FY2006/2007	\$11,052,960	27.74%	\$3,066,091	16.31	\$50,008	\$50,008	\$130,266	\$718,723	\$50,008	
5	2007	FY2007/2008	\$23,657,250	1.00%	\$236,573	17.10	\$4,045	\$4,045	\$400,494	\$753,535	\$4,045	
6	2008	FY2008/2009	\$49,496,900	100.00%	\$49,496,900	17.74	\$878,075	\$878,075	\$0	\$781,738	\$452,194	\$425,881
7	2009	FY2009/2010	\$69,217,260	78.00%	\$53,989,463	17.74	\$957,773	\$957,773	\$270,141	\$781,738	\$602,773	\$355,000
8	2010	FY2010/2011	\$68,355,920	71.00%	\$48,532,703	17.92	\$869,706	\$869,706	\$355,232	\$789,670	\$395,064	\$474,642
9	2011	FY2011/2012	\$62,808,110	73.00%	\$45,849,920	18.28	\$838,137	\$838,137	\$309,986	\$805,533	\$483,137	\$355,000
10	2012	FY2012/2013	\$66,477,790	47.00%	\$31,244,561	18.82	\$588,023	\$588,023	\$663,089	\$829,329	\$141,688	\$446,335
11	2013	FY2013/2014	\$65,716,350	97.72%	\$64,218,017	19.41	\$1,246,472	\$1,246,472	\$29,083	\$855,328	\$800,235	\$446,237
12	2014	FY2014/2015	\$65,131,890	83.00%	\$54,059,469	20.00	\$1,081,189	\$1,081,189	\$221,448	\$881,328	\$634,952	\$446,237
13	2015	FY2015/2016	\$67,362,090	54.58%	\$36,766,229	20.63	\$758,487	\$758,487	\$631,193	\$2,523,424	\$294,738	\$463,749
14	2016	FY2016/2017	\$70,121,790	54.97%	\$38,545,948	21.11	\$813,705	\$813,705	\$666,566	\$2,582,137	\$349,899	\$463,806
15	2017	FY2017/2018	\$82,037,690	58.27%	\$47,803,362	21.65	\$1,034,943	\$1,034,943	\$741,173	\$2,648,189	\$571,631	\$463,312
16	2018	FY2018/2019	\$80,301,620	63.27%	\$50,806,835	22.48	\$1,142,138	\$1,142,138	\$663,043	\$2,749,713	\$817,138	\$325,000
17	2019	FY2019/2020	\$82,327,818	100.00%	\$82,327,818	22.93	\$1,887,744	\$1,887,744	\$0	\$2,804,707	\$1,562,744	\$325,000
18	2020	FY2020/2021	\$84,374,278	100.00%	\$84,374,278	23.39	\$1,973,362	\$1,973,362	\$0	\$2,860,801	\$1,648,362	\$325,000
19	2021	FY2021/2022	\$86,441,203	100.00%	\$86,441,203	23.86	\$2,062,138	\$2,062,138	\$0	\$2,918,017	\$1,737,138	\$325,000
20	2022	FY2022/2023	\$88,528,796	100.00%	\$88,528,796	24.33	\$2,154,178	\$2,154,178	\$0	\$2,976,377	\$1,829,178	\$325,000
21	2023	FY2023/2024	\$90,637,266	100.00%	\$90,637,266	24.82	\$2,249,593	\$2,249,593	\$0	\$3,035,905	\$2,249,593	
22	2024	FY2024/2025	\$92,766,821	100.00%	\$92,766,821	25.32	\$2,348,497	\$2,348,497	\$0	\$3,096,623	\$2,348,497	
23	2025	FY2025/2026	\$94,917,671	100.00%	\$94,917,671	25.82	\$2,451,007	\$2,451,007	\$0	\$3,158,556	\$2,451,007	
24	2026	FY2026/2027	\$97,090,029	100.00%	\$97,090,029	26.34	\$2,557,245	\$2,557,245	\$0	\$3,221,727	\$2,557,245	
25	2027	FY2027/2028	\$99,284,111	100.00%	\$99,284,111	26.87	\$2,667,335	\$2,667,335	\$0	\$3,286,161	\$2,667,335	
26	2028	FY2028/2029	\$101,500,134	100.00%	\$101,500,134	27.40	\$2,781,408	\$2,781,408	\$0	\$3,351,884	\$2,781,408	
27	2029	FY2029/2030	\$103,738,317	100.00%	\$103,738,317	27.95	\$2,899,595	\$2,899,595	\$0	\$3,418,922	\$2,899,595	
28	2030	FY2030/2031	\$105,998,882	100.00%	\$105,998,882	28.51	\$3,022,036	\$3,022,036	\$0	\$3,487,301	\$3,022,036	
29	2031	FY2031/2032	\$108,282,053	100.00%	\$108,282,053	29.08	\$3,148,872	\$3,148,872	\$0	\$3,557,047	\$3,148,872	
30	2032	FY2032/2033	\$110,588,055	100.00%	\$110,588,055	29.66	\$3,280,250	\$3,280,250	\$0	\$3,628,187	\$3,280,250	
30 Year TIF Total			\$2,150,149,224		\$1,876,186,426		\$45,849,352	\$45,849,352	\$5,503,077	\$62,620,736	\$39,884,153	\$5,965,199
30 Year Average			\$71,671,641		\$62,539,548		\$1,528,312	\$1,528,312	\$183,436	\$2,087,358	\$1,329,472	\$198,840

Actual Above This Line  
 Estimates Below This Line

City of Portland Bayside TIF Model  
9/7/2018

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- Bayside TIF Model									
TIF Years 1 (FY2004) through 16 (FY2019) Actual Numbers with Varying Percentage Captures; Years 17 (FY2020) through 30 (FY2033) Estimates at 100% Capture									
TIF Year	Tax Year- April 1	City Fiscal Year	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	2003	FY2003/2004	\$5,468,950	\$54,690	\$0	\$32	\$30	\$62	
2	2004	FY2004/2005	\$7,295,740	\$72,957	\$0	\$43	\$40	\$83	
3	2005	FY2005/2006	\$9,171,480	\$4,967,274	\$0	\$2,906	\$2,742	\$5,649	
4	2006	FY2006/2007	\$11,052,960	\$3,066,091	\$13,046	\$1,794	\$1,693	\$16,533	
5	2007	FY2007/2008	\$23,657,250	\$236,573	\$2,013	\$138	\$131	\$2,282	
6	2008	FY2008/2009	\$49,496,900	\$49,496,900	\$421,219	\$28,959	\$27,300	\$477,478	
7	2009	FY2009/2010	\$69,217,260	\$53,989,463	\$459,450	\$31,587	\$29,775	\$520,813	
8	2010	FY2010/2011	\$68,355,920	\$48,532,703	\$413,013	\$28,395	\$26,769	\$468,177	
9	2011	FY2011/2012	\$62,808,110	\$45,849,920	\$390,183	\$26,825	\$25,291	\$442,299	
10	2012	FY2012/2013	\$66,477,790	\$31,244,561	\$265,891	\$18,280	\$17,240	\$301,412	
11	2013	FY2013/2014	\$65,716,350	\$64,218,017	\$546,495	\$37,572	\$35,408	\$619,475	
12	2014	FY2014/2015	\$65,131,890	\$54,059,469	\$460,046	\$31,628	\$29,814	\$521,488	
13	2015	FY2015/2016	\$67,362,090	\$36,766,229	\$312,881	\$21,511	\$20,284	\$354,676	
14	2016	FY2016/2017	\$70,121,790	\$38,545,948	\$328,026	\$22,552	\$21,266	\$371,843	
15	2017	FY2017/2018	\$82,037,690	\$47,803,362	\$406,807	\$27,968	\$26,367	\$461,142	
16	2018	FY2018/2019	\$80,301,620	\$50,806,835	\$432,366	\$29,725	\$28,022	\$490,113	
17	2019	FY2019/2020	\$82,327,818	\$82,327,818	\$700,610	\$48,167	\$45,375	\$794,152	
18	2020	FY2020/2021	\$84,374,278	\$84,374,278	\$718,025	\$49,365	\$46,500	\$813,890	
19	2021	FY2021/2022	\$86,441,203	\$86,441,203	\$735,615	\$49,365	\$47,637	\$832,616	
20	2022	FY2022/2023	\$88,528,796	\$88,528,796	\$753,380	\$51,795	\$48,785	\$853,961	
21	2023	FY2023/2024	\$90,637,266	\$90,637,266	\$771,323	\$53,029	\$49,945	\$874,297	
22	2024	FY2024/2025	\$92,766,821	\$92,766,821	\$789,446	\$54,275	\$51,116	\$894,836	
23	2025	FY2025/2026	\$94,917,671	\$94,917,671	\$807,749	\$55,533	\$52,298	\$915,581	
24	2026	FY2026/2027	\$97,090,029	\$97,090,029	\$826,236	\$56,804	\$53,493	\$936,533	
25	2027	FY2027/2028	\$99,284,111	\$99,284,111	\$844,908	\$58,088	\$54,699	\$957,695	
26	2028	FY2028/2029	\$101,500,134	\$101,500,134	\$863,766	\$59,384	\$55,917	\$979,067	
27	2029	FY2029/2030	\$103,738,317	\$103,738,317	\$882,813	\$60,694	\$57,147	\$1,000,654	
28	2030	FY2030/2031	\$105,998,882	\$105,998,882	\$902,050	\$62,016	\$58,389	\$1,022,456	
29	2031	FY2031/2032	\$108,282,053	\$108,282,053	\$921,480	\$63,352	\$59,644	\$1,044,476	
30	2032	FY2032/2033	\$110,588,055	\$110,588,055	\$941,104	\$64,701	\$60,911	\$1,066,717	
<b>30 Year TIF Total</b>			<b>\$2,150,149,224</b>	<b>\$1,876,186,426</b>	<b>\$15,909,942</b>	<b>\$1,096,484</b>	<b>\$1,034,030</b>	<b>\$18,040,457</b>	
<b>30 Year Average</b>			<b>\$71,671,641</b>	<b>\$62,539,548</b>	<b>\$530,331</b>	<b>\$36,549</b>	<b>\$34,468</b>	<b>\$601,349</b>	

Order 78-18/19  
~~Tab 11 10-1-1~~  
Tab 14 10-15-18

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER AMENDING  
THE DOWNTOWN TRANSIT ORIENTED DEVELOPMENT AND OMNIBUS  
TAX INCREMENT FINANCING DISTRICT TO ADD MORE PUBLIC INVESTMENT  
OPTIONS AND TO INCREASE THE CAPTURE RATE**

**ORDERED**, that the Downtown Transit Oriented Development and Omnibus Tax Increment Financing (TIF) District, as adopted by Order 139-14/15 and amended by Order 99-17/18, is hereby amended to increase public investment options in substantially the form attached hereto as Exhibit A; and

**BE IT FURTHER ORDERED**, that the Downtown Transit Oriented Development and Omnibus TIF District is further amended to increase the allowable district annual capture rate from up to Twenty-Two Percent (22%) to up to One Hundred Percent (100%); and

**BE IT FURTHER ORDERED**, that the City Council hereby authorizes the City Manager or his or her designee to execute said documents and any other related documents necessary or convenient to carry out the intent of said documents.



Economic Development Department  
Gregory A. Mitchell, Director

**MEMORANDUM**

**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Greg Mitchell, Economic Development Director  
Brendan O'Connell, Finance Director

**DATE:** September 19, 2018

**SUBJECT:** **Proposed Amendments to City Downtown Transit Oriented Development Area-wide Tax Increment Financing District**

**SPONSOR:** Economic Development Committee, Councilor Costa/Chair;  
Meeting held on September 18, 2018, and the vote was 3 – 0 to forward to the City Council for approval.

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

**1<sup>st</sup> reading:** October 1, 2018    **2<sup>nd</sup> Reading/Public Hearing/Final Action:** October 15, 2018

**Can action be taken at a later date:** \_\_\_ Yes     X  No (If no why not?) Public Notice has been advertised in the Portland Press Herald for the public hearing on this for October 15, 2018.

**PRESENTATION: (List the presenter(s), type and length of presentation):** Greg Mitchell/  
5 Minutes

**I. ONE SENTENCE SUMMARY**

City Council action is being requested to approve the proposed amendments to the Downtown Transit Oriented Development TIF District.

**II. AGENDA DESCRIPTION**

Amendments to the Downtown Transit Oriented Development Tax Increment Financing (TIF) District are proposed to maximize utilization of the TIF District revenue by adding more public investment options for use of TIF revenue, including, but not limited to shuttle service to downtown business; professional service costs; pro-rated salaries of the City Manager, Finance Director, and Planning staff; workforce training funds; and public investment in

multi-modal surface and structured parking. A further amendment would increase the TIF District Annual Capture Rate from 22% to 100%.

### III. BACKGROUND

#### **Downtown Transit (Existing and Proposed Amendments)**

**Geography.** 421.52 acres generally bounded by State Street, Bayside TIF District and I-295, Washington Avenue, and the Waterfront TIF District.

**TIF Term.** Fiscal Years 2016-2045

#### ***Overview of TIF District Expenditures to Date.***

<b>Downtown TOD TIF Expenditures from FY2016 thru FY2018</b>	
<b>Uses</b>	<b>Expenditures</b>
Public Infrastructure	\$346,595
Creative Portland	\$300,000
Staff	\$20,000
<b>Total Invested:</b>	<b>\$666,595</b>

***Existing and Proposed Amendments to Uses of Revenue.*** See attached Downtown Transit TIF District Program which shows existing and proposed amendments to allowable uses of TIF District revenue in a strike through and underline format.

#### ***Capture Rates***

>Existing. 22%

>Proposed. 100%. City staff's recommendation is to increase the "allowable" capture to enable maximum use of TIF revenue. It is noted that increasing the "allowable" capture rate does not require the City to annually capture the full amount. Final decisions related to use of TIF revenue are made annually through the City budget process.

There are no proposed changes to the geography of the Downtown Transit TIF District.

### IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

City Council approval of the proposed amendments to the Downtown Transit Oriented Development TIF District to support increased private sector investment and associated job creation.

### V. FINANCIAL IMPACT

***TIF District Estimates.*** See attached spreadsheets for estimates of property tax revenue and funds available to the General Fund. Tax projections are provided for 22% and 100% TIF capture rates for the remainder of the Downtown Transit TIF District term.

***Tax Shelter (Financial Benefits).*** Probably the most important, but least understood public benefit associated with TIF districts, is the tax shelter or local financial benefits.

Municipalities realize “savings” from the tax sheltering effect of TIF Districts. The following direct financial impacts occur when municipal valuation increases:

- A. State Education Aid is reduced,
- B. State Municipal Revenue Sharing is reduced, and
- C. A municipality pays a higher percentage of the County budget.

***This amount of “savings” is significant and one of the most important benefits of establishing TIF Districts.***

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF District. The estimated tax shelter savings for the remainder of the Downtown Transit TIF District term (FY2020 through FY2045) is as follows:

22% - \$18,600,000, or \$715,000 Annually  
100% - \$84,500,000 or \$3,250,000 Annually

#### ***Net Impact to the General Fund***

The savings referenced above is a direct benefit to the general fund – both to the City and the School Department via an increase in revenue from the State of Maine for education, increased revenues for the City from municipal revenue sharing, and decreased expenses for county tax. It is important to note that whenever the TIF capture rate is adjusted upward there will change in how property tax revenue flows between the general fund and the area TIFs. Via careful TIF budgeting, subject to annual budget approval by City Council, certain types of approved expenditures can be moved from the general fund into area TIFs. If the impact of the revenue shift is able to be fully offset the end result is the 30 cent savings on the dollar. A good example is what was done in the FY19 budget. TIF capture rates were adjusted upward by approximately 5% in the Waterfront and Bayside TIF. Although this resulted in slightly less revenue to the general fund, expenses related to Economic Development Department staff, in an amount approximately equal to the revenue shift, were shifted into the TIF. The net result was an increased capture rate in both TIFs, more sheltering savings (approximately 30% in benefits) and no other negative impact on the City or School budgets. It is this type of calculated TIF budgeting which is expected to continue to be utilized moving forward to increase capture rates, maximize sheltering, and ensure only positive impacts to the City and School budgets.

## **VI. STAFF ANALYSIS**

Based on the above, staff recommends that the City Council vote to approve the proposed amendments to the Downtown Transit Oriented Development and TIF District.

## **VII. RECOMMENDATION**

The Economic Development Committee recommended in a vote of 3-0 on September 18, 2018, that this item be forwarded to the City Council for approval of the Amendments to the Downtown Transit Oriented Development and TIF District.

**VII. LIST ATTACHMENTS**

- Updated Spreadsheets for Actual and Estimated TIF Revenue and Tax Shelter Savings
- Marked Revision and Clean Version of TIF Narrative and updated Spreadsheets; additional attachments noted in the Narrative are available upon request.

City of Portland - Downtown TOD TIF Model  
 Actual IAV FY2016 through FY2019  
 Estimates FY2020 through FY2045

Annual mill rate increase FY2020 through FY2045: 2%  
 Annual valuation increase FY2020 through FY2045: 1%

Original Assessed Value as of 4/1/2013: \$968,136,850

9/6/2018

City of Portland - Downtown TOD TIF Projection Table

TIF Year	Tax Year- April 1	City Fiscal Year	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	OAV General Fund Revenue
1	2015	FY2015/2016	\$72,245,340	12.00%	\$8,669,441	20.63	\$178,851	\$0	\$178,851	\$1,311,571	\$19,972,663
2	2016	FY2016/2017	\$84,092,870	22.00%	\$18,500,431	21.11	\$390,544	\$0	\$390,544	\$1,384,656	\$20,437,369
3	2017	FY2017/2018	\$126,688,910	22.00%	\$27,871,560	21.65	\$603,419	\$0	\$603,419	\$2,139,396	\$20,960,163
4	2018	FY2018/2019	\$189,840,880	22.00%	\$37,364,994	22.48	\$839,965	\$0	\$839,965	\$2,978,058	\$21,763,716
5	2019	FY2019/2020	\$181,220,655	22.00%	\$39,868,544	22.93	\$914,170	\$0	\$914,170	\$3,241,147	\$22,198,991
6	2020	FY2020/2021	\$192,714,227	22.00%	\$42,397,130	23.39	\$991,592	\$0	\$991,592	\$3,515,645	\$22,642,971
7	2021	FY2021/2022	\$204,322,735	22.00%	\$44,951,002	23.86	\$1,072,349	\$0	\$1,072,349	\$3,801,965	\$23,095,830
8	2022	FY2022/2023	\$216,047,328	22.00%	\$47,530,412	24.33	\$1,156,561	\$0	\$1,156,561	\$4,100,535	\$23,557,747
9	2023	FY2023/2024	\$227,889,167	22.00%	\$50,135,617	24.82	\$1,244,353	\$0	\$1,244,353	\$4,411,796	\$24,028,901
10	2024	FY2024/2025	\$239,849,425	22.00%	\$52,766,873	25.32	\$1,335,853	\$0	\$1,335,853	\$4,736,206	\$24,509,479
11	2025	FY2025/2026	\$251,929,285	22.00%	\$55,424,443	25.82	\$1,431,195	\$0	\$1,431,195	\$5,074,237	\$24,999,669
12	2026	FY2026/2027	\$264,129,943	22.00%	\$58,108,588	26.34	\$1,530,516	\$0	\$1,530,516	\$5,426,376	\$25,499,662
13	2027	FY2027/2028	\$276,452,609	22.00%	\$60,819,574	26.87	\$1,633,959	\$0	\$1,633,959	\$5,793,128	\$26,009,656
14	2028	FY2028/2029	\$288,898,501	22.00%	\$63,557,670	27.40	\$1,741,670	\$0	\$1,741,670	\$6,175,014	\$26,529,849
15	2029	FY2029/2030	\$301,468,851	22.00%	\$66,323,147	27.95	\$1,853,802	\$0	\$1,853,802	\$6,572,570	\$27,060,446
16	2030	FY2030/2031	\$314,164,906	22.00%	\$69,116,279	28.51	\$1,970,510	\$0	\$1,970,510	\$6,986,355	\$27,601,655
17	2031	FY2031/2032	\$326,987,921	22.00%	\$71,937,343	29.08	\$2,091,958	\$0	\$2,091,958	\$7,416,941	\$28,153,688
18	2032	FY2032/2033	\$339,939,166	22.00%	\$74,786,616	29.66	\$2,218,312	\$0	\$2,218,312	\$7,864,924	\$28,716,762
19	2033	FY2033/2034	\$353,019,923	22.00%	\$77,664,383	30.26	\$2,349,745	\$0	\$2,349,745	\$8,330,915	\$29,291,097
20	2034	FY2034/2035	\$366,231,488	22.00%	\$80,570,927	30.86	\$2,486,437	\$0	\$2,486,437	\$8,815,549	\$29,876,919
21	2035	FY2035/2036	\$379,575,169	22.00%	\$83,506,537	31.48	\$2,628,571	\$0	\$2,628,571	\$9,319,479	\$30,474,457
22	2036	FY2036/2037	\$393,052,286	22.00%	\$86,471,503	32.11	\$2,776,338	\$0	\$2,776,338	\$9,843,382	\$31,083,946
23	2037	FY2037/2038	\$406,664,175	22.00%	\$89,466,118	32.75	\$2,929,936	\$0	\$2,929,936	\$10,387,956	\$31,705,625
24	2038	FY2038/2039	\$420,412,182	22.00%	\$92,490,680	33.40	\$3,089,568	\$0	\$3,089,568	\$10,953,922	\$32,339,738
25	2039	FY2039/2040	\$434,297,670	22.00%	\$95,545,487	34.07	\$3,255,443	\$0	\$3,255,443	\$11,542,025	\$32,986,532
26	2040	FY2040/2041	\$448,322,013	22.00%	\$98,630,843	34.75	\$3,427,779	\$0	\$3,427,779	\$12,153,035	\$33,646,263
27	2041	FY2041/2042	\$462,486,598	22.00%	\$101,747,052	35.45	\$3,606,800	\$0	\$3,606,800	\$12,787,746	\$34,319,188
28	2042	FY2042/2043	\$476,792,830	22.00%	\$104,894,423	36.16	\$3,792,738	\$0	\$3,792,738	\$13,446,980	\$35,005,572
29	2043	FY2043/2044	\$491,242,124	22.00%	\$108,073,267	36.88	\$3,985,831	\$0	\$3,985,831	\$14,131,583	\$35,705,684
30	2044	FY2044/2045	\$505,835,911	22.00%	\$111,283,900	37.62	\$4,186,327	\$0	\$4,186,327	\$14,842,431	\$36,419,797
<b>30 Year TIF Total</b>			<b>\$9,216,815,087</b>		<b>\$2,020,474,785</b>		<b>\$61,715,093</b>	<b>\$0</b>	<b>\$61,715,093</b>	<b>\$219,485,523</b>	<b>\$830,594,035</b>
<b>30 Year TIF Average</b>			<b>\$307,227,170</b>		<b>\$67,349,160</b>		<b>\$2,057,170</b>	<b>\$0</b>	<b>\$2,057,170</b>	<b>\$7,316,184</b>	<b>\$27,686,468</b>

Actuals Above  
 Estimates Below

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model								
30 years: Year 1 - 12% to Municipal Project Account, 88% to City General Fund; Years 2 through 30: 22% to Municipal Project Account, 78% to City General Fund								
TIF Year	Tax Year- April 1	City Fiscal Year	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	2015	FY2015/2016	\$72,245,340	\$8,669,441	\$0	\$5,072	\$4,786	\$9,858
2	2016	FY2016/2017	\$84,092,870	\$18,500,431	\$0	\$10,824	\$10,211	\$21,035
3	2017	FY2017/2018	\$126,688,910	\$27,871,560	\$0	\$16,307	\$15,380	\$31,687
4	2018	FY2018/2019	\$169,840,880	\$37,364,994	\$158,988	\$21,861	\$20,615	\$201,464
5	2019	FY2019/2020	\$181,220,655	\$39,868,544	\$339,281	\$23,326	\$21,995	\$384,602
6	2020	FY2020/2021	\$192,714,227	\$42,397,130	\$360,800	\$24,805	\$23,388	\$408,993
7	2021	FY2021/2022	\$204,322,735	\$44,951,002	\$382,533	\$26,299	\$24,796	\$433,628
8	2022	FY2022/2023	\$216,047,328	\$47,530,412	\$404,484	\$27,808	\$26,217	\$458,509
9	2023	FY2023/2024	\$227,889,167	\$50,135,617	\$426,654	\$29,333	\$27,652	\$483,639
10	2024	FY2024/2025	\$239,849,425	\$52,766,873	\$449,046	\$30,872	\$29,102	\$509,020
11	2025	FY2025/2026	\$251,929,285	\$55,424,443	\$471,662	\$32,427	\$30,566	\$534,655
12	2026	FY2026/2027	\$264,129,943	\$58,108,588	\$494,504	\$33,997	\$32,044	\$560,545
13	2027	FY2027/2028	\$276,452,609	\$60,819,574	\$517,575	\$35,583	\$33,537	\$586,695
14	2028	FY2028/2029	\$288,898,501	\$63,557,670	\$540,876	\$37,185	\$35,044	\$613,106
15	2029	FY2029/2030	\$301,468,851	\$66,323,147	\$564,410	\$38,803	\$36,567	\$639,780
16	2030	FY2030/2031	\$314,164,906	\$69,116,279	\$588,180	\$40,438	\$38,104	\$666,722
17	2031	FY2031/2032	\$326,987,921	\$71,937,343	\$612,187	\$42,088	\$39,657	\$693,932
18	2032	FY2032/2033	\$339,939,166	\$74,786,616	\$636,434	\$43,755	\$41,225	\$721,415
19	2033	FY2033/2034	\$353,019,923	\$77,664,383	\$660,924	\$43,755	\$42,809	\$747,488
20	2034	FY2034/2035	\$366,231,488	\$80,570,927	\$685,659	\$47,139	\$44,408	\$777,206
21	2035	FY2035/2036	\$379,575,169	\$83,506,537	\$710,641	\$48,857	\$46,023	\$805,520
22	2036	FY2036/2037	\$393,052,286	\$86,471,503	\$735,872	\$50,592	\$47,654	\$834,118
23	2037	FY2037/2038	\$406,664,175	\$89,466,118	\$761,357	\$52,344	\$49,301	\$863,001
24	2038	FY2038/2039	\$420,412,182	\$92,490,680	\$787,096	\$54,113	\$50,964	\$892,173
25	2039	FY2039/2040	\$434,297,670	\$95,545,487	\$813,092	\$55,900	\$52,644	\$921,636
26	2040	FY2040/2041	\$448,322,013	\$98,630,843	\$839,348	\$57,706	\$54,340	\$951,394
27	2041	FY2041/2042	\$462,486,598	\$101,747,052	\$865,867	\$59,529	\$56,053	\$981,449
28	2042	FY2042/2043	\$476,792,830	\$104,894,423	\$892,652	\$61,370	\$57,782	\$1,011,804
29	2043	FY2043/2044	\$491,242,124	\$108,073,267	\$919,704	\$63,230	\$59,529	\$1,042,463
30	2044	FY2044/2045	\$505,835,911	\$111,283,900	\$947,026	\$65,108	\$61,293	\$1,073,428
<b>30 Year TIF Total</b>			<b>\$9,216,815,087</b>	<b>\$2,020,474,785</b>	<b>\$16,566,850</b>	<b>\$1,180,428</b>	<b>\$1,113,685</b>	<b>\$18,860,963</b>
<b>30 Year TIF Avg.</b>			<b>\$307,227,170</b>	<b>\$67,349,160</b>	<b>\$552,228</b>	<b>\$39,348</b>	<b>\$37,123</b>	<b>\$628,699</b>

Revised Downtown TOD TIF Exhibit D-1

City of Portland - Downtown TOD TIF Model  
 Actual IAV FY2016 through FY2019  
 Estimates FY2020 through FY2045

Annual mil rate increase FY2020 through FY2045: 2%  
 Annual valuation increase FY2020 through FY2045: 1%  
 Original Assessed Value as of 4/1/2013: \$968,136,850

9/6/2018

City of Portland - Downtown TOD TIF Projection Table

TIF Year	Tax Year- April 1	City Fiscal Year	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	OAV General Fund Revenue
1	2015	FY2015/2016	\$72,245,340	12.00%	\$8,669,441	20.63	\$178,851	\$0	\$178,851	\$1,311,571	\$19,972,663
2	2016	FY2016/2017	\$84,092,870	22.00%	\$18,500,431	21.11	\$390,544	\$0	\$390,544	\$1,384,656	\$20,437,369
3	2017	FY2017/2018	\$126,688,910	22.00%	\$27,871,560	21.65	\$603,419	\$0	\$603,419	\$2,139,396	\$20,960,163
4	2018	FY2018/2019	\$169,840,880	22.00%	\$37,364,994	22.48	\$839,965	\$0	\$839,965	\$2,978,058	\$21,763,716
5	2019	FY2019/2020	\$181,220,655	100.00%	\$181,220,655	22.93	\$4,155,317	\$0	\$4,155,317	\$0	\$22,198,991
6	2020	FY2020/2021	\$192,714,227	100.00%	\$192,714,227	23.39	\$4,507,237	\$0	\$4,507,237	\$0	\$22,642,971
7	2021	FY2021/2022	\$204,322,735	100.00%	\$204,322,735	23.86	\$4,874,314	\$0	\$4,874,314	\$0	\$23,095,830
8	2022	FY2022/2023	\$216,047,328	100.00%	\$216,047,328	24.33	\$5,257,096	\$0	\$5,257,096	\$0	\$23,557,747
9	2023	FY2023/2024	\$227,889,167	100.00%	\$227,889,167	24.82	\$5,656,149	\$0	\$5,656,149	\$0	\$24,028,901
10	2024	FY2024/2025	\$239,849,425	100.00%	\$239,849,425	25.32	\$6,072,060	\$0	\$6,072,060	\$0	\$24,509,479
11	2025	FY2025/2026	\$251,929,285	100.00%	\$251,929,285	25.82	\$6,505,432	\$0	\$6,505,432	\$0	\$24,999,669
12	2026	FY2026/2027	\$264,129,943	100.00%	\$264,129,943	26.34	\$6,956,893	\$0	\$6,956,893	\$0	\$25,499,662
13	2027	FY2027/2028	\$276,452,609	100.00%	\$276,452,609	26.87	\$7,427,088	\$0	\$7,427,088	\$0	\$26,009,656
14	2028	FY2028/2029	\$288,898,501	100.00%	\$288,898,501	27.40	\$7,916,684	\$0	\$7,916,684	\$0	\$26,529,849
15	2029	FY2029/2030	\$301,468,851	100.00%	\$301,468,851	27.95	\$8,426,372	\$0	\$8,426,372	\$0	\$27,060,446
16	2030	FY2030/2031	\$314,164,906	100.00%	\$314,164,906	28.51	\$8,956,865	\$0	\$8,956,865	\$0	\$27,601,655
17	2031	FY2031/2032	\$326,987,921	100.00%	\$326,987,921	29.08	\$9,508,899	\$0	\$9,508,899	\$0	\$28,153,688
18	2032	FY2032/2033	\$339,939,166	100.00%	\$339,939,166	29.66	\$10,083,236	\$0	\$10,083,236	\$0	\$28,716,762
19	2033	FY2033/2034	\$353,019,923	100.00%	\$353,019,923	30.26	\$10,680,660	\$0	\$10,680,660	\$0	\$29,291,097
20	2034	FY2034/2035	\$366,231,488	100.00%	\$366,231,488	30.86	\$11,301,985	\$0	\$11,301,985	\$0	\$29,876,919
21	2035	FY2035/2036	\$379,575,169	100.00%	\$379,575,169	31.48	\$11,948,050	\$0	\$11,948,050	\$0	\$30,474,457
22	2036	FY2036/2037	\$393,052,286	100.00%	\$393,052,286	32.11	\$12,619,720	\$0	\$12,619,720	\$0	\$31,083,946
23	2037	FY2037/2038	\$406,664,175	100.00%	\$406,664,175	32.75	\$13,317,892	\$0	\$13,317,892	\$0	\$31,705,625
24	2038	FY2038/2039	\$420,412,182	100.00%	\$420,412,182	33.40	\$14,043,490	\$0	\$14,043,490	\$0	\$32,339,738
25	2039	FY2039/2040	\$434,297,670	100.00%	\$434,297,670	34.07	\$14,797,468	\$0	\$14,797,468	\$0	\$32,986,532
26	2040	FY2040/2041	\$448,322,013	100.00%	\$448,322,013	34.75	\$15,580,814	\$0	\$15,580,814	\$0	\$33,646,263
27	2041	FY2041/2042	\$462,486,598	100.00%	\$462,486,598	35.45	\$16,394,547	\$0	\$16,394,547	\$0	\$34,319,188
28	2042	FY2042/2043	\$476,792,830	100.00%	\$476,792,830	36.16	\$17,239,718	\$0	\$17,239,718	\$0	\$35,005,572
29	2043	FY2043/2044	\$491,242,124	100.00%	\$491,242,124	36.88	\$18,117,414	\$0	\$18,117,414	\$0	\$35,705,684
30	2044	FY2044/2045	\$505,835,911	100.00%	\$505,835,911	37.62	\$19,028,757	\$0	\$19,028,757	\$0	\$36,419,797
30 Year TIF Total			\$9,216,815,087		\$8,856,353,513		\$273,386,936	\$0	\$273,386,936	\$7,813,681	\$830,594,035
30 Year TIF Average			\$307,227,170		\$295,211,784		\$9,112,898	\$0	\$9,112,898	\$260,456	\$27,686,468

Actuals Above  
 Estimates Below

City of Portland - Downtown TOD TIF Model  
 Actual FY2016 through FY2019  
 Estimates FY2020 through FY2045

Annual mil rate increase FY2020 through FY2045: 2%  
 Annual valuation increase FY2020 through FY2045: 1%

Original Assessed Value as of 4/1/2013: \$968,136,850

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model								
30 years: Year 1 - 12% to Municipal Project Account, 88% to City General Fund; Years 2 through 4: 12% to Municipal Project Account, 78% to City General Fund; Years 5 through 30: 100% to Municipal Project Account								
TIF Year	Tax Year- April 1	City Fiscal Year	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	2015	FY2015/2016	\$72,245,340	\$8,669,441	\$0	\$5,072	\$4,786	\$9,858
2	2016	FY2016/2017	\$84,092,870	\$18,500,431	\$0	\$10,824	\$10,211	\$21,035
3	2017	FY2017/2018	\$126,688,910	\$27,871,560	\$0	\$16,307	\$15,380	\$31,687
4	2018	FY2018/2019	\$169,840,880	\$37,364,994	\$158,988	\$21,861	\$20,615	\$201,464
5	2019	FY2019/2020	\$181,220,655	\$181,220,655	\$1,542,188	\$106,026	\$99,656	\$1,747,869
6	2020	FY2020/2021	\$192,714,227	\$192,714,227	\$1,639,998	\$112,751	\$105,948	\$1,858,697
7	2021	FY2021/2022	\$204,322,735	\$204,322,735	\$1,738,786	\$119,542	\$112,301	\$1,970,630
8	2022	FY2022/2023	\$216,047,328	\$216,047,328	\$1,838,563	\$126,402	\$118,714	\$2,083,679
9	2023	FY2023/2024	\$227,889,167	\$227,889,167	\$1,939,337	\$133,330	\$125,187	\$2,197,854
10	2024	FY2024/2025	\$239,849,425	\$239,849,425	\$2,041,119	\$140,328	\$131,722	\$2,313,168
11	2025	FY2025/2026	\$251,929,285	\$251,929,285	\$2,143,918	\$147,395	\$138,318	\$2,429,632
12	2026	FY2026/2027	\$264,129,943	\$264,129,943	\$2,247,746	\$154,534	\$144,977	\$2,547,256
13	2027	FY2027/2028	\$276,452,609	\$276,452,609	\$2,352,612	\$161,743	\$151,698	\$2,666,053
14	2028	FY2028/2029	\$288,898,501	\$288,898,501	\$2,458,526	\$169,025	\$158,483	\$2,786,034
15	2029	FY2029/2030	\$301,468,851	\$301,468,851	\$2,565,500	\$176,379	\$165,332	\$2,907,211
16	2030	FY2030/2031	\$314,164,906	\$314,164,906	\$2,673,543	\$183,807	\$172,246	\$3,029,596
17	2031	FY2031/2032	\$326,987,921	\$326,987,921	\$2,782,667	\$191,310	\$179,224	\$3,153,201
18	2032	FY2032/2033	\$339,939,166	\$339,939,166	\$2,892,882	\$198,887	\$186,268	\$3,278,038
19	2033	FY2033/2034	\$353,019,923	\$353,019,923	\$3,004,200	\$198,887	\$193,379	\$3,396,466
20	2034	FY2034/2035	\$366,231,488	\$366,231,488	\$3,116,630	\$214,270	\$200,556	\$3,531,456
21	2035	FY2035/2036	\$379,575,169	\$379,575,169	\$3,230,185	\$222,077	\$207,801	\$3,660,063
22	2036	FY2036/2037	\$393,052,286	\$393,052,286	\$3,344,875	\$229,962	\$215,114	\$3,789,951
23	2037	FY2037/2038	\$406,664,175	\$406,664,175	\$3,460,712	\$237,926	\$222,496	\$3,921,133
24	2038	FY2038/2039	\$420,412,182	\$420,412,182	\$3,577,708	\$245,969	\$229,947	\$4,053,623
25	2039	FY2039/2040	\$434,297,670	\$434,297,670	\$3,695,873	\$254,093	\$237,467	\$4,187,433
26	2040	FY2040/2041	\$448,322,013	\$448,322,013	\$3,815,220	\$262,296	\$245,058	\$4,322,577
27	2041	FY2041/2042	\$462,486,598	\$462,486,598	\$3,935,761	\$270,585	\$252,720	\$4,459,067
28	2042	FY2042/2043	\$476,792,830	\$476,792,830	\$4,057,507	\$278,955	\$260,454	\$4,596,916
29	2043	FY2043/2044	\$491,242,124	\$491,242,124	\$4,180,470	\$287,409	\$268,260	\$4,736,140
30	2044	FY2044/2045	\$505,835,911	\$505,835,911	\$4,304,664	\$295,948	\$276,139	\$4,876,750
<b>30 Year TIF Total</b>			<b>\$9,216,815,087</b>	<b>\$8,856,353,513</b>	<b>\$74,740,178</b>	<b>\$5,173,902</b>	<b>\$4,850,458</b>	<b>\$84,764,538</b>
<b>30 Year TIF Avg.</b>			<b>\$307,227,170</b>	<b>\$295,211,784</b>	<b>\$2,491,339</b>	<b>\$172,463</b>	<b>\$161,682</b>	<b>\$2,825,485</b>

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

**I. Introduction – Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District Amendment #2**

On February 19, 2015, the City of Portland (the “City”) designated the Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District (the “District”) and adopted this Development Program (the “Development Program”) for the District in an effort to fully realize the visions and goals of the City of Portland Downtown Revitalization Investment Plan (“Downtown Plan”); the Downtown Plan is attached as Exhibit A. The duration of this District will be 30 years beginning July 1, 2015 (Tax Year 4/1/2015; FY2015-16) ending June 30, 2045 (Tax Year 4/1/2044; FY2044-45).

a. District Amendment #1 Approved by MDECD February 27, 2018: The purpose of this District amendment ~~is was~~ to remove the parcel designated by the City Assessor as 22-F-1 at 54 Lancaster – a tax exempt parcel (so no value attributed to the Original Assessed Value) with approximately .48 acres, which will be turned into a free-standing Affordable Housing TIF District. Portland’s amended District ~~remained~~ the same at approximately 422 acres and ~~is~~ bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded.

b. Proposed District Amendment #2: District Amendment #2 is to increase the allowable uses for Municipal TIF Revenue and increase the percentage capture from 22% to 100%, all as more detailed in Section II below.

The Downtown Plan includes a listing of current projects and categories of future investment. It is recognized that meeting the infrastructure needs of Portland’s downtown will be a dynamic process that will be updated locally on an annual basis or as needed. Though the specific public projects prioritized and undertaken from year to year will change, with the exception of this District funding up to \$100,000 annually for the Creative Portland Corporation, categories of investment for the purpose of eligible uses of the TIF Revenues will remain consistent. Actual project selections and prioritization for funding will continue to be made on an annual basis during the City budget and Capital Improvements Plan (CIP) process, based on categories contained in Table 1 hereinbelow. The CIP is the document that presents the City’s capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document; the FY2015 to 2019 CIP document is included in the Downtown Plan as an appendice.

**II. Development Program Narrative**

**A. The Development Program as Amended with Amendment #2**

9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS

The Amended Development Program for the Downtown Transit Oriented Municipal Development and Omnibus TIF District is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised TIF Statutes, as amended (the "TIF Statute"), ~~and remains the same.~~ The City's designation of the District, combined with the adoption of this Amended Development Program, creates a single municipal TIF district in order to capture the value of the real property improvements made within the District and enable the use of TIF revenues for various municipal and other development projects.

Under this Amended Development Program, the City ~~may capture up to~~ 12% in year one, ~~and up to and~~ 22% in years 2 through ~~30~~. This Amended Development Program would now allow for the City to capture up to 100%, of the new real property value located in the District for remainder of the term of the District, or through Tax Year April 1, 2044/City Fiscal Year 2044/2045, a total of thirty (30) years. The City may retain those tax revenues generated by the captured assessed value (the "TIF Revenues") to fund infrastructure improvements and other administrative costs, all as further described in Table 1 hereinbelow. The City reserves the right to capture less than the full ~~100~~2% in ~~year one and less than the 22% in~~ years ~~25~~ through 30, depending on the then-current needs of the City with respect to the approved project costs. Any reduction in the captured value percentage shall adjust the amount of assessed value eligible for sheltering with respect to the tax shift benefit correspondingly. Although all TIF Revenues will be retained by the City at this time, the City reserves the right in the future to negotiate and execute commercial credit enhancement agreements pursuant to City Council approved TIF Policy as may be amended from time to time. CEAs would be limited, however, to the of up to twenty years, or limited to the balance of District term at that time, ~~and up to sixty five percent (65%) of the TIF Revenues, within sole Council discretion.~~ Such future credit enhancement agreements would require a public hearing and City Council approval.

~~Proposed Amendments to City TIF Policy is attached as Exhibit B, and they were approved by the City Council on November 20, 2017. Amendments include allowing Affordable Housing TIF District credit enhancement agreements to have a maximum term allowed as 30 years (or if in this District limited to balance of District term at that time), and also allowing up to 75% capture for the term.~~

In designating the District and adopting this Amended Development Program, the City can accomplish the following goals:

- Maintain existing tax revenues;
- Invest in the Downtown public infrastructure;
- Invest in the Creative Portland Corporation annually;
- Invest in new and enhanced transit services;
- Enjoy enhanced future tax revenues generated by new development within the District; and
- Create long-term, stable employment opportunities for area residents because of these TIF investments.

## 9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS

In addition, by creating the District, the City will “shelter” the increase in municipal valuation that development in the District will bring about. This tax shift benefit mitigates the adverse effect that the District’s increased assessed property value has upon the City’s share of state aid to education, municipal revenue sharing, and its county tax assessment. An estimate of the tax shift benefits is shown in Revised Exhibit D-2 attached hereto.

The City’s designation of the District and pursuit of this Amended Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the City and the region by providing jobs, contributing to property taxes, and diversifying the region’s economic base.

### **B. The Projects**

Development within the District will provide a revenue source for the City’s economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland’s business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding of Creative Portland Corporation, of which the City of Portland is the Corporator, of up to \$100,000 annually, as well as City plans to invest in its public infrastructure in these investment focus areas:

- Sidewalk and Other Pedestrian Enhancements
- Streetscape
- Lighting
- Street Alignment
- Utilities
- Bicycle Improvements
- Public Transit
- Wayfinding
- Multi-modal surface and structured parking
- Work force training
- Professional service costs
- Economic Development Department administrative costs and staff salaries, and prorated salaries of the City Manager, Finance Director, and Planning and Urban Development Director, and Planning staff.

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

The District projects at this time are highlighted in Table 1 below:

**TABLE 1**

**NOTE 1:** All Citations refer to Title 30-A, Chapter 206, Section 5225

**NOTE 2:** While this **Amended** Development Program lists particular projects, the **Amended** Development Program shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the City to completing any particular project. The projects will only be undertaken following proper appropriation through the annual budget process and any other applicable required approvals.

Project	Downtown Revitalization Plan Reference by page no.	Statutory Citation	Estimated Cost
<p><b>In District: Capital Infrastructure <u>Design and Investments, including Financing Costs</u>, for example:</b></p> <ul style="list-style-type: none"> <li>- <u>Multi-modal surface and structured parking</u></li> <li>- Sidewalk and Other Pedestrian Enhancements</li> <li>- Roadway Realignments/Paving</li> <li>- <u>Crosswalks</u></li> <li>- <u>Traffic Signals</u></li> <li>- Intersection Redesigns</li> <li>- Bicycle <u>lanes, racks, and stations</u> Infrastructure</li> <li>- Stormwater Management, including water and sewer upgrades</li> <li>- <u>Telecommunications, lighting, and electrical distribution upgrades;</u> Infrastructure improvements/enhancements</li> <li>- Wayfinding (signage)</li> <li>- Public plaza intersection improvements</li> </ul>	<p><u>19, 47</u></p> <p><u>19, 205, 6, 7, 9, 34, 35, 48</u></p> <p><u>19, 205, 6, 34, 35</u></p> <p><u>19, 46</u></p> <p><u>34, 46</u></p> <p><u>19, 20, 34, 35, 5, 6</u></p> <p><u>195, 9, 11, 34, 47</u></p> <p><u>195, 334</u></p> <p><u>195, 363</u></p> <p><u>195, 9, 23, 35, 3, 47</u></p> <p><u>228, 46</u></p>	<p><u>(1)(A)(1)(2)(3)(6)(7)</u></p> <p><u>(1)(A)(1)(2)(3)(6)(7)</u></p> <p><u>(1)(A)(1)(2)(3)(6)(7)</u></p> <p><u>(1)(A)(1)(a)(i)</u></p> <p><u>(1)(A)(1)(2)(3)</u></p> <p><u>(1)(A)(1)(2)(3)(6)(7)</u></p> <p><u>(1)(A)(1)(a)(i)</u></p> <p><u>(1)(A)(1)(2)(3)(6)(7)</u></p> <p><u>(1)(A)(1)(2)(3)(7)</u></p> <p><u>(1)(A)(1)</u></p> <p><u>(1)(A)(1)(2)(3)(6)(7)</u></p>	<p><u>\$150 Million over the life of the District for these Capital Infrastructure Items.</u></p> <p><u>\$200K annually; \$6 Million over life of District</u></p>
<p><b>In and out of District: New and Enhanced Transit Services, including</b></p>			

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<p><b>operational costs, for example (see Exhibit K – Transit Map):</b></p> <ul style="list-style-type: none"> <li>- Creation of high frequency bus service on Congress Street at 15-minute intervals between the Portland Transportation Center (PTC) and Washington Avenue;</li> <li>- Enhancing Stevens Avenue-Allen Avenue- Congress Street bus service areas;</li> <li>- Corresponding costs for these enhancements, including transit operator salaries; transit vehicle fuel, and transit vehicle parts replacements.</li> <li>- <u>Transit capital costs including transit vehicles and related equipment; bus shelters and other related structures; benches; signs, and other transit-related infrastructure.</u></li> <li>- <u>Shuttle service to downtown businesses.</u></li> </ul>	<p><del>317, 20, 21, 6, 32, 33</del></p> <p><u>20</u></p> <p><u>20</u></p> <p><u>20</u></p> <p><u>17, 20</u></p>	<p>(1)(A) and (1)(C)(7)</p> <p><u>(1)(A)(1)(a) and (1)(C)(7)</u></p> <p><u>(1)(A)(1)(a) and (1)(C)(7)</u></p> <p><u>(1)(A)(1)(a) and (1)(C)(7)</u></p> <p><u>(1)(A)(1)(a) and (1)(C)(7)</u></p>	<p><del>\$110K annually; \$3.3 Million over life of District</del></p> <p><u>\$15 Million for Transit in this category.</u></p>
<p><b>In and out of District: City Marketing and Promotion through Creative Portland Corporation (CPC), for example (see Exhibit M Arts District Map within Downtown TOD TIF District):</b></p> <ul style="list-style-type: none"> <li>- In District: Center for the Arts, including rental residential space;</li> <li>- In District: capital, financing, real property assembly and professional service costs;</li> <li>- <b>In and out of District:</b> CPC staffing, administrative and</li> </ul>	<p><u>20, 21, 47, 7</u></p> <p><u>20, 21, 47</u></p> <p><u>20, 21, 47</u></p>	<p>(1)(C)(1)(2)</p> <p><u>(1)(C)(1)(2)</u></p> <p><u>(1)(C)(1)(2)</u></p>	<p>Up to \$100K annually; \$3 Million over life of District</p>

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marketing expenses; revolving loan or investment fund.			
<b>In and out of District:</b> - Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, <u>Finance Director</u> , and Planning Urban Development Director, <u>and Planning staff</u> *; <u>including</u> - <u>Professional services costs;</u> - <u>Workforce training funds.</u> <u>Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.</u>	<u>217, Also TIF App. P. 3</u>  <u>See TIF App. P.3</u> <u>See TIF App. P. 3</u>	(1)(A)(5) and (1)(C)(1)  <u>(1)(A)(4);(1)(C)(1)</u> <u>(1)(C)(4)</u>	<u>\$250K annually;</u> <u>\$7.5 Million over life of District</u> <u>\$15 Million over life of the District.</u>
<b>In District: Small Public Capital Infrastructure and Equipment, for example (Downtown Plan pp. 6 and 7)</b> - Parking meters - Vehicles for <u>Public Services Dept. (formerly Public Works Dept.)</u> , and Fire Dept., including ambulances	<u>197</u> <u>21. 36 to 44</u>	(1)(A)(1)(a) <u>(1)(A)(1)(a)</u>	\$10 <u>Million over life of the District</u> <del>OK</del>
<b>In District: Relocation of Displaced Persons (TIF Application, p. 6)</b>	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not anticipated at time of TIF application
<b>In District: CEAs as Approved by City Council (TIF application p. 2)</b>	(see TIF application p. 2)	(1)(A) <u>(1)(2)(3)(6)(7)</u>	Unknown at time of TIF application
<b>Total Estimate of TIF Revenue Expenditure over 30 year term:</b>			<u>\$1932019,9000,000</u>

\*This item is not unique to this TIF District, it is also included in the Bayside TIF District, Waterfront TIF District, and partially included Riverwalk TIF District.

**C. Strategic Growth and Development**

This Amended Development Program and the Downtown Plan meld various studies and plans for the District into one document, thereby promoting those studies and plans and making

## 9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS

investments at the appropriate time. The studies and plans noted in the Downtown Plan represent a series of community initiatives, both completed and underway, or in planning process. The Amended Development Program and Project List (Table 1) noted hereinabove represents the best thinking of City staff about current opportunities for realizing the City's longstanding, evolving vision for its Downtown.

### D. Improvements to the Public Infrastructure

As further set forth in Table 1 hereinabove, the City may use certain TIF Revenues for sidewalk and other pedestrian improvements including crosswalks, roadway realignments/paving, intersection redesigns, traffic signals, bicycle infrastructure, stormwater management improvements (including water and sewer maintenance), communications infrastructure improvements/enhancements, wayfinding, multi-modal surface and structured parking, and public plaza intersection improvements that are directly related and made necessary by development in the District.

### E. Operational Components

#### 1. Public Facilities

The City may use a portion of the TIF Revenues to fund certain projects approved within the District, outlined in Table 1 hereinabove.

#### 2. Commercial Improvements Financed through the Development Program

At this time, no commercial improvements will be financed through the Development Program. The City may, in the future, reimburse a percentage of the TIF Revenues from any particular lot within the District to future developers through a credit enhancement agreement. Future credit enhancement agreements are authorized only if the City Council meets and holds a public hearing and votes to authorize, negotiate, and execute the credit enhancement agreement pursuant to City Council approved TIF Policy. Such credit enhancement agreements would be approved under the City's TIF Policy, as may be amended from time to time may provide a reimbursement of up to sixty-five percent (65%) of the TIF Revenue for up to twenty (20) years in the District, but limited to the balance of the term of this District.

#### 3. Relocation of Displaced Persons

It is not anticipated that any persons will be relocated; however, the City has provided that if, in the future, relocation of persons is necessary to accommodate future redevelopment within the District, the one-time relocation costs of such displaced persons can be paid for with TIF Revenues, exclusive of rent.

#### 4. Transportation Improvements

The City may fund road/transportation improvements made necessary by the increased traffic to the District. Please see Table 1 hereinabove for more details.

#### 5. Environmental Controls

## 9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS

The improvements made under this Development Program will meet or exceed all federal, state, and local environmental laws, regulations, and ordinances and will comply with all applicable land use requirements for the City.

### 6. Plan of Operation

During the term of the District, the City Manager or his designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.

### III. Physical Description

The 422-acre District is bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded. The ~~amended~~-District is shown on Exhibit C. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. Section 5223(3) are set forth in Exhibit E.

### IV. Financial Plan

#### A. Amended Financial Characteristics

The collective original assessed value of the real property in the District is \$968,136,850 as of March 31, 2014 (Tax Year April 1, 2013) remains unchanged. Please see the Assessor's certificate of the original assessed value attached as Exhibit F. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

The City ~~may capture~~ up to 12% in year 1, and ~~up to~~ 22% in years 2 through 430, of the increased assessed value of the real property located within the District. This Amendment would provide for the City to capture up to 100% for the duration of the 30-year term of the District. Personal property tax value will not be captured within the District. The TIF Revenues so collected will fund and/or contribute to the funding of the approved projects, including each of the projects described on Table 1 hereinabove, which collectively increase the City's ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All assessed real property value captured in the District will be added to the general tax rolls at the end of the District's term. Please note that at any time during the term of the District, the municipality can vote to reduce the captured value percentage and instead deposit the tax revenues into the General Fund so long as the municipality does not receive the tax shift benefit associated with the tax revenues so deposited.

Upon each payment of real property taxes for property located inside the District, the City will deposit into a development program fund (the "Development Program Fund") the entirety of the property tax payments constituting TIF Revenues. The percentage of increased assessed value of real property within the District that will be captured shall be determined annually during the municipal budget process; however, the City may capture up to 100% in

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

~~Years 5 through 30~~ ~~12% in year one, and up to 22% in years 2 through 30,~~ of the increased assessed value of real property as captured assessed value. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner and in the order provided in 30-A M.R.S.A. Section 5227(3). The Development Program Fund will consist of a development sinking fund account (the “Sinking Fund Account”) to the extent municipal bonded indebtedness is used to pay for projects costs, and a project cost account (the “Project Cost Account”). From the Development Program Fund, the City will deposit the TIF Revenues into the City’s Sinking Fund Account and/or the Project Cost Account to be used to fund projects listed in Table 1 hereinabove. If future credit enhancement agreements are approved by the City Council, then a subaccount within the Project Cost Account shall be created for any payments required to be made by the City pursuant to such credit enhancement agreement, dedicated to each credit enhancement agreement.

Estimates of the increased assessed property values of the Amended District, the anticipated TIF Revenues generated by the District, and the estimated tax shifts are shown in Revised Exhibit D-1 and Revised Exhibit D-2.

**B. Costs and Sources of Revenues**

The current and future developers owning or leasing properties located within the Districted are intended to pay for and/or finance all private improvements located in the District through private sources. Table 1 hereinabove provides estimated costs of the municipal projects costs to be undertaken with TIF Revenues.

**C. Indebtedness**

The City reserves the option to fund the project costs through public indebtedness.

**V. Statutory Requirements and Thresholds**

The statutory requirements and thresholds for approval required by Section 5223(3) of the TIF Statute are set forth in Exhibit E.

**VI. Municipal Approvals**

**A. Notice of Public Hearing**

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding amending the Development Program for the District, published in the *Portland Press Herald*, a newspaper of general circulation in the City, on November 9, 2017, a date at least ten (10) days prior to the public hearing. The public hearing on the amended District was held on November 20, 2017, in accordance with the requirements of 30-A M.R.S.A. Section 5226(1).

**B. Minutes of Public Hearing Held by City Council**

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

Attached as Exhibit H hereto is a certified copy of the minutes of the public hearing held on November 20, 2017, at which time this amended District was discussed by the public.

**C. Authorizing Votes**

Attached as Exhibit I hereto is an attested copy of the City of Portland Order approving this amended District with the results of the vote noted on this Order duly called and held on November 20, 2017.

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

**I. Introduction – Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District Amendment #2**

On February 19, 2015, the City of Portland (the “City”) designated the Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District (the “District”) and adopted this Development Program (the “Development Program”) for the District in an effort to fully realize the visions and goals of the City of Portland Downtown Revitalization Investment Plan (“Downtown Plan”); the Downtown Plan is attached as Exhibit A. The duration of this District will be 30 years beginning July 1, 2015 (Tax Year 4/1/2015; FY2015-16) ending June 30, 2045 (Tax Year 4/1/2044; FY2044-45).

- a. District Amendment #1 Approved by MDECD February 27, 2018: The purpose of this District amendment was to remove the parcel designated by the City Assessor as 22-F-1 at 54 Lancaster – a tax exempt parcel (so no value attributed to the Original Assessed Value) with approximately .48 acres, which will be turned into a free-standing Affordable Housing TIF District. Portland’s amended District remained the same at approximately 422 acres and bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded.
- b. Proposed District Amendment #2: District Amendment #2 is to increase the allowable uses for Municipal TIF Revenue and increase the percentage capture from 22% to 100%, all as more detailed in Section II below.

The Downtown Plan includes a listing of current projects and categories of future investment. It is recognized that meeting the infrastructure needs of Portland’s downtown will be a dynamic process that will be updated locally on an annual basis or as needed. Though the specific public projects prioritized and undertaken from year to year will change, with the exception of this District funding up to \$100,000 annually for the Creative Portland Corporation, categories of investment for the purpose of eligible uses of the TIF Revenues will remain consistent. Actual project selections and prioritization for funding will continue to be made on an annual basis during the City budget and Capital Improvements Plan (CIP) process, based on categories contained in Table 1 hereinbelow. The CIP is the document that presents the City’s capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document; the FY2015 to 2019 CIP document is included in the Downtown Plan as an appendice.

**II. Development Program Narrative**

**A. The Development Program as Amended with Amendment #2**

## 9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS

The Amended Development Program for the Downtown Transit Oriented Municipal Development and Omnibus TIF District is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised TIF Statutes, as amended (the "TIF Statute"). The City's designation of the District, combined with the adoption of this Amended Development Program, creates a single municipal TIF district in order to capture the value of the real property improvements made within the District and enable the use of TIF revenues for various municipal and other development projects.

Under this Amended Development Program, the City captured 12% in year one, and 22% in years 2 through 4. This Amended Development Program would now allow for the City to capture up to 100% of the new real property value located in the District for remainder of the term of the District, or through Tax Year April 1, 2044/City Fiscal Year 2044/2045.. The City may retain those tax revenues generated by the captured assessed value (the "TIF Revenues") to fund infrastructure improvements and other administrative costs, all as further described in Table 1 hereinbelow. The City reserves the right to capture less than the full 100% in years 5 through 30, depending on the then-current needs of the City with respect to the approved project costs. Any reduction in the captured value percentage shall adjust the amount of assessed value eligible for sheltering with respect to the tax shift benefit correspondingly. Although all TIF Revenues will be retained by the City at this time, the City reserves the right in the future to negotiate and execute commercial credit enhancement agreements pursuant to City Council approved TIF Policy as may be amended from time to time. CEAs would be limited, however, to the balance of District term at that time. Such future credit enhancement agreements would require a public hearing and City Council approval.

In designating the District and adopting this Amended Development Program, the City can accomplish the following goals:

- Maintain existing tax revenues;
- Invest in the Downtown public infrastructure;
- Invest in the Creative Portland Corporation annually;
- Invest in new and enhanced transit services;
- Enjoy enhanced future tax revenues generated by new development within the District; and
- Create long-term, stable employment opportunities for area residents because of these TIF investments.

In addition, by creating the District, the City will "shelter" the increase in municipal valuation that development in the District will bring about. This tax shift benefit mitigates the adverse effect that the District's increased assessed property value has upon the City's share of state aid to education, municipal revenue sharing, and its county tax assessment. An estimate of the tax shift benefits is shown in Revised Exhibit D-2 attached hereto.

The City's designation of the District and pursuit of this Amended Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the City and the region by providing jobs, contributing to property taxes, and diversifying the region's economic base.

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

**B. The Projects**

Development within the District will provide a revenue source for the City's economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland's business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding of Creative Portland Corporation, of which the City of Portland is the Corporator, of up to \$100,000 annually, as well as City plans to invest in its public infrastructure in these investment focus areas:

- Sidewalk and Other Pedestrian Enhancements
- Streetscape
- Lighting
- Street Alignment
- Utilities
- Bicycle Improvements
- Public Transit
- Wayfinding
- Multi-modal surface and structured parking
- Work force training
- Professional service costs
- Economic Development Department administrative costs and staff salaries, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

The District projects at this time are highlighted in Table 1 below:

**TABLE 1**

**NOTE 1:** All Citations refer to Title 30-A, Chapter 206, Section 5225

**NOTE 2:** While this Amended Development Program lists particular projects, the Amended Development Program shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the City to completing any particular project. The projects will only be undertaken following proper appropriation through the annual budget process and any other applicable required approvals.

Project	Downtown Revitalization Plan Reference by page no.	Statutory Citation	Estimated Cost
<p><b>In District: Capital Infrastructure Design and Investments, including Financing Costs, for example:</b></p> <ul style="list-style-type: none"> <li>- Multi-modal surface and structured parking</li> <li>- Sidewalk and Other Pedestrian Enhancements</li> <li>- Roadway Realignments/Paving</li> <li>- Crosswalks</li> <li>- Traffic Signals</li> <li>- Intersection Redesigns</li> <li>- Bicycle lanes, racks, and stations Infrastructure</li> <li>- Stormwater Management, including water and sewer upgrades</li> <li>- Telecommunications, lighting, and electrical distribution upgrades; Infrastructure improvements/enhancements</li> <li>- Wayfinding (signage)</li> <li>- Public plaza intersection improvements</li> </ul>	<p>19, 47</p> <p>19, 20, 34,35, 48</p> <p>19,20,34,35</p> <p>19, 46</p> <p>34, 46</p> <p>19,20,34,35</p> <p>19, 34,47</p> <p>19, 33</p> <p>19, 36</p> <p>19,23, 35,47</p> <p>22, 46</p>	<p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(a)(i)</p> <p>(1)(A)(1)(2)(3)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(a)(i)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(2)(3)(7)</p> <p>(1)(A)(1)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p>	<p>\$150 Million over the life of the District for these Capital Infrastructure Items.</p>



**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

- <b>In and out of District:</b> CPC staffing, administrative and marketing expenses; revolving loan or investment fund.			
<b>In and out of District:</b> - Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, Finance Director, and Planning Urban Development Director, and Planning staff*; - Professional services costs; - Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.	21, Also TIF App. P. 3  See TIF App. P.3 See TIF App. P. 3	(1)(A)(5) and (1)(C)(1)  (1)(A)(4);(1)(C)(1) (1)(C)(4)	\$15 Million over life of the District.
<b>In District: Small Public Capital Infrastructure and Equipment, for example (Downtown Plan pp. 6 and 7)</b> - Parking meters - Vehicles for Public Works Dept., and Fire Dept., including ambulances	19 21, 36 to 44	(1)(A)(1)(a) (1)(A)(1)(a)	\$10 Million over life of the District
<b>In District: Relocation of Displaced Persons (TIF Application, p. 6)</b>	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not anticipated at time of TIF application
<b>In District: CEAs as Approved by City Council (TIF application p. 2)</b>	(see TIF application p. 2)	(1)(A)(1)(2)(3)(6)(7)	Unknown at time of TIF application
<b>Total Estimate of TIF Revenue Expenditure over 30 year term:</b>			<b>\$193,000,000</b>

\*This item is not unique to this TIF District, it is also included in the Bayside TIF District, Waterfront TIF District, and partially included Riverwalk TIF District.

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

**C. Strategic Growth and Development**

This Amended Development Program and the Downtown Plan meld various studies and plans for the District into one document, thereby promoting those studies and plans and making investments at the appropriate time. The studies and plans noted in the Downtown Plan represent a series of community initiatives, both completed and underway, or in planning process. The Amended Development Program and Project List (Table 1) noted hereinabove represents the best thinking of City staff about current opportunities for realizing the City's longstanding, evolving vision for its Downtown.

**D. Improvements to the Public Infrastructure**

As further set forth in Table 1 hereinabove, the City may use certain TIF Revenues for sidewalk and other pedestrian improvements including crosswalks, roadway realignments/paving, intersection redesigns, traffic signals, bicycle infrastructure, stormwater management improvements (including water and sewer maintenance), communications infrastructure improvements/enhancements, wayfinding, multi-modal surface and structured parking, and public plaza intersection improvements that are directly related and made necessary by development in the District.

**E. Operational Components**

**1. Public Facilities**

The City may use a portion of the TIF Revenues to fund certain projects approved within the District, outlined in Table 1 hereinabove.

**2. Commercial Improvements Financed through the Development Program**

At this time, no commercial improvements will be financed through the Development Program. The City may, in the future, reimburse a percentage of the TIF Revenues from any particular lot within the District to future developers through a credit enhancement agreement. Future credit enhancement agreements are authorized only if the City Council meets and holds a public hearing and votes to authorize, negotiate, and execute the credit enhancement agreement pursuant to City Council approved TIF Policy. Such credit enhancement agreements would be approved under the City's TIF Policy, as may be amended from time to time, but limited to the balance of the term of this District.

**3. Relocation of Displaced Persons**

It is not anticipated that any persons will be relocated; however, the City has provided that if, in the future, relocation of persons is necessary to accommodate future redevelopment within the District, the one-time relocation costs of such displaced persons can be paid for with TIF Revenues, exclusive of rent.

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### 4. Transportation Improvements

The City may fund road/transportation improvements made necessary by the increased traffic to the District. Please see Table 1 hereinabove for more details.

### 5. Environmental Controls

The improvements made under this Development Program will meet or exceed all federal, state, and local environmental laws, regulations, and ordinances and will comply with all applicable land use requirements for the City.

### 6. Plan of Operation

During the term of the District, the City Manager or his designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.

## III. Physical Description

The 422-acre District is bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded. The District is shown on Exhibit C. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. Section 5223(3) are set forth in Exhibit E.

## IV. Financial Plan

### A. Amended Financial Characteristics

The collective original assessed value of the real property in the District is \$968,136,850 as of March 31, 2014 (Tax Year April 1, 2013) remains unchanged. Please see the Assessor's certificate of the original assessed value attached as Exhibit F. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

The City captured 12% in year 1, and 22% in years 2 through 4, of the increased assessed value of the real property located within the District. This Amendment would provide for the City to capture up to 100% for the duration of the 30-year term of the District. Personal property tax value will not be captured within the District. The TIF Revenues so collected will fund and/or contribute to the funding of the approved projects, including each of the projects described on Table 1 hereinabove, which collectively increase the City's ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All assessed real property value captured in the District will be added to the general tax rolls at the end of the District's term. Please note that at any time during the term of the District, the municipality can vote to reduce the captured value percentage and instead deposit the tax revenues into the

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

General Fund so long as the municipality does not receive the tax shift benefit associated with the tax revenues so deposited.

Upon each payment of real property taxes for property located inside the District, the City will deposit into a development program fund (the “Development Program Fund”) the entirety of the property tax payments constituting TIF Revenues. The percentage of increased assessed value of real property within the District that will be captured shall be determined annually during the municipal budget process; however, the City may capture up to 100% in Years 5 through 30 of the increased assessed value of real property as captured assessed value. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner and in the order provided in 30-A M.R.S.A. Section 5227(3). The Development Program Fund will consist of a development sinking fund account (the “Sinking Fund Account”) to the extent municipal bonded indebtedness is used to pay for projects costs, and a project cost account (the “Project Cost Account”). From the Development Program Fund, the City will deposit the TIF Revenues into the City’s Sinking Fund Account and/or the Project Cost Account to be used to fund projects listed in Table 1 hereinabove. If future credit enhancement agreements are approved by the City Council, then a subaccount within the Project Cost Account shall be created for any payments required to be made by the City pursuant to such credit enhancement agreement, dedicated to each credit enhancement agreement.

Estimates of the increased assessed property values of the Amended District, the anticipated TIF Revenues generated by the District, and the estimated tax shifts are shown in Revised Exhibit D-1 and Revised Exhibit D-2.

**B. Costs and Sources of Revenues**

The current and future developers owning or leasing properties located within the Districted are intended to pay for and/or finance all private improvements located in the District through private sources. Table 1 hereinabove provides estimated costs of the municipal projects costs to be undertaken with TIF Revenues.

**C. Indebtedness**

The City reserves the option to fund the project costs through public indebtedness.

**V. Statutory Requirements and Thresholds**

The statutory requirements and thresholds for approval required by Section 5223(3) of the TIF Statute are set forth in Exhibit E.

**VI. Municipal Approvals**

**A. Notice of Public Hearing**

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding amending the Development Program for the District, published in the *Portland Press Herald*, a newspaper

**9/2018 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #2 - CITY INVESTMENT OPTIONS AND CAPTURE RATE AMENDMENTS**

of general circulation in the City, on \_\_\_\_\_, a date at least ten (10) days prior to the public hearing. The public hearing on the amended District was held on \_\_\_\_\_, in accordance with the requirements of 30-A M.R.S.A. Section 5226(1).

**B. Minutes of Public Hearing Held by City Council**

Attached as Exhibit H hereto is a certified copy of the minutes of the public hearing held on \_\_\_\_\_, at which time this amended District was discussed by the public.

**C. Authorizing Votes**

Attached as Exhibit I hereto is an attested copy of the City of Portland Order approving this amended District with the results of the vote noted on this Order duly called and held on \_\_\_\_\_.

City of Portland - Downtown TOD TIF Model  
 Actual IAV FY2016 through FY2019  
 Estimates FY2020 through FY2045

Annual mil rate increase FY2020 through FY2045: 2%  
 Annual valuation increase FY2020 through FY2045: 1%

Original Assessed Value as of 4/1/2013: \$968,136,850

9/6/2018

City of Portland - Downtown TOD TIF Projection Table

TIF Year	Tax Year- April 1	City Fiscal Year	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	OAV General Fund Revenue
1	2015	FY2015/2016	\$72,245,340	12.00%	\$8,669,441	20.63	\$178,851	\$0	\$178,851	\$1,311,571	\$19,972,663
2	2016	FY2016/2017	\$84,092,870	22.00%	\$18,500,431	21.11	\$390,544	\$0	\$390,544	\$1,384,656	\$20,437,369
3	2017	FY2017/2018	\$126,688,910	22.00%	\$27,871,560	21.65	\$603,419	\$0	\$603,419	\$2,139,396	\$20,960,163
4	2018	FY2018/2019	\$169,840,880	22.00%	\$37,364,994	22.48	\$839,965	\$0	\$839,965	\$2,978,058	\$21,763,716
5	2019	FY2019/2020	\$181,220,655	100.00%	\$181,220,655	22.93	\$4,155,317	\$0	\$4,155,317	\$0	\$22,198,991
6	2020	FY2020/2021	\$192,714,227	100.00%	\$192,714,227	23.39	\$4,507,237	\$0	\$4,507,237	\$0	\$22,642,971
7	2021	FY2021/2022	\$204,322,735	100.00%	\$204,322,735	23.86	\$4,874,314	\$0	\$4,874,314	\$0	\$23,095,830
8	2022	FY2022/2023	\$216,047,328	100.00%	\$216,047,328	24.33	\$5,257,096	\$0	\$5,257,096	\$0	\$23,557,747
9	2023	FY2023/2024	\$227,889,167	100.00%	\$227,889,167	24.82	\$5,656,149	\$0	\$5,656,149	\$0	\$24,028,901
10	2024	FY2024/2025	\$239,849,425	100.00%	\$239,849,425	25.32	\$6,072,060	\$0	\$6,072,060	\$0	\$24,509,479
11	2025	FY2025/2026	\$251,929,285	100.00%	\$251,929,285	25.82	\$6,505,432	\$0	\$6,505,432	\$0	\$24,999,669
12	2026	FY2026/2027	\$264,129,943	100.00%	\$264,129,943	26.34	\$6,956,893	\$0	\$6,956,893	\$0	\$25,499,662
13	2027	FY2027/2028	\$276,452,609	100.00%	\$276,452,609	26.87	\$7,427,088	\$0	\$7,427,088	\$0	\$26,009,656
14	2028	FY2028/2029	\$288,898,501	100.00%	\$288,898,501	27.40	\$7,916,684	\$0	\$7,916,684	\$0	\$26,529,849
15	2029	FY2029/2030	\$301,468,851	100.00%	\$301,468,851	27.95	\$8,426,372	\$0	\$8,426,372	\$0	\$27,060,446
16	2030	FY2030/2031	\$314,164,906	100.00%	\$314,164,906	28.51	\$8,956,865	\$0	\$8,956,865	\$0	\$27,601,655
17	2031	FY2031/2032	\$326,987,921	100.00%	\$326,987,921	29.08	\$9,508,899	\$0	\$9,508,899	\$0	\$28,153,688
18	2032	FY2032/2033	\$339,939,166	100.00%	\$339,939,166	29.66	\$10,083,236	\$0	\$10,083,236	\$0	\$28,716,762
19	2033	FY2033/2034	\$353,019,923	100.00%	\$353,019,923	30.26	\$10,680,660	\$0	\$10,680,660	\$0	\$29,291,097
20	2034	FY2034/2035	\$366,231,488	100.00%	\$366,231,488	30.86	\$11,301,985	\$0	\$11,301,985	\$0	\$29,876,919
21	2035	FY2035/2036	\$379,575,169	100.00%	\$379,575,169	31.48	\$11,948,050	\$0	\$11,948,050	\$0	\$30,474,457
22	2036	FY2036/2037	\$393,052,286	100.00%	\$393,052,286	32.11	\$12,619,720	\$0	\$12,619,720	\$0	\$31,083,946
23	2037	FY2037/2038	\$406,664,175	100.00%	\$406,664,175	32.75	\$13,317,892	\$0	\$13,317,892	\$0	\$31,705,625
24	2038	FY2038/2039	\$420,412,182	100.00%	\$420,412,182	33.40	\$14,043,490	\$0	\$14,043,490	\$0	\$32,339,738
25	2039	FY2039/2040	\$434,297,670	100.00%	\$434,297,670	34.07	\$14,797,468	\$0	\$14,797,468	\$0	\$32,986,532
26	2040	FY2040/2041	\$448,322,013	100.00%	\$448,322,013	34.75	\$15,580,814	\$0	\$15,580,814	\$0	\$33,646,263
27	2041	FY2041/2042	\$462,486,598	100.00%	\$462,486,598	35.45	\$16,394,547	\$0	\$16,394,547	\$0	\$34,319,188
28	2042	FY2042/2043	\$476,792,830	100.00%	\$476,792,830	36.16	\$17,239,718	\$0	\$17,239,718	\$0	\$35,005,672
29	2043	FY2043/2044	\$491,242,124	100.00%	\$491,242,124	36.88	\$18,117,414	\$0	\$18,117,414	\$0	\$35,705,684
30	2044	FY2044/2045	\$505,835,911	100.00%	\$505,835,911	37.62	\$19,028,757	\$0	\$19,028,757	\$0	\$36,419,797
30 Year TIF Total			\$9,216,815,087		\$8,856,353,513		\$273,386,936	\$0	\$273,386,936	\$7,813,681	\$830,594,035
30 Year TIF Average			\$307,227,170		\$295,211,784		\$9,112,898	\$0	\$9,112,898	\$260,456	\$27,686,468

Actuals Above  
 Estimates Below

City of Portland - Downtown TOD TIF Model  
 Actual FY2016 through FY2019  
 Estimates FY2020 through FY2045

Annual mil rate increase FY2020 through FY2045:

2%

Annual valuation increase FY2020 through FY2045:

1%

Original Assessed Value as of 4/1/2013:

\$968,136,850

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model									
30 years: Year 1 - 12% to Municipal Project Account, 88% to City General Fund; Years 2 through 4: 12% to Municipal Project Account, 78% to City General Fund; Years 5 through 30: 100% to Municipal Project Account									
TIF Year	Tax Year- April 1	City Fiscal Year	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	2015	FY2015/2016	\$72,245,340	\$8,669,441	\$0	\$5,072	\$4,786	\$9,858	
2	2016	FY2016/2017	\$84,092,870	\$18,500,431	\$0	\$10,824	\$10,211	\$21,035	
3	2017	FY2017/2018	\$126,688,910	\$27,871,560	\$0	\$16,307	\$15,380	\$31,687	
4	2018	FY2018/2019	\$169,840,880	\$37,364,994	\$158,988	\$21,861	\$20,615	\$201,464	
5	2019	FY2019/2020	\$181,220,655	\$181,220,655	\$1,542,188	\$106,026	\$99,656	\$1,747,869	
6	2020	FY2020/2021	\$192,714,227	\$192,714,227	\$1,639,998	\$112,751	\$105,948	\$1,858,697	
7	2021	FY2021/2022	\$204,322,735	\$204,322,735	\$1,738,786	\$119,542	\$112,301	\$1,970,630	
8	2022	FY2022/2023	\$216,047,328	\$216,047,328	\$1,838,563	\$126,402	\$118,714	\$2,083,679	
9	2023	FY2023/2024	\$227,889,167	\$227,889,167	\$1,939,337	\$133,330	\$125,187	\$2,197,854	
10	2024	FY2024/2025	\$239,849,425	\$239,849,425	\$2,041,119	\$140,328	\$131,722	\$2,313,168	
11	2025	FY2025/2026	\$251,929,285	\$251,929,285	\$2,143,918	\$147,395	\$138,318	\$2,429,632	
12	2026	FY2026/2027	\$264,129,943	\$264,129,943	\$2,247,746	\$154,534	\$144,977	\$2,547,256	
13	2027	FY2027/2028	\$276,452,609	\$276,452,609	\$2,352,612	\$161,743	\$151,698	\$2,666,053	
14	2028	FY2028/2029	\$288,898,501	\$288,898,501	\$2,458,526	\$169,025	\$158,483	\$2,786,034	
15	2029	FY2029/2030	\$301,468,851	\$301,468,851	\$2,565,500	\$176,379	\$165,332	\$2,907,211	
16	2030	FY2030/2031	\$314,164,906	\$314,164,906	\$2,673,543	\$183,807	\$172,246	\$3,029,596	
17	2031	FY2031/2032	\$326,987,921	\$326,987,921	\$2,782,667	\$191,310	\$179,224	\$3,153,201	
18	2032	FY2032/2033	\$339,939,166	\$339,939,166	\$2,892,882	\$198,887	\$186,268	\$3,278,038	
19	2033	FY2033/2034	\$353,019,923	\$353,019,923	\$3,004,200	\$198,887	\$193,379	\$3,396,466	
20	2034	FY2034/2035	\$366,231,488	\$366,231,488	\$3,116,630	\$214,270	\$200,556	\$3,531,456	
21	2035	FY2035/2036	\$379,575,169	\$379,575,169	\$3,230,185	\$222,077	\$207,801	\$3,660,063	
22	2036	FY2036/2037	\$393,052,286	\$393,052,286	\$3,344,875	\$229,962	\$215,114	\$3,789,951	
23	2037	FY2037/2038	\$406,664,175	\$406,664,175	\$3,460,712	\$237,926	\$222,496	\$3,921,133	
24	2038	FY2038/2039	\$420,412,182	\$420,412,182	\$3,577,708	\$245,969	\$229,947	\$4,053,623	
25	2039	FY2039/2040	\$434,297,670	\$434,297,670	\$3,695,873	\$254,093	\$237,467	\$4,187,433	
26	2040	FY2040/2041	\$448,322,013	\$448,322,013	\$3,815,220	\$262,298	\$245,058	\$4,322,577	
27	2041	FY2041/2042	\$462,486,598	\$462,486,598	\$3,935,761	\$270,585	\$252,720	\$4,459,067	
28	2042	FY2042/2043	\$476,792,830	\$476,792,830	\$4,057,507	\$278,955	\$260,454	\$4,596,916	
29	2043	FY2043/2044	\$491,242,124	\$491,242,124	\$4,180,470	\$287,409	\$268,260	\$4,736,140	
30	2044	FY2044/2045	\$505,835,911	\$505,835,911	\$4,304,664	\$295,948	\$276,139	\$4,876,750	
<b>30 Year TIF Total</b>			<b>\$9,216,815,087</b>	<b>\$8,856,353,513</b>	<b>\$74,740,178</b>	<b>\$5,173,902</b>	<b>\$4,850,458</b>	<b>\$84,764,538</b>	
<b>30 Year TIF Avg.</b>			<b>\$307,227,170</b>	<b>\$295,211,784</b>	<b>\$2,491,339</b>	<b>\$172,463</b>	<b>\$161,682</b>	<b>\$2,825,485</b>	

*Order 79-18/19  
Tab 12 10-1-18  
Tab 15 10-15-18*

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER AMENDING THE 2002 WATERFRONT TAX INCREMENT  
FINANCING DISTRICT TO INCREASE PUBLIC INVESTMENT OPTIONS  
AND TO ADD NEW PROPERTIES**

**ORDERED,** that the 2002 Waterfront Tax Increment Financing District as adopted by Order 185-01/02, and amended by Orders 173-02/03, 254-04/05, 238-05/06, 223-06/07; 241-07/08, 261-08/09, 216-09/10, 237-09/10, 222-10/11, 182-11/12 and 161-17/18, is hereby further amended to increase public investment options in substantially the form attached hereto as Exhibit A; and

**BE IT FURTHER ORDERED,** that the 2002 Waterfront Tax Increment Financing District is further amended to include properties numbered One (1) to Sixteen (16) as shown on the map attached hereto as Exhibit B; and

**BE IT FURTHER ORDERED,** that the City Council hereby authorizes the City Manager or his or her designee to execute said documents and any other related documents necessary or convenient to carry out the intent of said documents.



Economic Development Department  
Gregory A. Mitchell, Director

**MEMORANDUM**

**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Greg Mitchell, Economic Development Director  
Brendan O'Connell, Finance Director

**DATE:** September 19, 2018

**SUBJECT:** **Proposed Amendments to City Waterfront Tax Increment Financing District, including Proposed Amendments to the Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance**

**SPONSOR:** Economic Development Committee, Councilor Costa/Chair;  
Meeting held on September 18, 2018, and the vote was 3-0 to forward to the City Council for approval.

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

**1<sup>st</sup> reading:** October 1, 2018    **2<sup>nd</sup> Reading/Public Hearing/Final Action:** October 15, 2018

**Can action be taken at a later date:**  Yes     No (If no why not?) Public Notice has been advertised in the Portland Press Herald for the public hearing on this for October 15, 2018.

**I. ONE SENTENCE SUMMARY**

City Council action is requested to approve the Proposed Amendments to the Waterfront Tax Increment Financing (TIF) District, including the Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance.

**II. AGENDA DESCRIPTION**

Amendments to the Waterfront TIF District and Growth areas are proposed to maximize utilization of the TIF District revenue by adding more public investment options for use of TIF revenue, along with adding additional properties to expand the Waterfront TIF District, which properties can be seen on the map included in the Council packet. Additional investment options include, but are not limited to public investment in multi-modal surface and structured parking; new publicly owned pier; pro-rated salaries of the City Manager,

Finance Director, Planning and Urban Development Director, and Planning staff; economic development programs or events; environmental improvement projects; professional service costs; and dredge sediment disposal and CAD Cell Development.

Also, Amendments to the Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance are proposed to expand the future “growth” area for the Waterfront TIF District from the Casco Bay Bridge to include Sprague Energy.

Housekeeping and clarifying amendments to the ordinance are also proposed to align the ordinance with current practice and avoid confusion with other sections of the Land Use Code. To promote clarity within the ordinance and to avoid confusion with other sections of the Land Use Code, the amendments include changing the title of the program from the *Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance* to **WATERFRONT DEVELOPMENT GROWTH AREA ORDINANCE**

Lastly, it is noted that the City staff proposed amendments do not involve credit enhancement agreements.

### III. BACKGROUND

#### Waterfront TIF District Overview (Existing and Proposed Amendments)

**Geography.** 6.62 acres. This District includes seven non-contiguous properties. It is noted the Waterfront Capital Improvement and Economic Redevelopment Zone (WREZ) and Ordinance establishes the area on Portland’s waterfront which is “reserved” for future expansion of the Waterfront TIF District. If the attached amendments are adopted, this area will be referred to as the *Waterfront Development Growth Area*. Individual properties selected within the *Growth Area* that are included within the TIF program will continue to be referred to as parcels within the *Waterfront TIF District*.

**TIF Term.** Fiscal Years 2003-2032.

**Capture Rate.** 100%

#### *Overview of TIF District Expenditures to Date:*

<b>Waterfront TIF Expenditures from FY2016 thru FY2018</b>	
<b>Uses</b>	<b>Revenue</b>
Public Infrastructure	\$46,100
Credit Enhancement Agreement	\$574,646
Debt Service	\$549,650
Staff	\$319,467
<b>Total Invested:</b>	<b>\$1,489,863</b>

**Existing and Proposed Amendments to Uses of Revenue.** See attached Waterfront TIF District Program which shows existing and proposed amendments to allowable uses of TIF District revenue in a strike through and underline format.

***Proposed Amendments - New Geography.*** See attached map for additional properties to expand the Waterfront TIF District to increase the amount of TIF funds to support waterfront public infrastructure needs.

***No change is proposed to the capture rate***

**Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance (Existing and Proposed Amendments)**

The existing Waterfront Capital Improvement and Economic Redevelopment Zone and Ordinance was adopted in 2001 to implement those provisions of the Waterfront Economic Development Task Force Report entitled “Investing in Our Working Waterfront: Final Report to the Mayor’s Waterfront Task Force on Economic Development,” dated September 2000, as adopted by the City Council on June 4, 2001 and as amended by the City Council on December 1, 2008.

**Proposed Amendments include:**

**Area.** Expanding the growth area for the Waterfront TIF District to add the entire western waterfront from the Casco Bay Bridge to include Sprague Energy.

**Individual Parcels.** Within the existing and expanded *Waterfront Development Growth Area* (currently the *WREZ*), staff is recommending individual parcels for inclusion within the Waterfront TIF District. Each of these highlighted parcels has an anticipated development program. Private parcels and developments would be subject to new tax value capture. City parcels and infrastructure highlighted would be eligible for “in district” use of funds as outlined in the development program improvements.

**Reporting Amendments.** The current ordinance requires that an extensive set of reports be prepared. Multiple City departments are active in the areas listed providing input to the Council on a project-by-project basis. Staff recommends that the Waterfront TIF ordinance limit reporting requirements to the financial activity of the program, as is provided in the Annual TIF District Activity Report.

**Housekeeping Revisions.** Title changes and terminology consistency is applied to create a more unified document and avoid duplicative uses of terms such as “zone” within the ordinance. The metes and bounds description of the Growth Area is replaced with a map within the ordinance.

**Note:** At the request of the Planning and Urban Development Director, it is proposed that this Ordinance be relocated out of the Land Use Chapter of the City Code.

**IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

City Council approval of the proposed amendments to the Waterfront TIF District, including amendments to the Waterfront Capital Improvement and Economic Redevelopment Ordinance, to support increased public and private sector investment and associated job creation.

## V. FINANCIAL IMPACT

***TIF District Estimates.*** See attached spreadsheet for estimates of property tax revenue, funds available to the City General Fund, and one credit enhancement agreement included in the Waterfront TIF District.

***Tax Shelter (Financial Benefits).*** Probably the most important, but least understood public benefit associated with TIF districts, is the tax shelter or local financial benefits.

Municipalities realize “savings” from the tax sheltering effect of TIF Districts. The following direct financial impacts occur when municipal valuation increases:

- A. State Education Aid is reduced,
- B. State Municipal Revenue Sharing is reduced, and
- C. A municipality pays a higher percentage of the County budget.

***This amount of “savings” is significant and one of the most important benefits of establishing TIF Districts.***

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF District. The estimated tax shelter savings for the remainder of the Waterfront TIF District term – FY2020 through FY2032 - (including all additional properties to expand the Waterfront TIF District) is \$34,485,000, or a yearly average of \$2,652,000.

### ***Net Impact to the General Fund***

The savings referenced above is a direct benefit to the general fund – both to the City and the School Department via an increase in revenue from the State of Maine for education, increased revenues for the City from municipal revenue sharing, and decreased expenses for county tax. It is important to note that whenever the TIF capture rate is adjusted upward there will change in how property tax revenue flows between the general fund and the area TIFs. Via careful TIF budgeting, subject to annual budget approval by City Council, certain types of approved expenditures can be moved from the general fund into area TIFs. If the impact of the revenue shift is able to be fully offset the end result is the 30 cent savings on the dollar. A good example is what was done in the FY19 budget. TIF capture rates were adjusted upward by approximately 5% in the Waterfront and Bayside TIF. Although this resulted in slightly less revenue to the general fund, expenses related to Economic Development Department staff, in an amount approximately equal to the revenue shift, were shifted into the TIF. The net result was an increased capture rate in both TIFs, more sheltering savings (approximately 30% in benefits) and no other negative impact on the City or School budgets. It is this type of calculated TIF budgeting which is expected to continue to be utilized moving forward to increase capture rates, maximize sheltering, and ensure only positive impacts to the City and School budgets.

## **VI. STAFF ANALYSIS**

Based on the above, staff recommends that the City Council vote to approve the proposed Waterfront TIF District amendments, including the amendments to the Waterfront Capital Improvement and Economic Redevelopment Ordinance.

## **VII. RECOMMENDATION**

The Economic Development Committee recommended, in a vote of 3-0 on September 18, 2018, that this item be forwarded to the City Council for approval of the Amendments to the Waterfront TIF District, including amendments to the Waterfront Capital Improvement and Economic Redevelopment Ordinance.

## **VII. LIST ATTACHMENTS**

- Map of Proposed Expansion Area
- Spreadsheet of Proposed Properties to be Added
- Updated Spreadsheets for Actual and Estimated TIF Revenue and Tax Shelter Savings
- Proposed Amendments to WREZ Ordinance
- Marked Revision and Clean Version of TIF Narrative and updated Spreadsheets; additional attachments noted in the Narrative are available upon request.

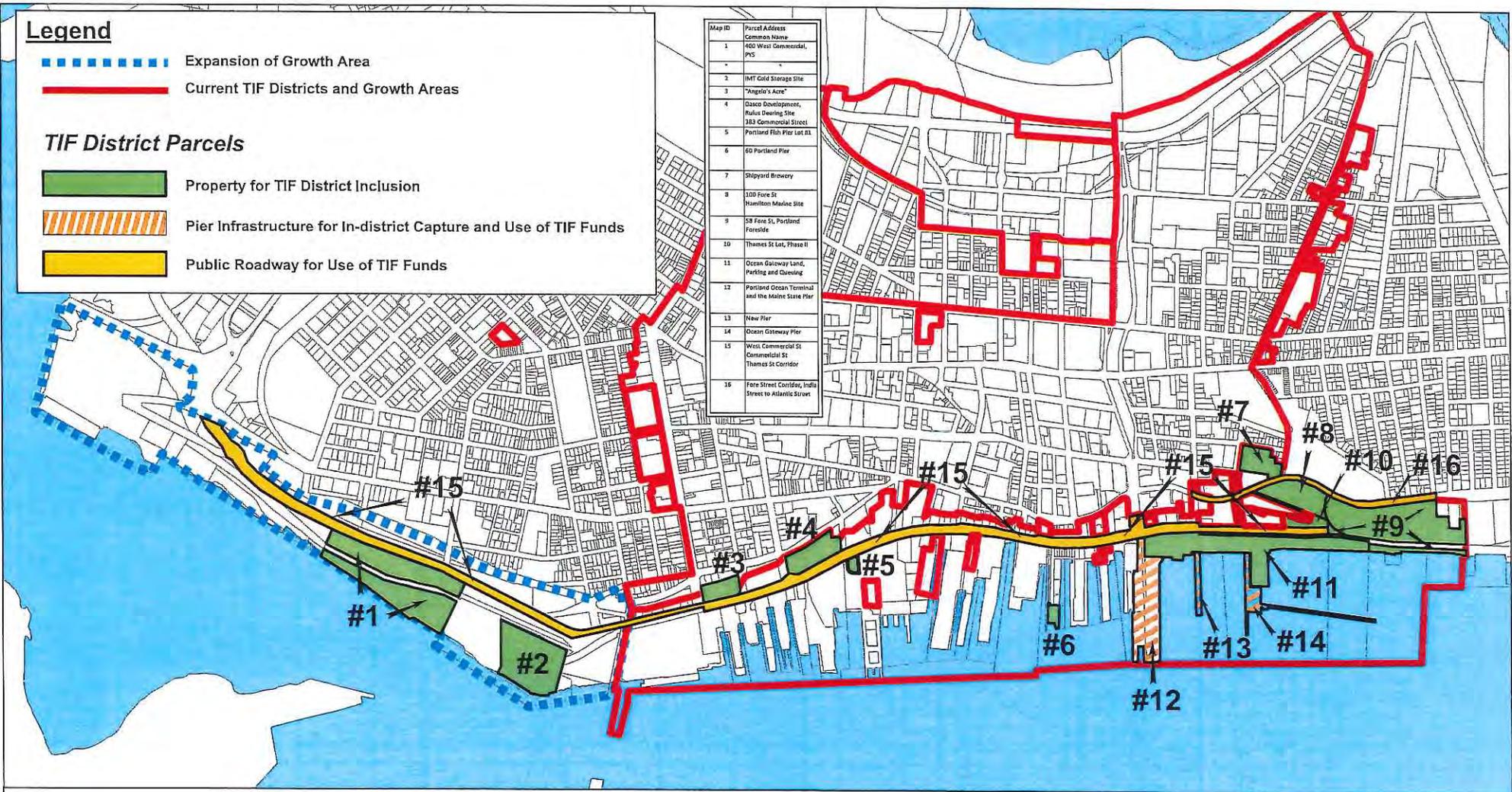
**Legend**

-  Expansion of Growth Area
-  Current TIF Districts and Growth Areas

**TIF District Parcels**

-  Property for TIF District Inclusion
-  Pier Infrastructure for In-district Capture and Use of TIF Funds
-  Public Roadway for Use of TIF Funds

Map ID	Parcel Address	Common Name
1	400 West Commercial, P/S	
2	IMT Gold Storage Site	
3	"Angelo's Acre"	
4	Osaco Development, Public Dredging Site	383 Commercial Street
5	Portland Fish Pier Lot 81	
6	60 Portland Pier	
7	Shipyard Brewery	
8	300 Fore St	Hamilton Marine Site
9	58 Fore St, Portland	Forside
10	Thomas St Lot, Phase II	
11	Ocean Gateway Land, Parking and Queuing	
12	Portland Ocean Terminal and the Maine State Pier	
13	New Pier	
14	Ocean Gateway Pier	
15	West Commercial St	Commercial St - Thomas St Corridor
16	Fore Street Corridor, India Street to Alliance Street	



# Portland Waterfront Development Growth Area Waterfront TIF District Expansion

Map produced by the City of Portland Economic Development Department. Intended as an exhibit to the City Council Order implementing TIF District expansion. TIF District expansion boundaries are based on the underlying tax parcels where available. Actual parcel boundaries may change by sale or lease and TIF District boundaries may be amended from time to time.  
September 2018

Council Order \_\_\_\_\_  
Exhibit



**Waterfront TIF District Expansion: Current and Future Values DRAFT 9-19-18**

Map ID	Parcel Address Common Name	Common	CBL	Land Area +/- SF	Ownership	Assessed Value a/o 4/1/2017	Notes	Development Program Build Out	Total	Phasing Assumption:	Future Year New Value Year 2020	Future Year New Value Year 2025	Future Year New Value Year 2030
1	400 West Commercial, PYS		060 F001	234,384	Private	\$2,314,500	Portions of larger holdings / assessed value based on CBLs 060 F001 and 060 F003. Planning applications under 059-A003	Marine Industrial 81,000sq ft Marine Retail 31,000sq ft Development potential on site	More	2 phases	\$ 5,000,000	\$ 7,500,000	Same
"	"		060 F003	258,772	Private	\$1,956,300					\$ 4,000,000	\$ 6,000,000	Same
2	IMT Cold Storage Site		Multiple, including: 059 A002, 059 A005	270,500	State of Maine	\$0	Lot to be divided by lease. Area may change	Marine Industrial 60,000sq ft Marine Office 10,000sq ft		1 phase	\$ -	\$ 10,000,000	Same
3	"Angelo's Acre"		043 C009, plus others	60,175	City of Portland	\$0	Currently used for pay parking and recycling	No current plans		NA	\$ -	\$ -	\$ -
4	Dasco Development, Rufus Deering Site 383 Commercial Street		042 A001	106,331	Private	\$2,336,860	Development pending/may not use entire sf of CBL/assessed value based on entire holdings.	469,000 gross sq ft Hotel, Retail, Office, Parking	Residential,	3 phases	\$ 30,000,000	\$ 57,000,000	\$ 85,000,000
5	Portland Fish Pier Lot #1		041 A013	15,000	City of Portland	\$0	Active interest by multiple parties	Marine Industrial 8,000 sq ft Restaurant/Retail 2000 sq ft		1 phase	\$ 1,200,000	Same	Same
6	60 Portland Pier		030 B004, plus others	19,220	Private	\$1,273,400	Area includes addition of to be discontinued ROW/assessed value based on CBL 030 B004, only.	Marine Industrial Restaurant		1 phase	\$ 1,775,000	Same	Same
7	Shipyard Brewery		020 C009, plus others	93,786	Private	\$4,283,010	Development pending/assessed value based on CBL 020 C009.	258,000 gross sq ft brewery, office, pharmacy, tech, hotel, residential	Retail,	3 phases	\$ 16,000,000	\$ 28,000,000	\$ 40,000,000
8	100 Fore St Marine Site	Hamilton	019 A010	130,232	Private	\$2,820,600	Development pending/assessed value based on CBL 019 A010.	290,000 gross sq ft Garage, Office	Parking	2 phases	\$ 20,000,000	\$ 38,000,000	Same
9	58 Fore St, Portland Foreside		018 A001, plus others	394,014	Private	\$5,065,200	Development pending. Hashed "triangle" of City land to be added/assessed value based on CBL 018 A001	960,000 gross sq ft Residential, Retail/Restaurant office	Hotel,	3 phases	\$ 47,000,000	\$ 88,000,000	\$130,000,000
10	Thames St Lot, Phase II		019 A014, Portion	46,209	City of Portland	\$0	Remnant of lot after WEX divison and Thames St Expansion	No current plans			\$ -	\$ -	\$ -
11	Ocean Gateway Land, Parking and Queuing		444 A003 445 A001 446 A001	378,349	City of Portland	\$0	Excluding "park" development	No current plans			\$ -	\$ -	\$ -
12	Portland Ocean Terminal and the Maine State Pier		444 A001, plus others	248,488	City of Portland	\$0	Including portions of CBITD Leasehold. Excluding "park" Development	No current plans			\$ -	\$ -	\$ -
13	New Pier		444 A004	30,000	City of Portland	\$0	Including associated dredging. Design and size TBD	Public Facility			\$ -	\$ -	\$ -
14	Ocean Gateway Pier		445 A002	81,748	City of Portland	\$0	Including associated dredging. Image is approximate	Public Facility			\$ -	\$ -	\$ -
15	West Commercial St Commercial St Thames St Corridor		NA	963,091	City of Portland	\$0	ROW and Area are approximate	Public Facility			\$ -	\$ -	\$ -
16	Fore Street Corridor, India Street to Atlantic Street		NA	130,327	City of Portland	\$0	ROW and Area are approximate	Public Facility			\$ -	\$ -	\$ -
				Above is +/- 80 Acres.									

NOTES: Current assessed values are taken from April 2017 tax assessments. Future values are broad estimates based on conservative evaluations of publicly reported development programs. Phasing of new value provided to reflect long-term build out of complex developments on larger sites. Phasing is not based on known schedules. Actual assessed value and timing of new development will vary significantly from these estimates depending on market conditions, program evolution, tenant needs, and private developer decisions. Future site-by-site assessments with up to date information on development program and timing will be conducted prior to use of this information for budgeting and tax assessment purposes.

City of Portland - Waterfront TIF Model  
Actual FY03 thru FY19; Estimates FY20 thru FY32

OAV at Beginning as of 4/1/2001: \$6,716,410  
 OAV added FY11 for Subdistrict as of 4/1/2 \$950,930  
 OAV added FY19 for Wex/Union Wharf: \$616,430  
 OAV added FY20 for Additional Parcels as of 4/1/2017: \$20,049,870  
 \$28,333,640

TIF Years 18 through 30 - Annual mil rate increase: 2%  
 TIF Years 18 through 30 - Annual valuation increase: 1%



9/6/2018

**Waterfront TIF**

**TIF Years 1 (FY2003) through 17 (FY2019) Actual Numbers; Years 18 (FY2020) through 30 (FY2032) Estimates**

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 Municipal & Subdistrict* Project Account	City Non-Captured General Fund Revenues	OAV General Fund Revenue	Captured Revenue to Municipal Project Account	Captured Revenue to Subdistrict Project Account
1	2002	\$11,533,350	1.00%	\$115,334	25.72	\$2,966	\$2,966	\$293,671	\$172,746	\$2,966	
2	2003	\$8,966,860	1.00%	\$89,669	26.80	\$2,403	\$2,403	\$237,909	\$180,000	\$2,403	
3	2004	\$11,941,350	1.00%	\$119,414	26.53	\$3,168	\$3,168	\$313,636	\$178,186	\$3,168	
4	2005	\$14,041,400	35.38%	\$4,967,847	20.13	\$100,003	\$100,003	\$182,651	\$135,201	\$100,003	
5	2006	\$18,576,750	1.00%	\$185,768	16.31	\$3,030	\$3,030	\$299,957	\$109,545	\$3,030	
6	2007	\$20,681,160	100.00%	\$20,681,160	17.10	\$353,648	\$353,648	\$0	\$114,851	\$353,648	
7	2008	\$20,050,110	62.00%	\$12,431,068	17.74	\$220,527	\$220,527	\$135,162	\$119,149	\$220,527	
8	2009	\$20,010,560	79.00%	\$15,808,342	17.74	\$280,440	\$280,440	\$74,547	\$119,149	\$280,440	
9	2010	\$18,984,350	58.00%	\$11,010,923	17.92	\$197,316	\$197,316	\$142,864	\$137,399	\$197,316	
10	2011	\$24,027,810	74.00%	\$17,780,579	18.28	\$325,001	\$325,001	\$114,189	\$140,159	\$280,783	\$44,218
11	2012	\$30,830,260	74.00%	\$22,814,392	18.82	\$429,367	\$429,367	\$150,859	\$144,299	\$285,529	\$143,838
12	2013	\$30,953,530	91.00%	\$28,167,712	19.41	\$546,735	\$546,735	\$54,073	\$148,823	\$397,188	\$149,547
13	2014	\$32,962,740	73.00%	\$24,062,800	20.00	\$481,256	\$481,256	\$177,999	\$153,347	\$313,301	\$167,955
14	2015	\$33,758,670	69.00%	\$23,293,482	20.63	\$480,545	\$480,545	\$215,897	\$158,177	\$295,498	\$185,047
15	2016	\$33,959,500	66.00%	\$22,413,270	21.11	\$473,144	\$473,144	\$243,741	\$161,858	\$280,805	\$192,339
16	2017	\$34,620,320	66.00%	\$22,849,411	21.65	\$494,690	\$494,690	\$254,840	\$165,998	\$297,431	\$197,259
17	2018	\$39,176,210	71.48%	\$28,003,155	22.48	\$629,511	\$629,511	\$251,170	\$186,219	\$424,690	\$204,821
18	2019	\$168,968,680	100.00%	\$168,968,680	22.93	\$3,874,384	\$3,874,384	\$0	\$649,690	\$3,665,463	\$208,922
19	2020	\$174,052,250	100.00%	\$174,052,250	23.39	\$4,070,767	\$4,070,767	\$0	\$662,724	\$3,857,655	\$213,113
20	2021	\$176,076,109	100.00%	\$176,076,109	23.86	\$4,200,464	\$4,200,464	\$0	\$676,041	\$4,013,640	\$186,824
21	2022	\$178,120,206	100.00%	\$178,120,206	24.33	\$4,334,212	\$4,334,212	\$0	\$689,357	\$4,143,708	\$190,504
22	2023	\$180,184,745	100.00%	\$180,184,745	24.82	\$4,472,138	\$4,472,138	\$0	\$703,241	\$4,277,797	\$194,341
23	2024	\$294,769,929	100.00%	\$294,769,929	25.32	\$7,462,434	\$7,462,434	\$0	\$717,408	\$7,264,178	\$198,256
24	2025	\$298,000,964	100.00%	\$298,000,964	25.82	\$7,695,116	\$7,695,116	\$0	\$731,575	\$7,492,945	\$202,171
25	2026	\$301,264,310	100.00%	\$301,264,310	26.34	\$7,934,971	\$7,934,971	\$0	\$746,308	\$7,766,228	\$208,744
26	2027	\$304,560,290	100.00%	\$304,560,290	26.87	\$8,182,220	\$8,182,220	\$0	\$761,325	\$8,160,059	\$22,161
27	2028	\$307,889,229	100.00%	\$307,889,229	27.40	\$8,437,087	\$8,437,087	\$0	\$776,342	\$8,437,087	
28	2029	\$393,251,458	100.00%	\$393,251,458	27.95	\$10,991,793	\$10,991,793	\$0	\$791,925	\$10,991,793	
29	2030	\$397,467,309	100.00%	\$397,467,309	28.51	\$11,331,823	\$11,331,823	\$0	\$807,792	\$11,331,823	
30	2031	\$401,725,318	100.00%	\$401,725,318	29.08	\$11,682,284	\$11,682,284	\$0	\$823,942	\$11,682,284	
<b>30 Year TIF Total</b>		<b>\$3,981,405,728</b>		<b>\$3,831,125,125</b>		<b>\$99,693,442</b>	<b>\$99,693,442</b>	<b>\$3,143,184</b>	<b>\$12,062,776</b>	<b>\$96,823,384</b>	<b>\$2,870,058</b>
<b>30 Year Average:</b>		<b>\$132,713,524</b>		<b>\$127,704,171</b>		<b>\$3,323,115</b>	<b>\$3,323,115</b>	<b>\$104,773</b>	<b>\$402,093</b>	<b>\$3,227,446</b>	<b>\$95,669</b>

Actuals Above  
Estimates Below

\$2,847,897

\*Subdistrict is Waterfront Maine CEA with maximum cumulative TIF payments set at \$2,870,058.

City of Portland Waterfront TIF Model  
9/6/2018

<b>Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model</b>							
<b>TIF Years 1 (FY2003) through 17 (FY2019) Actual Numbers w Varying Percentage Captures; Years 18 (FY2020) through 30 (FY2032) Estimates with 100% Capture Rates.</b>							
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	2002	\$11,533,350	\$115,334	\$0	\$67	\$64	\$131
2	2003	\$8,966,860	\$89,669	\$0	\$52	\$50	\$102
3	2004	\$11,941,350	\$119,414	\$0	\$70	\$66	\$136
4	2005	\$14,041,400	\$4,967,847	\$21,138	\$2,907	\$2,743	\$26,788
5	2006	\$18,576,750	\$185,768	\$1,581	\$109	\$103	\$1,792
6	2007	\$20,681,160	\$20,681,160	\$175,997	\$12,100	\$11,414	\$199,511
7	2008	\$20,050,110	\$12,431,068	\$105,788	\$7,273	\$6,862	\$119,924
8	2009	\$20,010,560	\$15,808,342	\$134,529	\$9,249	\$8,726	\$152,504
9	2010	\$18,984,350	\$11,010,923	\$93,703	\$6,442	\$6,078	\$106,224
10	2011	\$24,027,810	\$17,780,579	\$151,313	\$10,403	\$9,814	\$171,530
11	2012	\$30,830,260	\$22,814,392	\$194,150	\$13,348	\$12,591	\$220,089
12	2013	\$30,953,530	\$28,167,712	\$239,707	\$16,480	\$15,544	\$271,731
13	2014	\$32,962,740	\$24,062,800	\$204,774	\$14,078	\$13,280	\$232,132
14	2015	\$33,758,670	\$23,293,482	\$198,228	\$13,628	\$12,855	\$224,711
15	2016	\$33,959,500	\$22,413,270	\$190,737	\$13,113	\$12,370	\$216,220
16	2017	\$34,620,320	\$22,849,411	\$194,448	\$13,368	\$12,610	\$220,427
17	2018	\$39,176,210	\$28,003,155	\$238,307	\$16,384	\$15,453	\$270,143
18	2019	\$168,968,680	\$168,968,680	\$1,437,923	\$98,858	\$92,944	\$1,629,725
19	2020	\$174,052,250	\$174,052,250	\$1,481,185	\$98,858	\$95,729	\$1,675,772
20	2021	\$178,076,109	\$178,076,109	\$1,498,408	\$103,016	\$96,838	\$1,698,262
21	2022	\$178,120,206	\$178,120,206	\$1,515,803	\$104,212	\$97,957	\$1,717,973
22	2023	\$180,184,745	\$180,184,745	\$1,533,372	\$105,420	\$99,088	\$1,737,880
23	2024	\$294,769,929	\$294,769,929	\$2,508,492	\$172,460	\$161,683	\$2,842,635
24	2025	\$298,000,964	\$298,000,964	\$2,535,988	\$174,350	\$163,443	\$2,873,782
25	2026	\$301,264,310	\$301,264,310	\$2,563,759	\$176,260	\$165,221	\$2,905,240
26	2027	\$304,560,290	\$304,560,290	\$2,591,808	\$178,188	\$167,016	\$2,937,012
27	2028	\$307,889,229	\$307,889,229	\$2,620,137	\$180,136	\$168,829	\$2,969,102
28	2029	\$393,251,458	\$393,251,458	\$3,346,570	\$230,078	\$215,222	\$3,791,870
29	2030	\$397,467,309	\$397,467,309	\$3,382,447	\$232,545	\$217,509	\$3,832,501
30	2031	\$401,725,318	\$401,725,318	\$3,418,682	\$235,036	\$219,818	\$3,873,536
<b>30 Year TIF Total</b>		<b>\$3,981,405,728</b>	<b>\$3,831,125,125</b>	<b>\$32,578,976</b>	<b>\$2,238,488</b>	<b>\$2,101,918</b>	<b>\$36,919,383</b>
<b>30 Year Average</b>		<b>\$132,713,524</b>	<b>\$127,704,171</b>	<b>\$1,085,966</b>	<b>\$74,616</b>	<b>\$70,064</b>	<b>\$1,230,646</b>

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND**  
IN THE CITY COUNCIL

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE**  
**CHAPTER 14 AND CHAPTER 8**  
**Re: WATERFRONT DEVELOPMENT GROWTH AREA**

**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, Sections 14-906 to 14-908 is hereby amended 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 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 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  $\pm$  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. 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.~~

~~(c) 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.~~

2. *That the Portland City Code is hereby amended by adding sections to be numbered 8-1 to 8-4, which said sections reads as follows:*

**ARTICLE I. WATERFRONT DEVELOPMENT GROWTH AREA  
ORDINANCE**

**Sec. 8-1. Title.**

This ordinance shall be known as the Waterfront Development Growth Area Ordinance.

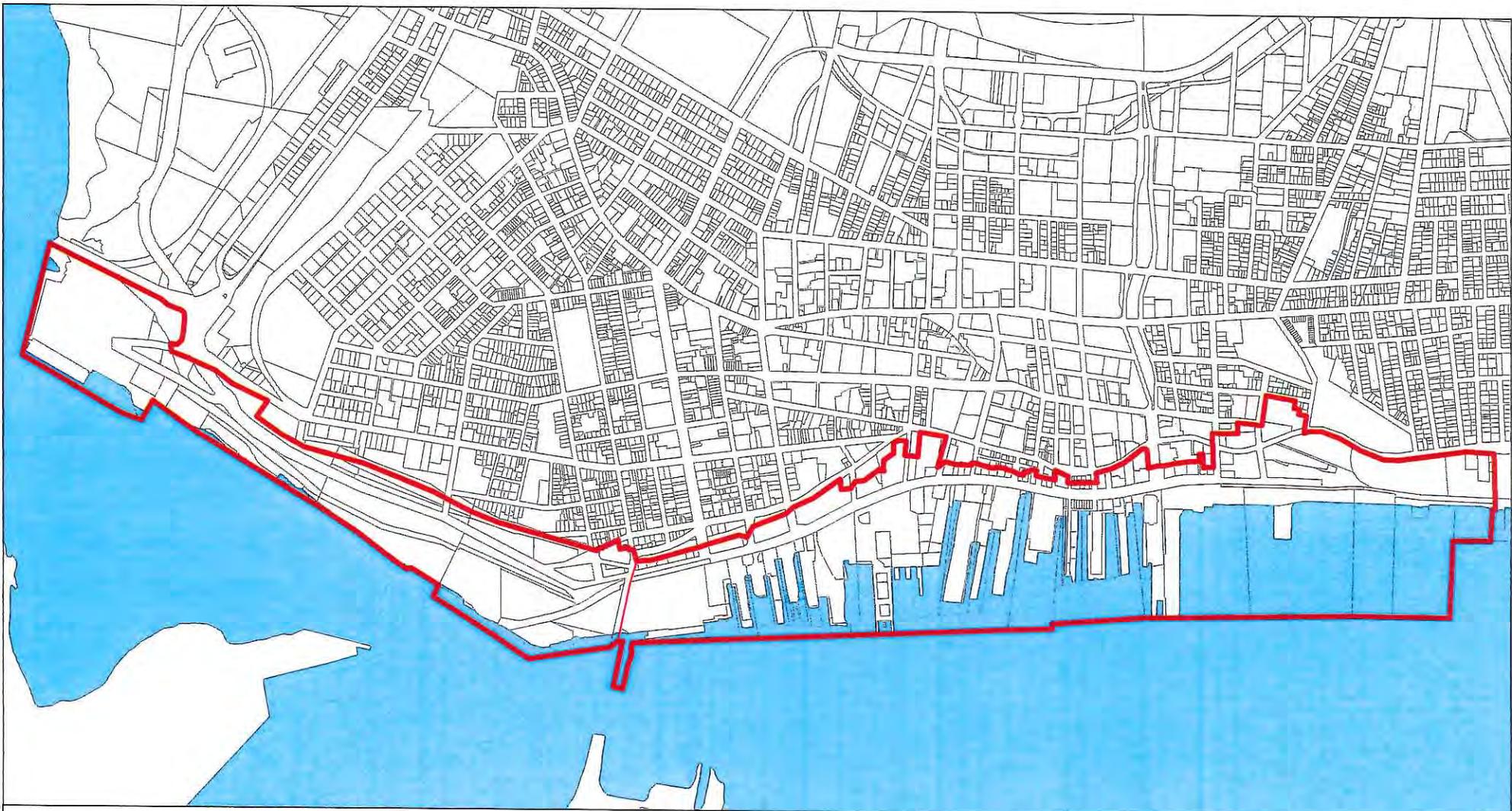
**Sec. 8-2. Purposes.**

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, such as climate change adaptation, as the City Council shall approve from time to time. These activities shall be collectively known as the redevelopment program.

**Sec. 8-3. Creation of the Waterfront Development Growth Area**

The Waterfront Development Growth Area (WDGA) is hereby created and shown on the map below, titled the Portland Waterfront Development Growth Area, which is incorporated as a component of this ordinance, as may be amended from time to time.



# Portland Waterfront Development Growth Area

— Waterfront Development Growth Area



Map produced by the City of Portland Economic Development Department. Intended as an exhibit to the City ordinance expanding and replacing the Waterfront Redevelopment Economic Zone. October 2018



**Sec. 8-4. 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 (TIF) Districts Revenues.

1. Within the Waterfront Development Growth Area (WDGA) 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 shall be subject to designation as a Tax Increment Finance (TIF) District to support redevelopment activities within the WDGA pursuant to 30-A M.R.S. §§ 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 WGDA which through revaluation or by undertaking 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 WDGA 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 and implement the program activities, including the program income and expense, of the redevelopment program annually for approval 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 and annual TIF District reporting. Periodically, the city manager shall evaluate and propose updates to the Development Plan, and identify properties developed in the redevelopment zone which qualify as additional 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 when proposing the addition of properties for inclusion in the Waterfront TIF District.

Additionally, the City Manager through the Economic Development Department shall report to the City Council on financial activity related to the Development Program within an Annual TIF District Activity Report.

(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 WDGA. 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 WDGA, 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.

# City of Portland

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## Waterfront Economic Redevelopment Program

Application for FY02 and FY10 Amended Waterfront Tax Increment Financing Development

District Approved by City Council March 18, 2002

### AMENDMENTS:

1. AMENDED AND RESTATED PER CITY COUNCIL APPROVAL ON JUNE 7, 2010 – INCREASE TERM AND CREATE SUBDISTRICT;
- 1.2. AMENDED AND RESTATED PER CITY COUNCIL APPROVAL ON MARCH 6, 2018 – ADD ADDITIONAL PROPERTIES
- 2.3. AMENDMENTS TO INCREASE INVESTMENT OPTIONS, ADD ADDITIONAL PROPERTIES, AND INCREASE GEOGRAPHICAL BOUNDARY – SEPTEMBER 2018, 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 March 6,  
2018; Amended and Restated

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## 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 Financial Development District Program (the “Original Development Program”). The Original TIF Districts program was designed for the City to capture 100% of the tax increment for specified allowable uses.

Amendment #1: On June 7, 2010, the Portland City Council ~~amended~~ 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;
- 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 (Merrill’s Wharf) Project.

Amendment #2: On March 6, 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)

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

MDECD approved Amendment #2 on May 29, 2018.

### *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 (The Waterfront Alliance Report, 1992). While some may argue otherwise, the existing zoning structure, based on the 1992 Report, -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.

Since the adoption of Waterfront Task Force II report, the City has systematically conducted area specific planning and re-zoning processes for the three waterfront sub-areas identified in the 1992 Waterfront Alliance Report: Eastern Waterfront, Central Waterfront, and Western Waterfront. These processes have resulted in an updated framework of regulation that reflects the industries, infrastructures, water depths, and ownership patterns on the Portland Waterfront. Current regulations continue to prioritize and protect water dependent uses while allowing reasonable flexibility to promote investment. While new zoning promotes waterfront investment, barriers remain. Deferred pier maintenance, shifting industry needs, dredging needs, traffic congestion, and parking shortages continue to challenge public and private piers and the industries that depend on them.

## II. Development Program

### A. Amended Development Program

With the incorporation of the Task Force II Report into the Portland Comprehensive Plan in 2000, with these policies recently reinforced with the redrafted Portland 2030 Plan, the City Council formally recognizes 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; and Attachment 3(A) as amended and renamed “Waterfront Growth Area Ordinance” [WGA, as referred to from now on within this document];) whereby any property within the WGAREZGA geographic area, delineated on the attached map (see Revised 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 WREZGA 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 vibrant mix of fishing vessels, shipbuilding vessel repair, chandlery, cargo operations and the like with the lawyers, bankers, dot com technology entrepreneurs and tourists. So when Given that non-marine uses place strains on the working waterfront, and that a revenue stream was required to maintain and improve the economic vibrancy of the Portland waterfront area, 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 WREZGA Ordinance.

The WREZGA 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.

1. Amendment #2 – Three Added Parcels Approved by City Council March 16, 2018

~~Therefore,~~ the Original Development Program and the three Added TIF District Properties of March 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 WREZGA Ordinance.

2. Amendment #3 – Additional Parcels to be Added – September 2018

Additional Parcels to be added include those listed in Section II(D)(4).

In addition, this proposed Amendment increases City TIF revenue investment options, as well as increases the geographic area by amending and renaming the WREZ to the “Waterfront Development Growth Area Ordinance”. See proposed amendments to the WREZ as noted on Attachment #3(A).

The activities to be funded through the Original Development Program ~~and~~ this Amended Development Program, ~~and the three Added TIF District Properties of 2018~~ 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 a 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
<b>In District: Capital Infrastructure <u>Design and Investments, including financing costs</u>, for example:</b>		
Pier and Wharf Structural Repair	(1)(A)(1)(2)(3)(6)(7)	\$ <u>15,3,200,000</u>
Local Match for Ocean Gateway Project	(1)(A)(2)	\$1,000,000
Street <u>Studies and</u> Improvements (Remedy Traffic Congestion)	(1)(A)(1)(2)(3)(6)(7)	\$ <u>205,000,000</u>
Pedestrian <u>and Multi-Modal</u> Circulation and Amenity Improvements	(1)(A)(1)(2)(3)(6)(7)	\$ <u>2,00750,000</u>
<u>Dredging</u>	(1)(A)(1)(2)(6)(7)	\$10,000,000
<u>New Publicly Owned Pier</u>	(1)(A)(1)(2)(3)(6)(7)	\$3,000,000
<u>Multi-Modal Surface and Structured Parking</u>	(1)(A)(1)(2)(3)(6)(7)	\$10,000,000
<u>Utilities Infrastructure</u>	(1)(A)(1)(2)(3)(6)(7)	\$15,000,000
Credit Enhancement Agreements	(1)(A)	\$4,000,000
<b>In and out of District:</b>		Per Each Individual CEA Project
<del>(a) Funding the</del>	(1)(A)(5) and (C)(1)	\$50,000 Annually
<del>City-Economic Development Department, including prorated salaries of City Manager, Finance, and Planning Urban Development Director and Planning staff; Staff</del>		<u>effective 7/1/2010 for 22 years, or \$1,100,000 total.</u>
<del>(b) Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained, of value to marine industry;</del>	(1)(C)(4)	\$750,000
<del>(c) Costs of funding economic development programs or events; and</del>	(1)(C)(1)	\$250,000
<del>(d) Costs of funding environmental improvements projects for commercial use, including sea level adaptation studies and infrastructure improvements; and</del>	(1)(C)(2)	\$5,000,000
<del>(e) Professional services costs;</del>	(1)(A)(4); 1(C)(1)	\$1,000,000
<del>(f) Dredging of commercial vessel berthing; and,</del>	(1)(A)(1)(2)(6)(7)	\$5,000,000
<del>(g) Dredge sediment disposal and CAD Cell development.</del>	(1)(A) and (1)(C)(2)	\$5,000,000
<b>Total Estimate of TIF Revenue Expenditure over 30-year term:</b>		<b>\$88,1021,050,000 – excluding CEA Projects</b>

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 ~~this e-five Original TIF Districts described in the Original Amended~~ Development Program ~~and the three Added TIF District Properties of 2018~~. Since the Original Development Program, this Amended Development Program, ~~and the three Added TIF District Properties of 2018~~ 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.

### **In District Use of Funds**

#### *Pier and Wharf Structural Repair*

The waterfront infrastructure needs are considerable. The Task Force II Report estimated ~~s~~ 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. Over the last 18 years, these costs have grown considerably and the Task Force II Report estimates should be considered woefully inadequate. Working pier space and commercial berthing are the foundational resources promoting water-dependent industries. Piling replacement, deck repair, structural repair, seawall maintenance, and berthing improvements are constant necessities in any marine environment. See Dredging below.

#### *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 Studies and Improvements (Remedy Traffic Congestion)*

~~With the development of the Ocean Gateway facility~~ For more than the last 10 years, the Portland Waterfront has experienced a historic development cycle that continues to this day. ; To keep pace with development and to retain and grow marine industry, significant transportation improvements will be required to accommodate the increased traffic, ~~on the street network along and around the waterfront, w~~With particular emphasis on Commercial Street, Franklin Arterial Street, Commercial Street and the India Street neighborhood, street system improvements are and will continue to be studied and improved.

#### *Pedestrian Circulation and Multi-modal Transportation, and Amenity Improvements*

With the growth of tourism, cruise ships, and non-marine development, waterfront industries increasingly share roadway capacity with, pedestrians, bicycles, tour vehicles, and non-marine delivery trucks. To both accommodate these new users and

protect existing marine industries, the City will need to invest in pedestrian infrastructure, bicycle infrastructure (lanes, racks and stations,) public transit, and other multi-modal transportation improvements to promote a safe and functional transportation network. Multi-modal investments provide the additional opportunity to remove single occupancy vehicles from the network, reducing traffic, and to promote public access to the water.

~~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 more than \$100 per cubic yard vs. as little as \$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 public health and ecological benefits associated with removing contaminated sediment, the Report recommends that the City devise a strategy to dispose of contaminated sediments and to subsidize a portion of the costs of the dredging. See CAD Cell Development discussion below.~~

### *New Publicly Owned Pier*

Located between the Portland Ocean Terminal and Ocean Gateway, a new deep-water pier will offer expanded berthing supporting cruise ship, home porting, tug boat, and transient berthing for current and future marine transportation industries.

### *Multimodal Surface and Structured Parking*

Existing and future waterfront industries and developments require shared parking resources to promote continued growth and opportunities for transportation choice.

### *Economic Development Staffing, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning Staff*

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, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

### *Utilities Infrastructure*

The design, upgrades, and construction of utility infrastructure including, but not limited to, lighting, water, stormwater and sewer systems, telecommunication, and electrical distribution upgrades.

#### *Credit Enhancement Agreements*

The City Council may approve credit enhancement agreements within the ~~WGA~~Waterfront Central Zone (as depicted on Attachment #45) 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 commercial Credit Enhancement Agreements to not exceed 65% of the incremental taxes up to a 20-year term; for Affordable Housing TIF District, the TIF Policy limits Credit Enhancement Agreements to not exceed 75% of the incremental taxes up to a 30-year term.

### **In and Out of District Use of Funds**

#### *Workforce Training Funds*

Marine Industries are increasingly challenged to find qualified workers to fill open positions and to capitalize on opportunities for growth. TIF funding can help expand the pool of applicants for current and future employment while improving employment options.

#### *Economic Development Programs and Events*

Job fairs, technology conferences, industry open houses, and other such events to market and promote the waterfront and its industries.

#### *Environmental Improvement Projects*

Waterfront industries, such as fisheries and tourism benefit from water quality improvement studies and projects. Likewise, sea level rise and other climate change related stresses on industries will increasingly require studies and infrastructure improvements to adapt to changing conditions and promote resiliency.

#### *Professional Services Costs*

Waterfront TIF funds may be used to support consulting and professional services needed for special projects and to conduct the everyday ongoing work implementing the development program.

## Dredging

Urban harbors require periodic dredging to retain access to and utility of commercial berthing. Typically located on state-owned submerged lands controlled by a submerged lands lease, berthing is the foundation resource supporting water-dependent employment and development. Un-dredged pier edges continually lose their value to marine industry through natural sedimentation and urban storm water runoff. The costs of dredging these public lands are prohibitive, with costs escalating due to contamination resulting from legacy industries, combined sewer overflows, and street runoff. With the support of the Maine Department of Transportation and the Portland Harbor Commission, the City of Portland has worked for the last several years to quantify volumes, sediment contamination, and sediment disposal options. TIF funding will promote dredging of public and private berthing and provide local match for additional state and federal funds.

~~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 more than \$100 per cubic yard vs. as little as \$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 public health and ecological benefits associated with removing contaminated sediment, the Report recommends that the City devise a strategy to dispose of contaminated sediments and to subsidize a portion of the costs of the dredging. See CAD Cell Development discussion below.~~

### Dredged Sediment Disposal Costs and CAD Cell Development

The City is working with State and local partners to construct a Contained Aquatic Disposal (CAD) cell in Portland Harbor to address the needs of pier dredging for both public and private piers. Typical urban sediments are not suitable for open water disposal, necessitating creation of a local disposal option. On-land disposal is prohibitively expensive. A CAD cell location has been identified and TIF funding will provide local match to state and federal funds needed for final design and construction of the CAD cell.

### *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 WREZGA Ordinance (see Attachments #2, and #3, and #3A) whereby any property within the geographic area, delineated on the attached map (see Revised 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.

NOTE: This Amendment #3 also proposes to amend the WREZGA Ordinance to expand the geographic area and rename the Ordinance the “Waterfront Development Growth Area Ordinance”, as noted on Attachment #3(A).

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 March 2018

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

4. Added TIF District Properties of September-Fall 2018

Additional Parcels to be added include: NOTE: a/o 9/14/2018, City is confirming the various parcels sizes, assessed values, and CBLs. A map, however, is attached showing the location of the subject properties.

E. *Municipal Use of TIF Revenues*

The City of Portland seeks authorization to utilize the revenues generated from this Amended Development Program ~~five Original TIF Districts, the Sub-District, and the three Added TIF District Properties of 2018~~ that are created in the WREZGA 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

~~This 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 this Amended District ~~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 March 2018 Physical Description**

The total acreage of the three Added TIF District Properties of March 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 March 2018, in relation to geographic location of municipality (Attachment #8)
2. Tax maps showing locations of the three Added TIF District Properties of March 2018 (Attachment #9).

### **III-C. Added TIF District Properties of September 2018 Physical Description**

The total acreage of the added September 2018 TIF District Properties is estimated at 80 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 Added September 2018 TIF District Properties, in relation to geographic location of municipality (Attachment #9(C)).
2. Tax maps showing locations of the added September 2018 TIF District Properties (Attachments #9(D) through ( )).

## **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 #10 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the AmendedOriginal TIF Districts. Attachment #10 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. §5254 (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 #10 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 #11 details the projections and TIF revenue allocation schedule based upon the anticipated assessed value increases within the Sub-District. 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*

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. §5254 (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 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 #11 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 March 2018 Financial Plan**

*A. Costs and Sources of Revenues*

The three Added TIF District Properties of March 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 March 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 March 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. §5254 (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 three Added TIF District Properties of March 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.

### **IV-C Added TIF District Properties of September 2018 Financial Plan**

#### *A. Costs and Sources of Revenues*

The Added TIF District Properties of September 2018 comprise an area of approximately 80 acres of taxable real property with an original assessed value of \$20,049,870 as of March 31, 2018. The development within the Added TIF District Properties of September 2018 is estimated to add an additional \$300 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 provide for the new tax revenues generated by the increase in assessed value of the Original TIF and Amended 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(A) details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Added TIF District Properties of September 2018. Attachment #12(A) 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. §5254 (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 Added TIF District Properties of September 2018 will add approximately \$300 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(A) 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	<u>\$950,900</u>
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 March 2018 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>\$616,430</u>
Sub-Total	\$1,107,059,100
Less Exempt	<u>-\$973,107,320</u>
Total	\$133,951,780

Line B divided by line A = 1.48% (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: \$491,204 (Average)
- F. Total average annual value of development program fund: \$491,204 (Average)
- G. Annual principal and interest payment of bonded indebtedness: \$200,000-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.

**V-C. Added TIF District Properties of September 2018 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>\$1,107,059,1006,422,670</u>
<u>Proposed</u>	<u>\$20,049,870</u>
<u>Sub-Total</u>	<u>\$1,127,108,970</u>
<u>Less Exempt</u>	<u>-\$973,107,320</u>
<u>Total</u>	<u>\$154,001,650133,951,780</u>

Line B divided by line A = 1.7% (cannot exceed 5%).

C. Estimate of increased assessed value by year after implementation of the ~~three~~ Added TIF District Properties of September 2018: See Attachment #12(A).

D. Percentage of increased assessed value to be applied to the ~~three~~ Added TIF District Properties of September 2018 Development Program fund: 100%

E. Estimated annual tax increment: \$7,282,000 (Average)

F. Total average annual value of development program fund: \$7,282,000 (Average)

G. Annual principal and interest payment of bonded indebtedness: \$200,000

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.

III. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #15(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 March 2018 Tax Shifts (See Attachment #15)**

*A. Average Annual Amount:*

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

Municipal Revenue Sharing Tax Shift: \$11,772

County Tax Shift: \$10,522

Total Average Annual Savings: \$145,015

**VI-C. Added TIF District Properties of September 2018 Tax Shifts (See Attachment #15(A))**

*A. Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$2,341,121

Municipal Revenue Sharing Tax Shift: \$160,724

County Tax Shift: \$150,869

Total Average Annual Savings: \$2,652,714

**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 February 22, 2018 in a newspaper of general circulation (see Attachment #17).

*B. Public Hearing*

A Public Hearing at which the proposed Amended Development Program for adoption was held on March 6, 2018 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment #18.

*C. Authorizing Votes*

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program is included as Attachment #19.

# City of Portland

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## Waterfront Economic Redevelopment Program

*Application for FY02 and FY10 Amended Waterfront Tax Increment Financing Development District Approved by City Council March 18, 2002*

### AMENDMENTS:

1. AMENDED AND RESTATED PER CITY COUNCIL APPROVAL ON JUNE 7, 2010 – INCREASE TERM AND CREATE SUBDISTRICT;
2. AMENDED AND RESTATED PER CITY COUNCIL APPROVAL ON MARCH 6, 2018 – ADD ADDITIONAL PROPERTIES
3. AMENDMENTS TO INCREASE INVESTMENT OPTIONS, ADD ADDITIONAL PROPERTIES, AND INCREASE GEOGRAPHICAL BOUNDARY – SEPTEMBER 2018, 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 March 6, 2018; Amended and Restated \_\_\_\_\_

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## **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 Financial Development District Program (the “Original Development Program”). The Original TIF District program was designed for the City to capture 100% of the tax increment for specified allowable uses.

Amendment #1: 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;
- 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 (Merrill’s Wharf) Project.

Amendment #2: On March 6, 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)

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

MDECD approved Amendment #2 on May 29, 2018.

### ***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 (The Waterfront Alliance Report, 1992). While some may argue otherwise, the existing zoning structure, based on the 1992 Report, 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.

Since the adoption of Waterfront Task Force II report, the City has systematically conducted area specific planning and re-zoning processes for the three waterfront sub-areas identified in the 1992 Waterfront Alliance Report: Eastern Waterfront, Central Waterfront, and Western Waterfront. These processes have resulted in an updated framework of regulation that reflects the industries, infrastructures, water depths, and ownership patterns on the Portland Waterfront. Current regulations continue to prioritize and protect water dependent uses while allowing reasonable flexibility to promote investment. While new zoning promotes waterfront investment, barriers remain. Deferred pier maintenance, shifting industry needs, dredging needs, traffic congestion, and parking shortages continue to challenge public and private piers and the industries that depend on them.

## **II. Development Program**

### *A. Amended Development Program*

With the incorporation of the Task Force II Report into the Portland Comprehensive Plan in 2000, with these policies recently reinforced with the redrafted Portland 2030 Plan, the City Council formally recognizes 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, Attachment #3 as amended December 1, 2008; and Attachment 3(A) as amended \_\_\_\_\_ and renamed “Waterfront Growth Area Ordinance” [WGA, as referred to from now on within this document]) whereby any property within the WGAGA geographic area, delineated on the attached map (see Revised 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 WGA 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 vibrant mix of fishing vessels, vessel repair, chandlery, cargo operations and the like with lawyers, bankers, technology entrepreneurs and tourists. Given that non-marine uses place strains on the working waterfront, and that a revenue stream was required to maintain and improve the economic vibrancy of the area, the City Council acted 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 WGA Ordinance.

The WGA 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 hoped 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.

1. Amendment #2 – Three Added Parcels Approved by City Council March 16, 2018

The Original Development Program and the three Added TIF District Properties of March 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 WGA Ordinance.

2. Amendment #3 – Additional Parcels to be Added – September 2018

Additional Parcels to be added include those listed in Section II(D)(4).

In addition, this proposed Amendment increases City TIF revenue investment options, as well as increases the geographic area by amending and renaming the WREZ to the “Waterfront Development Growth Area Ordinance”. See proposed amendments to the WREZ as noted on Attachment #3(A).

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 a 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
<b>In District: Capital Infrastructure Design and Investments, including financing costs, for example:</b>		
Pier and Wharf Structural Repair	(1)(A)(1)(2)(3)(6)(7)	\$15,000,000
Local Match for Ocean Gateway Project	(1)(A)(2)	\$1,000,000
Street Studies and Improvements (Remedy Traffic Congestion)	(1)(A)(1)(2)(3)(6)(7)	\$20,000,000
Pedestrian and Multi-Modal Circulation and Amenity Improvements	(1)(A)(1)(2)(3)(6)(7)	\$2,000,000
New Publicly Owned Pier	(1)(A)(1)(2)(3)(6)(7)	\$3,000,000
Multi-Modal Surface and Structured Parking	(1)(A)(1)(2)(3)(6)(7)	\$10,000,000
Utilities Infrastructure	(1)(A)(1)(2)(3)(6)(7)	\$15,000,000
Credit Enhancement Agreements	(1)(A)	\$4,000,000
<b>In and out of District:</b>		
(a) Funding the Economic Development Department, including prorated salaries of City Manager, Finance, and Planning Urban Development Director and Planning staff;	(1)(A)(5) and (C)(1)	Per Each Individual CEA Project \$50,000 Annually effective 7/1/2010 for 22 years, or \$1,100,000 total.
(b) Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained, of value to marine industry;	(1)(C)(4)	\$750,000
(c) Costs of funding economic development programs or events;	(1)(C)(1)	\$250,000
(d) Costs of funding environmental improvements projects for commercial use, including sea level adaptation studies and infrastructure improvements;	(1)(C)(2)	\$5,000,000
(e) Professional services costs.	(1)(A)(4); 1(C)(1)	\$1,000,000
(f) Dredging of commercial vessel berthing; and,	(1)(A)(1)(2)(6)(7)	\$5,000,000
(g) Dredge sediment disposal and CAD Cell development.	(1)(A) and (1)(C)(2)	<u>\$5,000,000</u>
<b>Total Estimate of TIF Revenue Expenditure over 30-year term:</b>		<b>\$88,100,000 – excluding CEA Projects</b>

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 this Amended Development Program. Since the Original Development Program, 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.

### **In District Use of Funds**

#### *Pier and Wharf Structural Repair*

The waterfront infrastructure needs are considerable. The Task Force II Report estimated 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. Over the last 18 years, these costs have grown considerably and the Task Force II Report estimates should be considered woefully inadequate. Working pier space and commercial berthing are the foundational resources promoting water-dependent industries. Piling replacement, deck repair, structural repair, seawall maintenance, and berthing improvements are constant necessities in any marine environment. See Dredging below.

#### *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 Studies and Improvements (Remedy Traffic Congestion)*

For more than the last 10 years, the Portland Waterfront has experienced a historic development cycle that continues to this day. To keep pace with development and to retain and grow marine industry, significant transportation improvements will be required to accommodate the increased traffic. With particular emphasis on Commercial Street, Franklin Street, and the India Street neighborhood, street system improvements are and will continue to be studied and improved.

#### *Pedestrian Circulation and Multi-modal Transportation, Improvements*

With the growth of tourism, cruise ships, and non-marine development, waterfront industries increasingly share roadway capacity with, pedestrians, bicycles, tour vehicles, and non-marine delivery trucks. To both accommodate these new users and protect existing marine industries, the City will need to invest in pedestrian infrastructure, bicycle infrastructure (lanes, racks and stations,) public transit, and other multi-modal transportation improvements to promote a safe and functional transportation network. Multi-modal investments provide the additional opportunity to

remove single occupancy vehicles from the network, reducing traffic, and to promote public access to the water.

#### *New Publicly Owned Pier*

Located between the Portland Ocean Terminal and Ocean Gateway, a new deep-water pier will offer expanded berthing supporting cruise ship, home porting, tug boat, and transient berthing for current and future marine transportation industries.

#### *Multimodal Surface and Structured Parking*

Existing and future waterfront industries and developments require shared parking resources to promote continued growth and opportunities for transportation choice.

#### *Economic Development Staffing, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning Staff*

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, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

#### *Utilities Infrastructure*

The design, upgrades, and construction of utility infrastructure including, but not limited to, lighting, water, stormwater and sewer systems, telecommunication, and electrical distribution upgrades.

#### *Credit Enhancement Agreements*

The City Council may approve credit enhancement agreements within the WGA (as depicted on Attachment #4) 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 commercial Credit Enhancement Agreements to not exceed 65% of the incremental taxes up to a 20-year term; for Affordable Housing TIF District, the TIF Policy limits Credit Enhancement Agreements to not exceed 75% of the incremental taxes up to a 30-year term.

## **In and Out of District Use of Funds**

### *Workforce Training Funds*

Marine Industries are increasingly challenged to find qualified workers to fill open positions and to capitalize on opportunities for growth. TIF funding can help expand the pool of applicants for current and future employment while improving employment options.

### *Economic Development Programs and Events*

Job fairs, technology conferences, industry open houses, and other such events to market and promote the waterfront and its industries.

### *Environmental Improvement Projects*

Waterfront industries, such as fisheries and tourism benefit from water quality improvement studies and projects. Likewise, sea level rise and other climate change related stresses on industries will increasingly require studies and infrastructure improvements to adapt to changing conditions and promote resiliency.

### *Professional Services Costs*

Waterfront TIF funds may be used to support consulting and professional services needed for special projects and to conduct the everyday ongoing work implementing the development program.

### *Dredging*

Urban harbors require periodic dredging to retain access to and utility of commercial berthing. Typically located on state-owned submerged lands controlled by a submerged lands lease, berthing is the foundation resource supporting water-dependent employment and development. Un-dredged pier edges continually lose their value to marine industry through natural sedimentation and urban storm water runoff. The costs of dredging these public lands are prohibitive, with costs escalating due to contamination resulting from legacy industries, combined sewer overflows, and street runoff. With the support of the Maine Department of Transportation and the Portland Harbor Commission, the City of Portland has worked for the last several years to quantify volumes, sediment contamination, and sediment disposal options. TIF funding will promote dredging of public and private berthing and provide local match for additional state and federal funds.

See CAD Cell Development discussion below.

*Dredged Sediment Disposal Costs and CAD Cell Development*

The City is working with State and local partners to construct a Contained Aquatic Disposal (CAD) cell in Portland Harbor to address the needs of pier dredging for both public and private piers. Typical urban sediments are not suitable for open water disposal, necessitating creation of a local disposal option. On-land disposal is prohibitively expensive. A CAD cell location has been identified and TIF funding will provide local match to state and federal funds needed for final design and construction of the CAD cell.

*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 WGA Ordinance (see Attachments #2, #3, and #3A) whereby any property within the geographic area, delineated on the attached map (see Revised 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.

NOTE: This Amendment #3 also proposes to amend the WGA Ordinance to expand the geographic area and rename the Ordinance the “Waterfront Development Growth Area Ordinance”, as noted on Attachment #3(A).

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 March 2018

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

4. Added TIF District Properties of September 2018

Additional Parcels to be added include: NOTE: a/o 9/14/2018, City is confirming the various parcel sizes, assessed values, and CBLs. A map, however, is attached showing the location of the subject properties.

*E. Municipal Use of TIF Revenues*

The City of Portland seeks authorization to utilize the revenues generated from this Amended Development Program that are created in the WGA 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

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 this Amended District, 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 March 2018 Physical Description**

The total acreage of the three Added TIF District Properties of March 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 March 2018, in relation to geographic location of municipality (Attachment #8)
- 2. Tax maps showing locations of the three Added TIF District Properties of March 2018 (Attachment #9).

### **III-C. Added TIF District Properties of September 2018 Physical Description**

The total acreage of the added September 2018 TIF District Properties is estimated at 80 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 Added September 2018 TIF District Properties, in relation to geographic location of municipality (Attachment #9(C)).
- 2. Tax maps showing locations of the added September 2018 TIF District Properties (Attachments #9(D) through ( )).

#### **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 #10 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Amended TIF District. Attachment #10 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. §5254 (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 #10 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 #11 details the projections and TIF revenue allocation schedule based upon the anticipated assessed value increases within the Sub-District. 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**

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. §5254 (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 #11 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 March 2018 Financial Plan**

##### *A. Costs and Sources of Revenues*

The three Added TIF District Properties of March 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 March 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 March 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. §5254 (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 three Added TIF District Properties of March 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.

#### **IV-C Added TIF District Properties of September 2018 Financial Plan**

##### *A. Costs and Sources of Revenues*

The Added TIF District Properties of September 2018 comprise an area of approximately 80 acres of taxable real property with an original assessed value of \$20,049,870 as of March 31, 2018. The development within the Added TIF District Properties of September 2018 is estimated to add an additional \$300 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 provide for the new tax revenues generated by the increase in assessed value of the Original TIF and Amended 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(A) details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Added TIF District Properties of September 2018. Attachment #12(A) 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. §5254 (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 Added TIF District Properties of September 2018 will add approximately \$300 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(A) 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 March 2018 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	\$616,430
Sub-Total	\$1,107,059,100
Less Exempt	<u>-\$973,107,320</u>
Total	\$133,951,780

Line B divided by line A = 1.48% (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: \$491,204 (Average)
- F. Total average annual value of development program fund: \$491,204 (Average)
- G. Annual principal and interest payment of bonded indebtedness: \$200,000
- 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.

**V-C. Added TIF District Properties of September 2018 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	\$1,107,059,100
Proposed	\$20,049,870
Sub-Total	\$1,127,108,970
Less Exempt	<u>-\$973,107,320</u>
Total	\$154,001,650

Line B divided by line A = 1.7% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the Added TIF District Properties of September 2018: See Attachment #12(A).
- D. Percentage of increased assessed value to be applied to the Added TIF District Properties of September 2018 Development Program fund: 100%
- E. Estimated annual tax increment: \$7,282,000 (Average)
- F. Total average annual value of development program fund: \$7,282,000 (Average)
- G. Annual principal and interest payment of bonded indebtedness: \$200,000

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.

III. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #15(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 March 2018 Tax Shifts (See Attachment #15)**

*A. Average Annual Amount:*

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

Municipal Revenue Sharing Tax Shift: \$11,772

County Tax Shift: \$10,522

Total Average Annual Savings: \$145,015

**VI-C. Added TIF District Properties of September 2018 Tax Shifts (See Attachment #15(A))**

*A. Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$2,341,121

Municipal Revenue Sharing Tax Shift: \$160,724

County Tax Shift: \$150,869

Total Average Annual Savings: \$2,652,714

**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 \_\_\_\_\_, 2018 in a newspaper of general circulation (see Attachment #17).

*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 #18.

*C. Authorizing Votes*

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program is included as Attachment #19.

City of Portland - Waterfront TIF Model  
Actual FY03 thru FY19; Estimates FY20 thru FY32

OAV at Beginning as 4/1/2001: \$6,716,410  
 OAV added FY11 for Subdistrict as 4/1/2 \$950,930  
 OAV added FY19 for Wex/Union Wharf: \$616,430  
 OAV added FY20 for Additional Parcels as 4/1/2017: \$20,049,870  
 \$28,333,640

TIF Years 18 through 30 - Annual mil rate increase: 2%  
 TIF Years 18 through 30 - Annual valuation increase: 1%

9/6/2018

**Waterfront TIF**

**TIF Years 1 (FY2003) through 17 (FY2019) Actual Numbers; Years 18 (FY2020) through 30 (FY2032) Estimates**

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 Municipal & Subdistrict* Project Account	City Non-Captured General Fund Revenues	OAV General Fund Revenue	Captured Revenue to Municipal Project Account	Captured Revenue to Subdistrict Project Account
1	2002	\$11,533,350	1.00%	\$115,334	25.72	\$2,966	\$2,966	\$293,671	\$172,746	\$2,966	
2	2003	\$8,966,860	1.00%	\$89,669	26.80	\$2,403	\$2,403	\$237,909	\$180,000	\$2,403	
3	2004	\$11,941,350	1.00%	\$119,414	26.53	\$3,168	\$3,168	\$313,636	\$178,186	\$3,168	
4	2005	\$14,041,400	35.38%	\$4,967,847	20.13	\$100,003	\$100,003	\$182,651	\$135,201	\$100,003	
5	2006	\$18,576,750	1.00%	\$185,768	16.31	\$3,030	\$3,030	\$299,957	\$109,545	\$3,030	
6	2007	\$20,681,160	100.00%	\$20,681,160	17.10	\$353,648	\$353,648	\$0	\$114,851	\$353,648	
7	2008	\$20,050,110	62.00%	\$12,431,068	17.74	\$220,527	\$220,527	\$135,162	\$119,149	\$220,527	
8	2009	\$20,010,560	79.00%	\$15,808,342	17.74	\$280,440	\$280,440	\$74,547	\$119,149	\$280,440	
9	2010	\$18,984,350	58.00%	\$11,010,923	17.92	\$197,316	\$197,316	\$142,884	\$137,399	\$197,316	
10	2011	\$24,027,810	74.00%	\$17,780,579	18.28	\$325,001	\$325,001	\$114,189	\$140,159	\$280,783	\$44,218
11	2012	\$30,830,260	74.00%	\$22,814,392	18.82	\$429,367	\$429,367	\$150,859	\$144,299	\$285,529	\$143,838
12	2013	\$30,953,530	91.00%	\$28,167,712	19.41	\$546,735	\$546,735	\$54,073	\$148,823	\$397,188	\$149,547
13	2014	\$32,962,740	73.00%	\$24,062,800	20.00	\$481,256	\$481,256	\$177,999	\$153,347	\$313,301	\$167,955
14	2015	\$33,758,670	69.00%	\$23,293,482	20.63	\$480,545	\$480,545	\$215,897	\$158,177	\$295,498	\$185,047
15	2016	\$33,959,500	66.00%	\$22,413,270	21.11	\$473,144	\$473,144	\$243,741	\$161,858	\$280,805	\$192,339
16	2017	\$34,620,320	66.00%	\$22,849,411	21.85	\$494,690	\$494,690	\$254,840	\$165,998	\$297,431	\$197,259
17	2018	\$39,176,210	71.48%	\$28,003,155	22.48	\$629,511	\$629,511	\$251,170	\$186,219	\$424,690	\$204,821
18	2019	\$168,968,680	100.00%	\$168,968,680	22.93	\$3,874,384	\$3,874,384	\$0	\$649,690	\$3,665,463	\$208,922
19	2020	\$174,052,250	100.00%	\$174,052,250	23.39	\$4,070,767	\$4,070,767	\$0	\$662,724	\$3,857,655	\$213,113
20	2021	\$176,076,109	100.00%	\$176,076,109	23.86	\$4,200,464	\$4,200,464	\$0	\$676,041	\$4,013,640	\$186,824
21	2022	\$178,120,206	100.00%	\$178,120,206	24.33	\$4,334,212	\$4,334,212	\$0	\$689,357	\$4,143,708	\$190,504
22	2023	\$180,184,745	100.00%	\$180,184,745	24.82	\$4,472,138	\$4,472,138	\$0	\$703,241	\$4,277,797	\$194,341
23	2024	\$294,769,929	100.00%	\$294,769,929	25.32	\$7,462,434	\$7,462,434	\$0	\$717,408	\$7,264,178	\$198,256
24	2025	\$298,000,964	100.00%	\$298,000,964	25.82	\$7,695,116	\$7,695,116	\$0	\$731,575	\$7,492,945	\$202,171
25	2026	\$301,264,310	100.00%	\$301,264,310	26.34	\$7,934,971	\$7,934,971	\$0	\$746,308	\$7,766,228	\$188,744
26	2027	\$304,560,290	100.00%	\$304,560,290	26.87	\$8,182,220	\$8,182,220	\$0	\$761,325	\$8,160,059	\$22,161
27	2028	\$307,889,229	100.00%	\$307,889,229	27.40	\$8,437,087	\$8,437,087	\$0	\$776,342	\$8,437,087	
28	2029	\$393,251,458	100.00%	\$393,251,458	27.95	\$10,991,793	\$10,991,793	\$0	\$791,925	\$10,991,793	
29	2030	\$397,467,309	100.00%	\$397,467,309	28.51	\$11,331,823	\$11,331,823	\$0	\$807,792	\$11,331,823	
30	2031	\$401,725,318	100.00%	\$401,725,318	29.08	\$11,682,284	\$11,682,284	\$0	\$823,942	\$11,682,284	
<b>30 Year TIF Total</b>		<b>\$3,981,405,728</b>		<b>\$3,831,125,125</b>		<b>\$99,693,442</b>	<b>\$99,693,442</b>	<b>\$3,143,184</b>	<b>\$12,062,776</b>	<b>\$96,823,384</b>	<b>\$2,870,058</b>
<b>30 Year Average:</b>		<b>\$132,713,524</b>		<b>\$127,704,171</b>		<b>\$3,323,115</b>	<b>\$3,323,115</b>	<b>\$104,773</b>	<b>\$402,093</b>	<b>\$3,227,446</b>	<b>\$95,669</b>

Actuals Above  
Estimates Below

\$2,847,897

\*Subdistrict is Waterfront Maine CEA with maximum cumulative TIF payments set at \$2,870,058.

City of Portland Waterfront TIF Model  
9/6/2018

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model							
TIF Years 1 (FY2003) through 17 (FY2019) Actual Numbers w Varying Percentage Captures; Years 18 (FY2020) through 30 (FY2032) Estimates with 100% Capture Rates.							
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	2002	\$11,533,350	\$115,334	\$0	\$67	\$64	\$131
2	2003	\$8,966,860	\$89,669	\$0	\$52	\$50	\$102
3	2004	\$11,941,350	\$119,414	\$0	\$70	\$66	\$136
4	2005	\$14,041,400	\$4,967,847	\$21,138	\$2,907	\$2,743	\$26,788
5	2006	\$18,576,750	\$185,768	\$1,581	\$109	\$103	\$1,792
6	2007	\$20,681,160	\$20,681,160	\$175,997	\$12,100	\$11,414	\$199,511
7	2008	\$20,050,110	\$12,431,068	\$105,788	\$7,273	\$6,862	\$119,924
8	2009	\$20,010,560	\$15,808,342	\$134,529	\$9,249	\$8,726	\$152,504
9	2010	\$18,984,350	\$11,010,923	\$93,703	\$6,442	\$6,078	\$106,224
10	2011	\$24,027,810	\$17,780,579	\$151,313	\$10,403	\$9,814	\$171,530
11	2012	\$30,830,260	\$22,814,392	\$194,150	\$13,348	\$12,591	\$220,089
12	2013	\$30,953,530	\$28,167,712	\$239,707	\$16,480	\$15,544	\$271,731
13	2014	\$32,962,740	\$24,062,800	\$204,774	\$14,078	\$13,280	\$232,132
14	2015	\$33,758,670	\$23,293,482	\$198,228	\$13,628	\$12,855	\$224,711
15	2016	\$33,959,500	\$22,413,270	\$190,737	\$13,113	\$12,370	\$216,220
16	2017	\$34,620,320	\$22,849,411	\$194,448	\$13,368	\$12,610	\$220,427
17	2018	\$39,176,210	\$28,003,155	\$238,307	\$16,384	\$15,453	\$270,143
18	2019	\$168,968,680	\$168,968,680	\$1,437,923	\$98,858	\$92,944	\$1,629,725
19	2020	\$174,052,250	\$174,052,250	\$1,481,185	\$98,858	\$95,729	\$1,675,772
20	2021	\$176,076,109	\$176,076,109	\$1,498,408	\$103,016	\$96,838	\$1,698,262
21	2022	\$178,120,206	\$178,120,206	\$1,515,803	\$104,212	\$97,957	\$1,717,973
22	2023	\$180,184,745	\$180,184,745	\$1,533,372	\$105,420	\$99,088	\$1,737,880
23	2024	\$294,769,929	\$294,769,929	\$2,508,492	\$172,460	\$161,683	\$2,842,635
24	2025	\$298,000,964	\$298,000,964	\$2,535,988	\$174,350	\$163,443	\$2,873,782
25	2026	\$301,264,310	\$301,264,310	\$2,563,759	\$176,260	\$165,221	\$2,905,240
26	2027	\$304,560,290	\$304,560,290	\$2,591,808	\$178,188	\$167,016	\$2,937,012
27	2028	\$307,889,229	\$307,889,229	\$2,620,137	\$180,136	\$168,829	\$2,969,102
28	2029	\$393,251,458	\$393,251,458	\$3,346,570	\$230,078	\$215,222	\$3,791,870
29	2030	\$397,467,309	\$397,467,309	\$3,382,447	\$232,545	\$217,509	\$3,832,501
30	2031	\$401,725,318	\$401,725,318	\$3,418,682	\$235,036	\$219,818	\$3,873,536
<b>30 Year TIF Total</b>		<b>\$3,981,405,728</b>	<b>\$3,831,125,125</b>	<b>\$32,578,976</b>	<b>\$2,238,488</b>	<b>\$2,101,918</b>	<b>\$36,919,383</b>
<b>30 Year Average</b>		<b>\$132,713,524</b>	<b>\$127,704,171</b>	<b>\$1,085,966</b>	<b>\$74,616</b>	<b>\$70,064</b>	<b>\$1,230,646</b>

Order 80-18/19  
~~Tab 13 8-18~~  
~~Tab 16 10-15-18~~

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE  
CHAPTER 14 AND CHAPTER 8  
Re: WATERFRONT DEVELOPMENT GROWTH AREA**

**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, Sections 14-906 to 14-908 is hereby amended 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 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 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  $\pm$  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. 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.~~

~~(c) 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.~~

2. *That the Portland City Code is hereby amended by adding sections to be numbered 8-1 to 8-4, which said sections reads as follows:*

**ARTICLE I. WATERFRONT DEVELOPMENT GROWTH AREA  
ORDINANCE**

**Sec. 8-1. Title.**

This ordinance shall be known as the Waterfront Development Growth Area Ordinance.

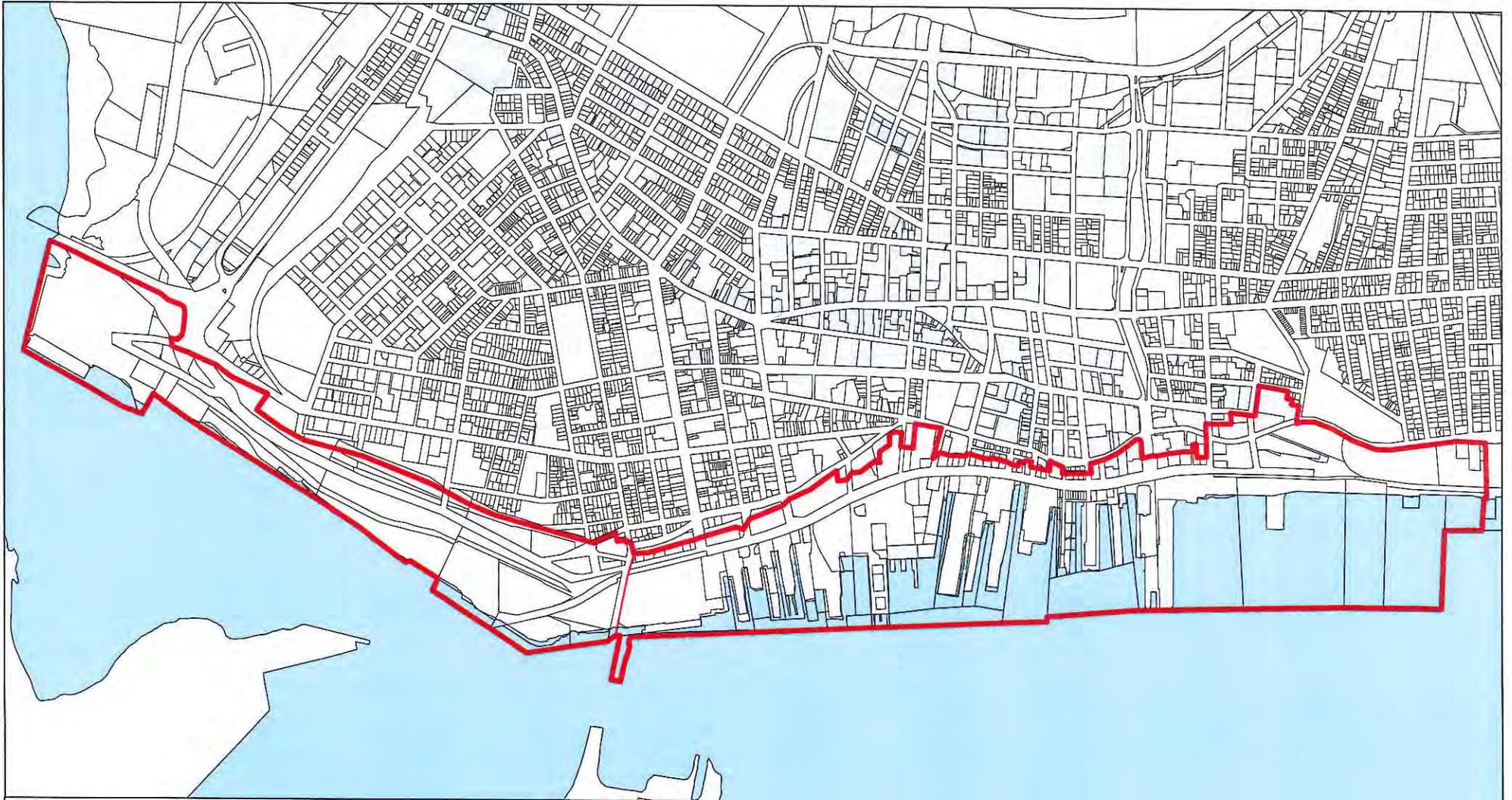
**Sec. 8-2. Purposes.**

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, such as climate change adaptation, as the City Council shall approve from time to time. These activities shall be collectively known as the redevelopment program.

**Sec. 8-3. Creation of the Waterfront Development Growth Area**

The Waterfront Development Growth Area (WDGA) is hereby created and shown on the map below, titled the Portland Waterfront Development Growth Area, which is incorporated as a component of this ordinance, as may be amended from time to time.



## Portland Waterfront Development Growth Area

 Waterfront Development Growth Area

2,500 1,250 0 2,500 Feet



Map produced by the City of Portland Economic Development Department. Intended as an exhibit to the City ordinance expanding and replacing the Waterfront Redevelopment Economic Zone. October 2018



**Sec. 8-4. 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 (TIF) Districts Revenues.

1. Within the Waterfront Development Growth Area (WDGA) 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 shall be subject to designation as a Tax Increment Finance (TIF) District to support redevelopment activities within the WDGA pursuant to 30-A M.R.S. §§ 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 WGDA which through revaluation or by undertaking 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 WDGA 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 and implement the program activities, including the program income and expense, of the redevelopment program annually for approval 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 and annual TIF District reporting.* Periodically, the city manager shall evaluate and propose updates to the Development Plan, and identify properties developed in the redevelopment zone which qualify as additional 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 when proposing the addition of properties for inclusion in the Waterfront TIF District.

Additionally, the City Manager through the Economic Development Department shall report to the City Council on financial activity related to the Development Program within an Annual TIF District Activity Report.

(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 WDGA. 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 WDGA, 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.

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

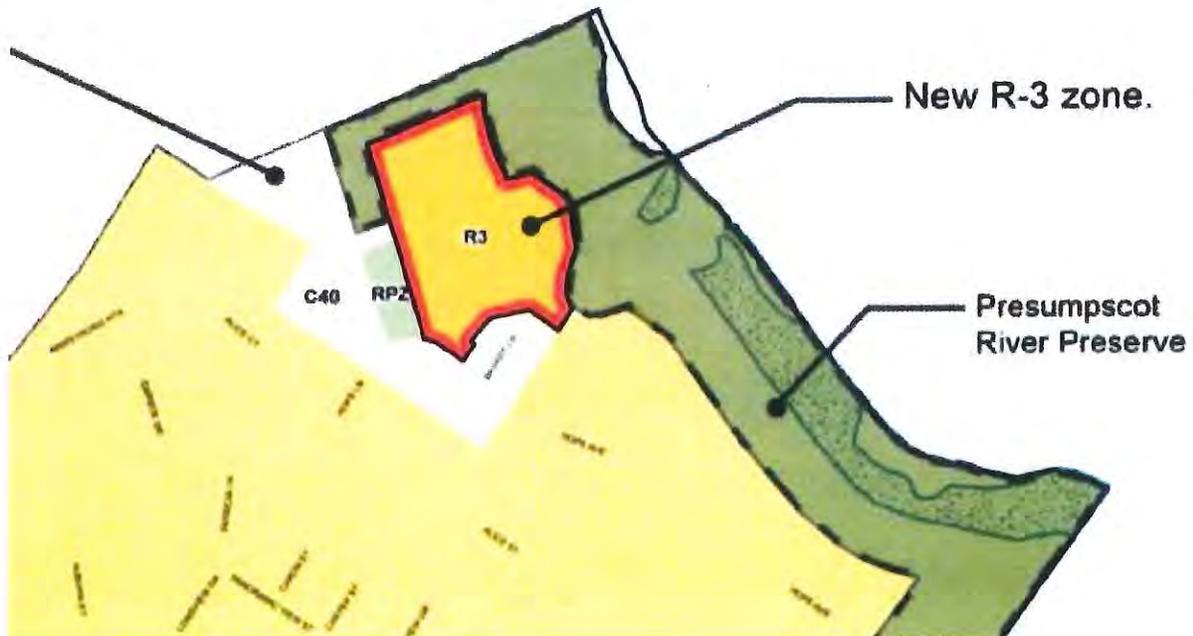
*Order 81-18/19  
Tab 14-10-18  
Tab 17 10-15-18*

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO ZONING MAP  
RE: HOPE AVENUE**

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

That the Zoning Map of the City of Portland, dated December 2000, as amended and on file in the Department of Planning and Urban Development, and incorporated by reference into the Zoning Ordinance by §14-49, be and hereby is amended by adopting the following map change amendment and specifically rezoning property on Hope Avenue to the R-3 Zone, as shown in the map below.



**MEMORANDUM**  
**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Anita LaChance, Sonia Bean, Danielle West-Chuhta, Nancy English, Julianne Sullivan

**FROM:** Jeff Levine, Director of Planning and Urban Development

**DATE:** September 17, 2018

**SUBJECT:** Map Amendments to the Zoning Code in Regard to 0 Hope Avenue

**SPONSOR:** Sean Dundon, Chair, Portland Planning Board  
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

**COUNCIL MEETING DATE ACTION IS REQUESTED:**  
1<sup>st</sup> reading October 1, 2018 Final Action October 15, 2018

Can action be taken at a later date:  Yes  No (If no why not?)

**PRESENTATION: (List the presenter(s), type and length of presentation)**  
Short presentation by Planning Board Chair. Short presentation by Planning Staff (if necessary)

**I. ONE SENTENCE SUMMARY**

The Planning Board is recommending adoption of a zoning map amendment requested by Estelle Estates, LLC to rezone 0 Hope Avenue and the adjacent Hope Avenue right-of-way, to the street centerline to R-3 Residential, in support of a proposed Planned Residential Unit Development as described in a land conveyance agreement made between the City of Portland and Robert L. Adam and AJS Family Limited Partnership, dated September 21, 2001.

**II. AGENDA DESCRIPTION**

The Planning Board voted unanimously, 5-0 (Dundon and Silk absent) to recommend to City Council adoption of the proposed map amendment to rezone a 14-acre parcel comprising 0 Hope Avenue and adjacent right-of-way to R-3 Residential, as requested by Estelle Estates, LLC. This map amendment would enable the development of a planned residential unit development with 27 duplexes (54 residential units) on currently undeveloped land off of Hope Avenue in the North Deering Neighborhood. The proposed development was conceived as part of a negotiated land conveyance agreement between the City and then property owners Lloyd Wolf and Robert Adam, that brought 48-acres of land into the City of Portland's municipal limits and established the Presumpscot River Preserve.

**III. BACKGROUND**

In 2001 the subject property was part of a larger parcel that remained from a land conveyance (approximately 48 acres) to the City of Portland that included property located in the Town of Falmouth. As a condition of the City accepting this land, an agreement was made between the City and then landowners, Lloyd Wolf and Robert Adam, that a portion of the land adjacent to the Presumpscot River would become part of the Portland Trails system and be preserved. In exchange for this preservation land, the City agreed to work with the landowners on creating a contract zone amenable to both parties. The agreement allowed for the development of up to 80 age-restricted residential dwellings, 55 of which would be constructed as “clustered” or multifamily/duplex units. The proposed map amendment to R-3 Residential is in support of this portion of the agreement, although the applicant is now considering 54 units, as opposed to 55 units and the units are no longer being proposed as age-restricted.

While the 2001 agreement expressly calls out a contract zone, City staff have instead encouraged a map amendment to an established zone, the R-3 Residential zone, as the zone effectively permits the development being sought, provides greater flexibility to the property owner, and simplifies the city’s land use oversight.

#### **IV. INTENDED RESULT AND OR COUNCIL GOAL ADDRESSED**

In considering the intended result, the Council should also consider the proposed map amendment in conjunction with the Presumpscot River Preserve, and its benefits to the City. The Comprehensive Plan encourages actions that maintain and enhance the natural environment and augment access to areas for recreation and open space, achieved via this public resource. From a housing perspective, the map amendment facilitates a development that provides a greater diversity of housing options in North Deering in a manner that is contextually sensitive to surrounding development.

#### **V. FINANCIAL IMPACT**

As agreed to in the 2001 land conveyance agreement, the City is partially responsible for infrastructure improvements needed to develop this property. Some of this work has already been completed, notably, the construction of Hope Avenue and extension of municipal water and sewer lines. The City’s Water Resources Division has indicated that the existing pump station that would service this site, would need to be upgraded, and the 2001 agreement indicates that the City will be responsible for approximately half of these costs, with a finite limit on the city’s contribution.

#### **VI. STAFF ANALYSIS AND BACKGROUND THAT WILL NOT APPEAR IN THE AGENDA DESCRIPTION**

In reviewing this proposal, City staff assessed the variability between the R-2 Residential, R-3 Residential and contract zone as it relates to land use and dimensional requirements.

The R-2 zone is the predominant zone in the vicinity of this project and is essentially limited to single-family development (does not permit planned residential unit developments) and requires a lot area per dwelling unit of 10,000 square feet. The density requirements of the R-2 would not

achieve the contemplated 55-unit density as agreed to in the 2001 agreement, and a clustered developments meets the definition of a planned residential unit development.

The R-3 zone is well-suited for this proposal, as it does permit planned residential unit developments on parcels of 3 acres gross area or larger, achieved at this site. The minimum lot area per dwelling unit requirement for the R-3 zone is 6,500 square feet, again, a density requirement that satisfies the needs for this proposal. The C-40 contract zone, which was created as a response to this 2001 agreement for adjoining properties (Brandy Lane and Basket Lane subdivisions) bases its allowable density off of the R-3 zone, and so this rezoning would be comparable to both of these sites. Under a full buildout scenario, this site could accommodate up to 81 residential units, as opposed to the 54 units currently being proposed.

## **VII. RECOMMENDATION**

On September 11, 2018, the Planning Board unanimously recommended to City Council the adoption 5-0 (Dundon and Silk absent), of the zoning map amendment to rezone three parcels encompassing 0 Hope Avenue and adjacent Hope Avenue right-of-way to the street centerline to R-3 Residential, as this amendment supports key policies found in the Comprehensive Plan and is in line with the 2001 land conveyance agreement made between the City and then property owner, Robert Adam.

## **VIII. LIST ATTACHMENTS**

- A. Proposed Map Amendment for 0 Hope Avenue**
- B. Planning Board Report to City Council with Attachments**

Prepared by: Matthew Grooms, Planner

Date: September 17, 2018



# PLANNING BOARD REPORT TO CITY COUNCIL PORTLAND, MAINE

## Zoning Map Amendment to R-3 Residential at o Hope Avenue Estelle Estates, LLC, Applicant

Submitted to: Mayor Strimling and City Council From: Chair Dundon and Portland Planning Board Public Hearing Date: October 1, 2018	Prepared by: Matthew Grooms, Planner Date: September 24, 2018
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### I. INTRODUCTION

On September 11, 2018, the Board held a public hearing and voted unanimously (5-0 Dundon and Silk absent) to recommend to City Council the zoning map amendment to R-3 Residential for the three parcels located at o Hope Avenue. This property was annexed into the City of Portland in 2001, and was never formally zoned.

The applicant, Estelle Estates, LLC requested a zoning map amendment for a 14-acre tract of land, located at o Hope Avenue in the North Deering neighborhood to R-3 Residential. This property entered into the City of Portland in 2001 as part of a land conveyance from the Town of Falmouth. Negotiations at that time between then property owners (Lloyd Wolf and Robert Adam) and the City of Portland and Portland Trails, resulted in the creation of the Presumpscot River



Figure 1: Proposed Development Site

Preserve and the formalization of multiple land development agreements. The proposal before the Planning Board is derived from one such agreement, wherein the City agreed to assist the developer in establishing a new contract zone to permit fifty-five (55) clustered and age-restricted residential units. While the written agreement specified a contract zone, the City in recent years has discouraged the creation of new contract zones, and in discussions with the applicant, City staff recommended that they pursue a zone change to R-3 Residential. This zone permits Planned Residential Unit Developments (PRUDs) as well as a unit-density in line with the development outlined in the written agreement.

**Applicant and Property Owner:** Peter Bouchard, Estelle Estates, LLC  
**Agents:** Chris DiMatteo, Gorrill Palmer; Doug Reynolds, P.E., Gorrill Palmer

### II. PROJECT DATA

Existing Zoning	Not Zoned
Proposed Zoning	Residential R-3
Existing Use	Undeveloped, primarily woodlands

Proposed Use	PRUD w/ 54 residential units arrayed in 27 duplex buildings
Parcel Size	14 acres

**III. BACKGROUND**

In 2002, the City of Portland purchased a 48-acre parcel along the Presumpscot River from Lloyd Wolf and Bob Adam. Commonly known as the Presumpscot River Preserve, it was purchased for open space and land conservation purposes. As part of the property agreement, the City Council agreed to rezone (at a later date) an abutting 23-acre parcel as a conditional zone for residential development. It is the conditional zoning agreement for the 14-acre Adam parcel that is the subject of the proposed map amendment (Attachment A). This parcel was previously located in the town of Falmouth, but was annexed by Portland through state legislature action in 2002.



Figure 2: Property in blue represents land conveyed to and developed by Lloyd Wolf and Robert Adam. Presumpscot River Preserve is outlined in green, subject property in red.

The annexation of the land from Falmouth, the protection of sensitive land along the Presumpscot River and the conditional zone are interrelated. The Wolf-Adam property was landlocked from Falmouth (Presumpscot River and I-295) with no practical roadway access except through Portland. Annexation of the property to Portland was the only feasible manner to develop the property and provide municipal services. Conservation of upland shore frontage along the Presumpscot River was an important resource to protect and public ownership was viewed as critical. A conditional zone for the development parcel would allow the property to be developed within reasonable limits and address the developers’ goals of developing age-restricted housing for those fifty-five (55) years of age or older.

In 2005, an amendment to remove the age-restricted clause of the conditional zoning agreement was approved for the portion of land owned by Lloyd Wolf, though not Robert Adam. The remaining section controlled by Adam (multi-family) was to be processed as a separate conditional zone but Mr. Adam did not submit a rezoning application at that time. Mr. Wolf and Mr. Adam developed the 30-lot Presumpscot River Place subdivision, which constitutes lots located along Hope Avenue east of Basket Lane.

For development purposes, the Wolf property was split into three phases. Phase one consisted of one lot (#17) on Hope Avenue while phase two consisted of 6 lots (lot 18 to lot 23) which included the creation of a new public street, Basket Lane. The final phase, consisting of 16 lots, was approved by the Planning Board in February of 2018, and resulted in the creation of another new street, Brandy Lane.

Robert Bouchard, of Estelle Estates, LLC, has entered into a purchase and sale agreement with AJS Family Limited Partnership (Robert Adam Estate), to purchase a 14-acre parcel located just west of the Basket Lane subdivision. In discussions with City staff, the applicant indicated that they would pursue development of fifty-four (54) age-restricted residential units, housed in twenty-seven (27) duplex buildings as outlined under the 2001 agreement. In recent years, the City has pushed to reduce the number of new contract zones and staff suggested instead that the applicant pursue a zoning map amendment to rezone the parcel to R-3 Residential. This zone permits PRUD

style developments, necessary for the completion of this project, and permits a lot area per dwelling unit of 6,000 square feet, necessary to achieve the density required.

**IV. EXISTING CONDITIONS**

The subject property consists of three separate parcels totaling fourteen (14) acres of undeveloped woodlands that is bounded by the Presumpscot River Preserve to the north, east and west, the Basket Lane Subdivision to the southeast, and Hope Avenue to the south. The property has a high degree of relief in topography due to a transecting stream running approximately east-west along the southerly property boundary, and a consistent slope towards the Presumpscot River. Other property constraints include extensive wetlands, located throughout the site. Of the fourteen (14) total acres, just over twelve (12.2) acres are suitable for development.



Figure 3: Existing condition of the property

In looking at the surrounding context, this area of the North Deering neighborhood is predominantly low-density single-family housing, with the majority of properties being zoned R-2 Residential. Under the 2001 agreement between the City of Portland and both Lloyd Wolf and Robert Adam, certain properties conveyed to Mr. Wolf and Mr. Adam became subject to the C-40 Contract Zone. This zone, encompassing the Brandy and Basket Lane subdivisions, permits smaller lot sizes and increased density when compared with the R-2 Residential zone, as well as additional requirements intended to facilitate access to the Presumpscot River Preserve, such as requirements for trail parking. Immediately to the west of the proposed development site is a property zoned RPZ Resource Protection zone, which contains a 135’ wide easement held by Central Maine Power.



Figure 4: View of the property in its existing condition. Note the house visible is located in the Basket Lane Subdivision, and the utility line is located within the 135’ foot CMP easement described.

**V. PROPOSED DEVELOPMENT**

The applicant is proposing to develop a compact residential development consisting of twenty-seven (27) duplexes accessed by a private loop road with extensive open space designated at the center and along the riparian area to the southeast. This site will be well-screened from the public view, with proposed buildings being no closer than 350’ feet from Hope Avenue, and approximately 200’ feet from the nearest residential lots (located within the Brandy Lane Subdivision). The private loop road, measuring just 20’ feet in width, would be privately

maintained, and is not proposed to be built to city standards. The preliminary site plan shows a 5' foot sidewalk and 5' foot esplanade along both sides of the private street and eleven additional on-street parking spaces. The duplex units themselves will each contain two parking spaces, with a one car garage, and driveway space for one car.

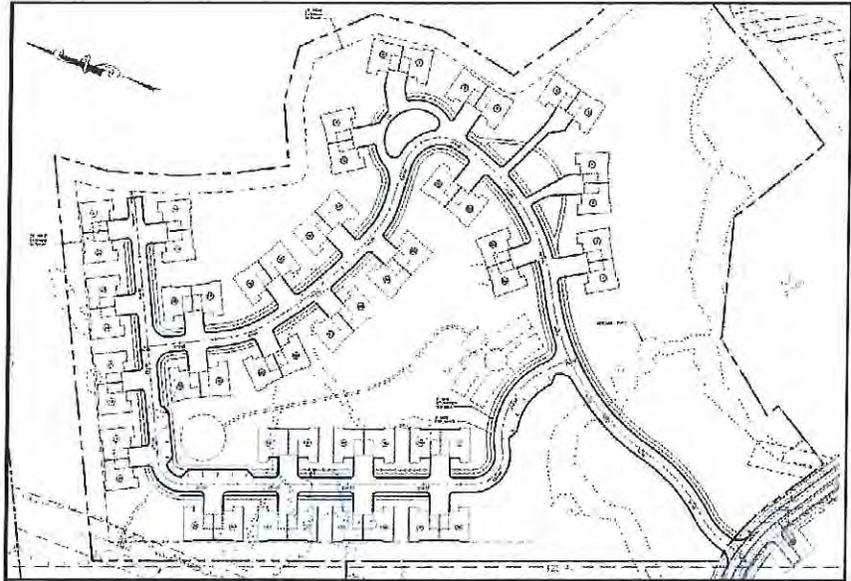


Figure 5: Proposed site layout

**VI. POLICY CONSIDERATIONS**

**A. Proposed Development Under Residential R-2 and R-3 Zone:**

The following chart illustrates the comparison between the current R-2 zone and R-3 zones, showing the purpose statements, permitted uses, and dimensional requirements of each zone. The minimum lot size varies in the R-2 and R-3 zones with R-2 having the largest minimum lot size of 10,000 square feet. Generally, the R-3 has more flexible dimensional requirements than the R-2, and permits increased residential unit density. The intent of the rezone is to provide the proposed project a medium density residential development, which can be accomplished with the R-3 zone.

	<b>R-2 Zone</b>	<b>R-3 Zone</b>
<b>Purpose Statements</b>	To provide for low-density residential development characterized by single-family homes on individual lots in outlying areas of the city and along traffic corridors with limited additional traffic capacity.	To provide for medium-density residential development characterized by single-family homes on individual lots and also to provide for planned residential unit developments on substantially sized parcels. Such development shall respond to the physical qualities of a site and complement the scale, character and style of the surrounding neighborhood.
<b>Permitted Uses</b>	<b>Residential:</b> Single family; Handicapped family unit; Single-family, multiple-component manufactured housing; Single-family single-component manufactured housing; <b>Other:</b> Parks; Agriculture; Accessory uses; Home occupation; Municipal uses; Wind energy systems	<b>Residential:</b> Single family; PRUD; Handicapped family unit; Single-family, multiple-component manufactured housing; Single-family single-component manufactured housing; <b>Other:</b> Parks; Accessory uses; Home occupation; Municipal uses; Wind energy systems
<b>Conditional Uses</b>	<b>Residential:</b> Sheltered Care group homes; adding one accessory dwelling unit; <b>Institutional:</b> Schools; Long term and extended care facilities; places of assembly; College, university, trade school <b>Other:</b> Utility substations; Cemeteries; Raising of domestic animals for noncommercial; day care or home babysitting services; temporary wind anemometer towers; wind energy systems.	<b>Residential:</b> Sheltered Care group homes; adding one accessory dwelling unit; <b>Institutional:</b> Schools; Long term and extended care facilities; intermediate care facilities; places of assembly; hospital; <b>Other:</b> Off-street parking; utility substations; day care or home babysitting services; temporary wind anemometer towers; wind energy systems.
<b>Dimensional Requirements</b>		
<b>Minimum Lot Size</b>	10,000 SF	6,500 SF, 3 acres (PRUD)

<b>Street Frontage</b>	50 feet	50 feet
<b>Front Yard (Min)</b>	25 feet	25 feet
<b>Rear Yard</b>	25 feet	25 feet
<b>Side Yard</b>	14 feet for 2-story building	14 feet for 2-story building
<b>Structure Height</b>	35 feet	35 feet
<b>Lot Coverage (max)</b>	20%	35%
<b>Parking</b>	Two parking spaces for each dwelling unit.	Two parking spaces for each dwelling unit.
<b>Maximum # of Units in Building (PRUD)</b>	N/A	5 acres or more = 6 units Less than 5 acres = 5 units
<b>Max Building Length (PRUD)</b>	N/A	Buildings w/o garages = 100 feet Building w/ garages = 140 feet
<b>Min Building Setback from External Subdivision Line (PRUD)</b>	N/A	3 or fewer units in building = 25 feet 4 or more units in building = 35 feet
<b>Minimum distance between detached PRUD dwelling unit</b>	N/A	16 feet
<b>Min Recreation Open Space Per Unit (PRUD)</b>	N/A	300 square feet, with minimum contiguous area of 6,000 square feet, and minimum width of 50 feet, not to be located closer than 25 feet from dwelling unit.
<b>Habitable Space (PRUD)</b>	N/A	No habitable space to be located below grade, except basements in units with above ground space

As indicated in the narrative provided with this application, the proposed development could not meet the dimensional requirements of the R-2 district, given that the minimum lot area per dwelling unit is 10,000 square feet, as compared with the 9,846 square feet associated with the proposed plan, and that the R-2 does not permit PRUD style developments. Given that PRUDs are not permitted within the R-2 district, it is difficult to compare the proposed development against the R-2 standards, as they are explicitly intended for single-family homes on individual lots. Based upon these parameters and when only considering non-contract zoning districts within the city, the R-3 is best-suited for this proposed development.

An alternative to either the R-2 or R-3 zone would be a contract zone based upon the 2001 land conveyance agreement. As indicated previously, the City is not in favor of this approach, and has discouraged property owners from pursuing contract zones to the extent practicable. The rationale for this, is that it is more difficult to administer, with 62 contract zones now in existence. Contract zones have also resulted in unforeseen complications, in scenarios where the conceived project did not move forward exactly as planned. The R-3 zone is an existing zone that provides a suitable regulatory framework for the proposed development as agreed to in 2001. Also, the C-40 Contract Zone, which encompasses both Brandy Lane and Basket Lane, bases its density requirement on the R-3 zone.

Assuming the map amendment being sought is approved, the applicant would not be beholden to the 2001 agreement, and could develop their site to the maximum extent permitted under the R-3 zone. Based upon the buildable lot area (12.2 acres), the maximum number of units permissible would be eighty-one (81) units. Under this application, fifty-four (54) residential units are proposed, and the applicant is no longer pursuing age-restricted housing.

## VII. COMPREHENSIVE PLAN ANALYSIS

The applicant has submitted their analysis of the projects conformance with the Comprehensive Plan (refer to Attachment C). The staff has identified the additional goals and policies which are relevant to the proposed housing development and finds the proposal in conformance with the Comprehensive Plan. As stated the purpose of the R-3 Residential Zone is:

*To provide for medium-density residential development characterized by single-family homes on individual lots and also to provide for planned residential unit developments on substantially sized parcels. Such development shall respond to the physical qualities of a site and complement the scale, character and style of the surrounding neighborhood.*

**Portland's Plan 2030:** Below are a list of state and local goals, as well as future strategies that are being met under this proposal.

### A. Environment: A Healthy City

#### State Goals:

- To protect the quality and manage the quantity of the State's water resources, including lakes, aquifers, great ponds, estuaries, rivers and coastal areas
- To protect the State's other critical natural resources, including without limitation: wetlands, wildlife and fisheries habitat, sand dunes, shorelands, scenic vistas, and unique natural areas.

#### Local Goals:

- Identify and protect Portland's critical natural resources
- Restore impaired waterbodies through local efforts in collaboration with regional partners.
- Support agricultural, forest, and scenic resources appropriate to our urban context

#### Goals from Future Strategies:

##### 1. Improve Water Quality

- Collaborate with local non-profits, research organizations, private property owners, and surrounding communities to achieve cleaner waters

##### 2. Support Agricultural and Forest Resources

- Increase the urban tree canopy by 15% above current canopy coverage to benefit air quality, local climate, CO2 absorption and aesthetics

**Staff Discussion:** In looking at this proposal, it is important to discuss the 2001 land conveyance agreement, that brought this property into the City of Portland, and formalized protection of 48 acres of undeveloped woodlands and riparian ways along the Presumpscot River. This agreement has provided essential buffer along the river which helps to maintain water quality of the Presumpscot River, and protects one of Portland's most significant tracts of remaining undeveloped land. This is an important resource for both local wildlife and Portland's residents. In exchange for this land, the City granted the applicant increased development rights for their property.

### B. Housing: A Livable City

State Goals: To encourage and promote affordable decent, housing opportunities for all Maine citizens

Local Goals:

- Increase, preserve, and modify the overall supply of housing City-wide to meet the needs, preferences and financial capabilities of all Portland households.
- Encourage additional contextually-appropriate housing density in and proximate to neighborhood centers, concentrations of services, and transit nodes and corridors as a means of supporting complete neighborhoods.
- Pursue policies to enable people who work in Portland to have the option to live in Portland.
- Encourage quality, sustainable design in new housing development.

Goals from Future Strategies:

1. *Remove Housing Barriers*

- Evaluate whether current zoning allows for new development consistent with historic patterns of form, density and/or use, as well as whether it allows for priority growth areas.
- Allow for a range of housing models in City codes, whether small units, co-housing, or others that may suit changing needs and demographics.

2. *Adopt Affordable Housing*

- Pursue new opportunities for increased energy efficiency, increased densities, mixed incomes, and greater connectivity to surrounding neighborhoods.

Staff Discussion: This project is unique in its ability to provide increased housing density, and alternative housing forms in a location proximate to relatively low-density single-family housing, while still being contextually sensitive. The site is sufficiently sized to provide extensive vegetated buffers around the exterior, which better integrates the proposed development into the neighborhood.

C. Recreation & Open Space: An Active City

State Goals: To promote and protect the availability of outdoor recreation opportunities for all Maine citizens, including access to surface waters.

Local Goals: Portland commits to sustain and build our system of parks, trails, and open spaces to enhance our quality of life, protect our environment, and promote the economic well-being of our remarkable city by the sea. We will:

- Provide high quality, well-designed, well-maintained, safe and integrated parks, trails, public open spaces, and recreational opportunities to all residents.
- Strengthen connections between open spaces
- Preserve the intrinsic values of the park and open space system, including historic resources, vistas, healthy ecosystem functions and biological diversity

Goals from Future Strategies

1. *Maintain Existing Facilities*

- Maintain trails, sports fields, courts and playgrounds and other amenities such as seating and landscaping, in good condition.

2. *Ensure Equity*

- Pursue opportunities, in collaboration with partners, to create new open spaces in areas that are currently underserved
- Pursue opportunities for new and enhanced walking and biking trails as a means of filling existing gaps, and investigate paper streets, vacant land, medians, and other often overlooked areas for the potential for park linkages, trails and other improvements to the urban landscape.

3. Connect to the Waterfront

- Encourage physical and visual access to Portland’s waterfront – Casco Bay, Back Cove, and the Stroudwater, Presumpscot, and Fore Rivers – as a “blueway” network and an extension of public space for local and regional recreation and transportation needs.

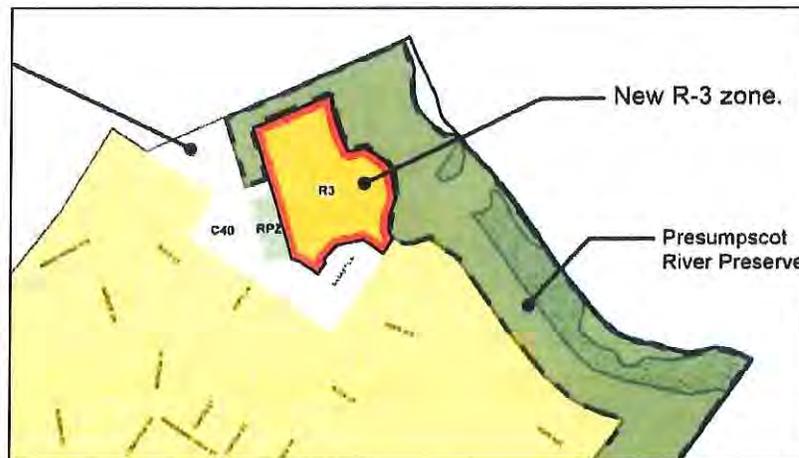
Staff Discussion: As previously stated, the proposed map amendment is integrally connected to the 2001 land conveyance agreement that formalized the creation of the Presumpscot River Preserve, a 48-acre public preserve with extensive opportunities for outdoor recreation, including hiking trails with vistas of the Presumpscot River and portage for canoes and kayaks. This system provides connections to other publicly accessible open spaces in the vicinity, including Oat Nuts Park and Presumpscot Falls Park.

D. Future Land Use

The future land use map, identifies this area of Portland as continuing to be residential in nature, though does not go into greater detail regarding the specific future of this site or neighborhood. Generally speaking, the comprehensive plan recommends increased residential density to accommodate Portland’s changing demographics, household characteristics and growing population. The proposed development speaks to all of these points by providing increased housing density in a contextually sensitive manner that targets a growing sector of Portland’s population, those who would seek age restricted housing.

**VIII. PLANNING BOARD RECOMMENDATION**

At the public hearing on September 11, 2018, the Planning Board unanimously (5-0) found that rezoning to the Residential R-3 zone for the property located at o Hope Avenue, as shown on the map below is consistent with the Comprehensive Plan for the City of Portland.



**IX. ATTACHMENTS**

**PLANNING BOARD REPORT ATTACHMENTS**

1. Traffic Review (Tom Errico)
2. Utility Capacity Review
3. Life Safety Review

**APPLICANT’S SUBMITTALS**

- A. Zoning Map Amendment Narrative
- B. Neighborhood Meeting Certification

**PLANS**

Plan 1 Zoning Map Amendment Plan

Plan 2 Preliminary Site Layout Plan



Matthew Grooms <mgrooms@portlandmaine.gov>

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## 0 Hope Avenue - Traffic Review Comments

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Tom Errico <thomas.errico@tylin.com>

Tue, Aug 7, 2018 at 10:13 AM

To: Matthew Grooms <mgrooms@portlandmaine.gov>

Cc: Keith Gray <kgray@portlandmaine.gov>, Bruce Hyman <bhyman@portlandmaine.gov>, Jeremiah Bartlett <JBartlett@portlandmaine.gov>, "Jeff Tarling (JST@portlandmaine.gov)" <JST@portlandmaine.gov>

Hi Matt – I have reviewed the application materials as it relates to the Zoning Map Amendment and do not expect the change will have a significant impact on traffic mobility and safety in the project area. I would note that a full review of site plan standards will be required and the concept plan provided will need a comprehensive review (this zoning review should not be considered an approval for the concept site plan).

If you have any questions, please contact me.

Best regards,

Thomas A. Errico, PE

Senior Associate

Traffic Engineering Director

**TYLIN** INTERNATIONAL

12 Northbrook Drive

Falmouth, ME 04105

+1.207.781.4721 main

+1.207.347.4354 direct

+1.207.400.0719 mobile

+1.207.781.4753 fax

thomas.errico@tylin.com

Visit us online at [www.tylin.com](http://www.tylin.com)

Twitter | Facebook | LinkedIn | Google+

"One Vision, One Company"



Matthew Grooms <mgrooms@portlandmaine.gov>

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## FW: Hope Ave/Ln utility question

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Lauren Swett <lswett@woodardcurran.com>  
To: Matthew Grooms <mgrooms@portlandmaine.gov>

Thu, Aug 9, 2018 at 10:09 AM

Hi Matt,

See below for some information on the existing sewer utilities for 0 Hope Avenue. There is existing sewer and stormdrain, however the pump station that pumps back to Alice St (see the purple forcemain on the GIS figure attached) is not sized adequately to accommodate the new development as Brad notes below. The Applicant would be required to contribute to the replacement of the existing pump station to accommodate the load they are adding to the system.

If there are any questions, let me know.

Thanks,

Lauren

[Quoted text hidden]

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 **Hope Ave 2018-07-25.pdf**  
802K



Matthew Grooms <mgrooms@portlandmaine.gov>

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## 0 Hope Ave

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Robert Thompson <rmt@portlandmaine.gov>  
To: Matthew Grooms <mgrooms@portlandmaine.gov>

Wed, Jul 18, 2018 at 10:09 AM

Hi Matt,

There plan isn't showing the hammerhead turn around at the dead end. The technical manual requires every dead-end roadway more than one hundred fifty (150') feet in length shall provide a turnaround at the closed end. Turnarounds shall be deisgned to facilitate futrue street connectivity and shall always be designed to the right (refer to Figure I-5 of the Technical Manual).

Also in the Technical Manual, no inside turning radius shall be less than twenty-five (25') feet, and not outside turning radius shall be less than one hundred (100') feet.

The will also have to install two fire hydrants in the complex. I'll have to review my comments in UI, and probably update them to reflect the number and location hydrants. I'll email you if there is a change in hydrant numbers or locations.

Thanks,  
Mike

[Quoted text hidden]

--

Robert M. Thompson  
Division Fire Chief  
Portland Fire Department  
(207) 874-8400  
[rmt@portlandmaine.gov](mailto:rmt@portlandmaine.gov)

June 21, 2018

**PORTLAND ZONING MAP AMENDMENT**  
FOR LAND OFF HOPE AVE. SOUTH OF THE PRESUMPSCOT RIVER

**INTRODUCTION**

The subject parcel is approximately 14 acres located off Hope Avenue abutting the Presumpscot River Preserve at the north end of the City. Peter Bouchard, Estelle Estates, LLC currently is under contract to purchase the land to create a residential development that was identified as part of a 2001 Agreement between the City of Portland and former owners Robert Adam and AJS Family Limited Partnership (ATT-1). The Agreement anticipates such development to be allowed *under contract zoning* (Sect. 4(c)). After consultation with Planning Staff, the current City Planning Director Tuck O'Brien recommended a zoning map amendment rather than a conditional/contract zone amendment to facilitate the planned development previously agreed upon in 2001. The proposed zoning map amendment seeks to expand the R-3 zone to include the subject property. Subsequent to the zoning amendment, the development plans will be submitted to the City for subdivision and site plan review and approval.

**BACKGROUND AND EXISTING CONDITIONS**

In 2001 the subject property (CBL 448-A00-1001; 449-A-2; and 390-A-1) was part of a larger parcel that remained from a land conveyance (approximately 48 acres) to the City of Portland that included property located in the Town of Falmouth. As a condition of the City of Portland accepting this land, an agreement was made between the City and the landowners, that a portion of the land adjacent to the River would become part of the Portland Trails system and be preserved. In exchange for this preservation land, the City agreed to work with the landowners on creating a contract zone amenable to both parties. The Agreement allows for the development of up to 80 age restricted residential dwellings, 55 of which to be constructed as "clustered" or multifamily/duplex units. The 25 single family units were constructed as part of a conditional zone agreement (C-40) approved in July 2005. The remaining 55 units (only 54 currently proposed) are planned for the subject property after the proposed re-zoning.

The applicant submits this application while expressly reserving all of its rights under the 2001 Agreement, including, without limitation, the right to pursue contract zoning in the event the R-3 zone proves to be inadequate to implement the objectives of the 2001 Agreement.

The subject property is undeveloped and is bounded by the Presumpscot River Preserve to the west, north and east. It fronts Hope Avenue to the south and abuts residential properties located on Basket Lane and further down on Hope Avenue. The property has a high degree of relief in topography due to a transecting stream to south and land falling away to the northeast towards the Presumpscot River resulting in a development envelope of less than ten acres in size of the 14 total acres. In locations



where the property is not abutting public open space, it is adjacent to a well-established residential neighborhood.

The property is depicted on the City's Zoning Map as zoned Residential - R-2, however, it is the applicant's understanding that zoning for the property was never adopted by the City Council and remains not zoned. Preliminarily, City Staff have stated that this appears to be the case, though they have not completed their review.

## PROPOSED AMENDMENT

The map amendment proposed is simple and straight forward. The objective is to expand the R-3 zone to include the subject property as depicted on the attached plan exhibit (ATT-2). The R-3 zone allows for Planned Residential Unit Developments (PRUDs) which is the regulatory use and review required for the type of development planned for the property and agreed to in the 2001 Agreement. There are no text amendments proposed to the City's Land Use ordinance, Chapter 14, only an amendment to the Zoning Map.

## PROPOSED DEVELOPMENT

The attached Sketch Plan (ATT-3) depicts a compact residential development consisting of 27 duplexes accessed by a private loop road with open space designated at the center and along the riparian area to the southeast. The property's net residential area (gross parcel area less watercourses, wetlands, steep slopes, etc....) is approximately 12.2 acres. The density, when considering the proposed 54 dwelling units planned is 1 dwelling per 9,846± square feet. The R-2 Zone allows for a maximum density of 1 dwelling per 10,000 s.f. while the R-3 is 1 dwelling per 6,500 s.f.

## CONFORMANCE WITH THE COMPREHENSIVE PLAN

Allowing the Residential R-3 zone in this portion of the City is consistent with the Comprehensive Plan for these reasons:

The Comprehensive Plan identifies this northern portion of the City as having a population density of up to 10 people per acre. Considering this, the 14-acre subject property might have as many as 140 people. The Plan also indicates the average people per household for this area of the City is between 2.51 and 3 people. Considering this statistic and that the proposed housing is age-restricted (55 years of age and over), household size is likely to be on the lower end of the scale. At 2.51 people per 54 proposed dwelling units, there would be approximately 136 residents living at the 14-acre subject property, less than the current population density for this part of the City.

The current Plan looks to encourage an increase in housing throughout the City to help meet its objective to *accommodate 75% of the current daytime population, or approximately 72,000 people*, providing housing opportunities for Portland's current non-resident workforce. A total of 2,557 new housing units over the next 10 years is the estimated need to meet this objective. The zone change



would allow a development that would have a meaningful contribution (>20%) to City's annual goal of more than 255 new dwelling units per year.

The Plan's Future Land Use chapter does not identify anything that can be construed as inconsistent with the proposed zone change in this area of the City. The Plan maintains residential use for this general locale of the City. The proposed zoning amendment is consistent with this, where the R-3 residential zone has very few differences with the adjacent R-2 zone, and those differences would result in modest changes in development.

## CONCLUSION

The proposed Zoning Map amendment is appropriate for this part of the City, especially when considering the proposed amendment maintains a residential use and that the difference between the R-2 and R-3 is primarily a modest increase in density and a change in method of development, single-family versus duplexes and multi-family, where the latter is not applicable since the development proposal is for 27 duplexes.

The density limit for the R-2 is 1 dwelling unit per 10,000 square feet, while the R-3 allows for 1 dwelling unit per 6,500 square feet. While on face value these numbers appear to be a significant departure, the actual proposal for development and limit of the total number of dwelling units that can be realized on the subject property amounts to a density just shy of the R-2 density limit. This combined with the likely population for the subject property being within the range of what is the current population density for this part of the City, underscores the modest change that would be anticipated from the zoning map amendment.

With consideration of the above discussion, the Portland Planning Board and City Council should find the proposed map amendment to change the land located north of Hope Avenue that includes the subject property to be appropriate in character and consistent with the Comprehensive Plan.

AGREEMENT BETWEEN

CITY OF PORTLAND

AND

ROBERT L. ADAM AND

AJS FAMILY LIMITED PARTNERSHIP

AGREEMENT made this 21st day of September, 2001 by and between the CITY OF PORTLAND, a body politic and corporate, located in Cumberland County and State of Maine (hereinafter "CITY") and ROBERT L. ADAM and AJS FAMILY LIMITED PARTNERSHIP, a Maine Limited Partnership (hereinafter "DEVELOPER")

WITNESSETH:

WHEREAS, DEVELOPER is proposing a housing development of up to thirty (30) single family homes along Eagle Avenue, in Portland, as limited herein, known as Presumpscot River Place Phase JA (hereinafter "PROJECT"); and

WHEREAS, application for PRP3 approval is presently pending before the Planning Board; and

WHEREAS, application for PROJECT will be submitted; and

WHEREAS, the CITY by and through its City Council has determined that it is in the public interest to obtain a portion of property owned by DEVELOPER for purposes of passive recreation and access to the Presumpscot River with no vehicular access or use; and

WHEREAS, the CITY has determined that because of the unusual nature of the proposed development it is necessary or appropriate to impose by agreement the following conditions or restrictions in order to insure that the public interest is protected and as conditions to purchase of the PROPERTY; and

WHEREAS, the CITY authorized the execution of this Agreement on September 19, 2001;

NOW, THEREFORE, in consideration of the mutual promises made by each party to the other, the parties covenant and agree as follows:

- 1(a) DEVELOPER agrees to sell the property, shown on Exhibit A, attached hereto and incorporated herein by reference, to CITY and CITY agrees to purchase said property in accordance with the provisions hereof. DEVELOPER agrees that the total amount of property conveyed to CITY shall be approximately 48 acres. CITY agrees said area shall remain undeveloped and/or used for passive recreational purposes.
- (b) CITY will pay DEVELOPER the sum of [REDACTED] as consideration for the PROPERTY. CITY expects that payment shall be from the following sources:  
[REDACTED] from the State Land for Maine's Future Program;  
[REDACTED] from private fund-raising or other non-profit sources.

In the event that CITY does not receive the [REDACTED] from the Land for Maine's Future Program by November 6, 2001, CITY may, at its election, terminate this agreement upon written notice to DEVELOPER no later than 5:00 p.m. on November 6, 2001.

- (c) Title to PROPERTY shall be conveyed to CITY by warranty deed free and clear of liens and encumbrances with the exception of a utility transmission line easement and Portland Water District easement, acceptable to CITY and with marketable title, with title being insurable by a standard title insurance policy.
- (d) Full possession of the PROPERTY shall be given at the transfer of title

Real estate taxes for the fiscal year shall be prorated at closing.

- (e) Closing shall be scheduled upon agreement of the parties.

Payment to **DEVELOPER** and closing on the sale of the transfer of **PROPERTY** shall be structured as follows:

(1.) Providing that **CITY** receives funding from the Land for Maine's Future Program by November 6, 2001, closing shall occur within ninety (90) days from the submission by **DEVELOPER** to the Planning Board of the amendment to **PRP3** or sixty (60) days from receipt of Planning Board approval for **PRP3A**, whichever come later.

(2.) At the time of closing, **CITY** shall have the option to tender either the full purchase price to **DEVELOPER**, or a combination of cash and a promissory note with a term of one (1) year, at the prevailing interest rate paid on municipal bonds; the promissory note shall be secured by a mortgage on the property.

2. **DEVELOPER** shall be authorized to develop **PROJECT** substantially in accordance with the site plan shown on Exhibit A.
- 3(a) **DEVELOPER** shall be authorized to construct up to thirty (30) single family homes along the proposed Eagle Avenue contingent on Planning Board approval. Lots will extend from the western boundary of Presumpscot River Place 3A (**PRP3A**) to the buffer adjacent to the ravine. House lots will not cross the ravine and will be no closer than five hundred (500) feet from the Presumpscot River, as shown on Exhibit A.
- (b) **CITY** will consider the application for additional house lots to bring the total number of lots to thirty (30) in the **PRP3A** as an amendment to the site plan **PRP3** presently pending before the Planning Board, and **CITY** shall not require a new application for said amendment. The no cut restriction on **PRP3A** shall be same as those on **PRP3**.
- (c) **DEVELOPER** shall not be required to build the Overset Road connection in **PRP4** or the Pratt Road Connection in **PRP3**.
- 4(a) **CITY** will use reasonable efforts to secure emergency approval of the Maine Legislature for the realignment of the **PROPERTY** line between Falmouth and **CITY** in such a manner as to allow the lot shown on Exhibit B to be brought into the City of Portland (hereinafter "Falmouth Land").
- (b) **CITY** will use reasonable good faith efforts to assist **DEVELOPER** in obtaining Planning Board approval for **PRP3A** and continue to make a good faith effort to facilitate **DEVELOPER**'s approval necessary for the development of **PRP3A** and Falmouth.
- (c) Provided the Falmouth land is brought into Portland and within its legal boundaries, **CITY** agrees that under contract zoning, it will allow up to eighty (80) age-restricted housing units to be developed as compactly as possible but in any event on no more than

PRP3.AGR.DMK.CON.3  
9.21.01

twenty (20) acres of developable land. These eighty (80) units will consist of a minimum of fifty five (55) clustered units and a maximum of twenty five (25) single family units (clustered shall be defined as two or more units with common walls).

- (d) CITY agrees to assist DEVELOPER in the building of Hope Road including water and sewer lines, from the Falmouth/Portland property line at PRP3A to the existing Hope Road in Portland at such time as required by Planning Board conditions such that the timing of the completion of the road will not delay the obtaining of building permits and certificates of occupancy by the buyers. Parties shall cooperate in good faith to accomplish road development in such a way as to facilitate future development. The CITY shall pay DEVELOPER and/or DEVELOPER's contractor the sum of [REDACTED] for said road and utility construction. Payment shall be made within thirty (30) days of receipt of invoice by CITY. DEVELOPER agrees to be responsible for the costs required to complete construction of said road and utilities, if any. Construction shall be completed by a contractor of DEVELOPER's choice.

DEVELOPER agrees to deed to CITY land required to build said road if said conveyance is required for use of CITY funding.

5. CITY and DEVELOPER shall equally split the cost of the pump stations required for lot development in PRP3A up to a maximum contribution of [REDACTED] by CITY. Costs of constructing the pump station(s) in excess of the total cost of [REDACTED] shall be born by DEVELOPER. Payment shall be made by CITY within thirty (30) days from receipt of invoice from DEVELOPER, which invoice shall be generated after installation of the Pump Station.
6. CITY shall have the option to purchase lots 15 and 16 as shown on Exhibit A. The option to purchase shall be open for thirty (30) days from the pricing of said lots by DEVELOPER, but in any event no sooner than the date of the Planning Board approval. In the event that CITY exercises this option, lots 15 and 16 may only be used for buffering unless resold. Lots shall not be used for parking of any type of vehicle. CITY may resell the lots solely for housing, with conditions in the deeds that houses built on said lots must comply with all standards conditions of construction imposed on lot owners in PRP3A, including approval of building plans by DEVELOPER; CITY shall have a deed restriction that provides no public access across the Lots.
7. DEVELOPER shall provide an easement along the easterly sideline on lot #21 as shown on Exhibit A, a minimum of ten (10) feet in width for purposes of pedestrian access through said lot as shown in Exhibit A.
8. Any amendments required to this Agreement shall be negotiated in good faith by the parties and shall be in writing.
9. In the event a dispute arises under the terms of this Agreement, the parties agree to submit the dispute to binding arbitration. The arbitrator shall be chosen by agreement of

the parties, with each party bearing half of the cost of the arbitration. Arbitration shall be conducted according to the rules of the American Arbitration Association.

10. CITY acknowledges that DEVELOPER wishes to exchange the PROPERTY, as part of a tax-free exchange transaction, for other property of like kind and qualifying use as provided in Section 1031 of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder. CITY agrees to cooperate with DEVELOPER in structuring the sale as such an exchange; provided however (i) in no event will CITY or its principals be required to incur any obligation or liability with respect to such transaction, (ii) in no event will the closing be delayed as a result of such transaction, and (iii) in no event will such exchange structure result in CITY being required to take title to any property other than PROPERTY. DEVELOPER agrees to indemnify and hold CITY harmless from and against any and all loss, damage and claims to or against CITY arising from CITY's involvement in such exchange.
11. CITY will obtain approval through a contract zone for DEVELOPER to stockpile fill on a temporary basis on lots to be identified in PRP3, which lots to be identified in PRP3, which lots shall be as near as practicable to Falmouth lots. The stockpiled fill shall be used to build roads in PROJECT. Fill shall be brought in according to a reasonable schedule to be agreed to by the parties.

The above stated restrictions, provisions and conditions are an essential part of the site plan approval of PRP3A and shall run with the subject premises, shall bind DEVELOPER and CITY, their successors and assigns, as permitted by this Agreement, of said property or any part thereof or interest therein, and any party in possession or occupancy of said property or any part thereof, and shall inure to the benefit of and be enforceable by the CITY, by and through its duly authorized representatives.

If any of the restrictions, provisions, conditions, or portions thereof set forth herein is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed as a separate, distinct and independent provision and such determination shall not affect the validity of the remaining portions hereof.

Except as expressly modified herein, the use and occupancy of the subject premises shall be governed by and comply with the provisions of the Land Use Code of the City of Portland and any applicable amendments thereto or replacement thereof.

PRP3.AGR.DMK.CON.3  
9.21.01

WITNESS

[Handwritten Signature]

CITY OF PORTLAND

[Handwritten Signature]  
By Joseph E. Gray, Jr.  
His City Manager

STATE OF MAINE  
CUMBERLAND, ss.

September 21, 2001

Personally appeared the above-named Joseph E. Gray, in his capacity as City Manager, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of the City of Portland.

Before me,

[Handwritten Signature]  
Notary Public/Attorney at Law

AJS FAMILY  
LIMITED PARTNERSHIP  
By: LLOYD WOLF

WITNESS:

[Signature]

WITNESS:

[Signature]  
Its: Authorized Partner  
ROBERT L. ADAM

to both

Robert L. Adam

STATE OF MAINE  
CUMBERLAND, ss.

9-21, 2001

Personally appeared the above-named Lloyd Wolf and acknowledged the foregoing instrument to be his free act and deed.

Before me,

[Signature]  
Notary Public/Attorney at Law  
TERRY N. SNOW

STATE OF MAINE  
CUMBERLAND, ss.

9-21, 2001

Personally appeared the above-named Robert L. Adam and acknowledged the foregoing instrument to be his free act and deed.

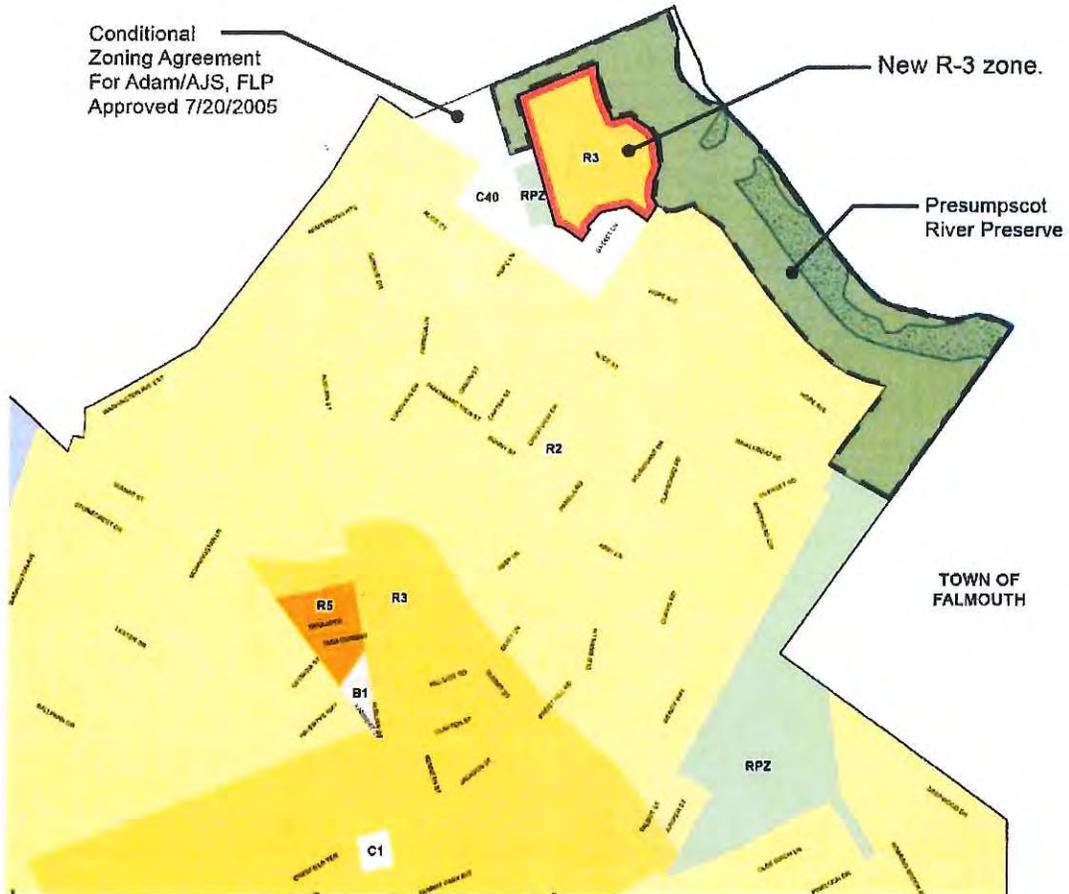
Before me,

[Signature]  
Notary Public/Attorney at Law  
TERRY N. SNOW



**PROPOSED ZONING MAP AMENDMENT**

City of Portland, Hope Avenue Locale





707 Sable Oaks Drive, Suite 30  
South Portland, Maine 04106  
207.772.2515

### Neighborhood Meeting Certification

I, Chris DiMatteo of Gorrill Palmer, hereby certify that a neighborhood meeting was held on August 7, 2018 at the Lyman Moore Middle School Library at 5:00pm.

I also certify that on Thursday, July 26, 2018, invitations were mailed to the following:

1. All addresses on the mailing list provided by the Planning Division which includes property owners within 500 feet of the proposed development or within 1000 feet of a proposed industrial subdivision or industrial zone change.

Signed,

A handwritten signature in blue ink that reads 'Chris DiMatteo'.

Chris DiMatteo, Agent of Applicant

Attached to this certification are:

1. Copy of the invitation sent
2. Sign-in sheet
3. Meeting notes



707 Sable Oaks Drive, Suite 30  
South Portland, Maine 04106  
207.772.2515

July 27, 2018

Dear Neighbor:

Please join us for a neighborhood meeting to discuss our application for a Zoning Map Amendment for property located along the northerly side of Hope Avenue.

Meeting Location: Lyman Moore Middle School Library; 171 Auburn Street, Portland

Meeting Date: Tuesday, August 7, 2018

Meeting Time: 5:00 pm-6:00 pm

(The City code requires that property owners within 500 feet (1000 feet for proposed industrial subdivisions and industrial zone changes) of the proposed development and residents on an "interested parties list", be invited to participate in a neighborhood meeting. A sign-in sheet will be circulated and minutes of the meeting will be taken. Both the sign-in sheet and minutes will be submitted to the Planning Board.)

If you have any questions, please call (207) 772-2515.

Sincerely,

A handwritten signature in blue ink that reads 'Chris Di Matteo'.

Christopher Di Matteo, Agent for Applicant

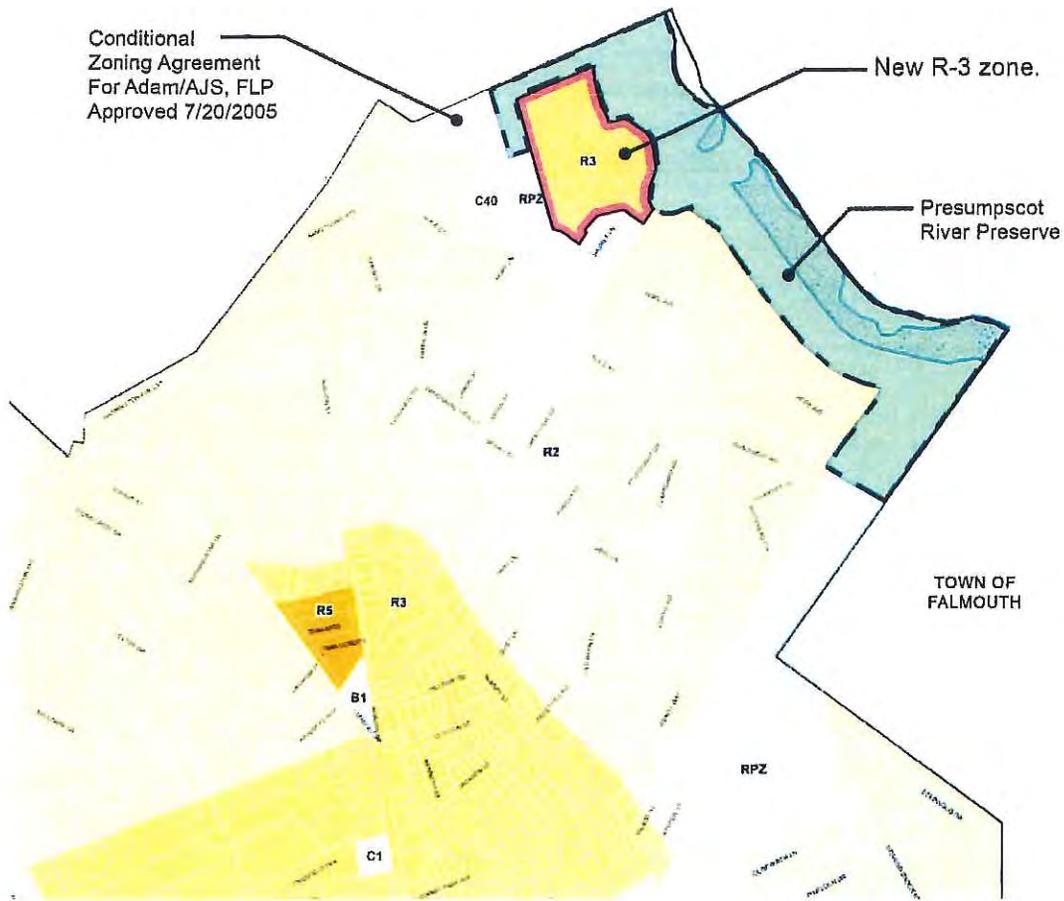
Note:

Under Section 14-32(C) and 14-524(a)d of the City Code of Ordinances, an applicant for a Level III development, subdivision of over five lots/units, or zone change is required to hold a neighborhood meeting within 30 days of submitting a preliminary application or 21 days of submitting a final site plan application, if a preliminary plans were not submitted. The neighborhood meeting must be held at least seven days prior to the Planning Board public hearing on the proposal. Should you wish to offer additional comments on this proposed development, you may contact the Planning Division at 874-8721 or send written correspondence to the Planning and Urban Development Department, Planning Division 4<sup>th</sup> Floor, 389 Congress Street Portland, ME 04101 or by email: to [bab@portlandmaine.gov](mailto:bab@portlandmaine.gov)



## PROPOSED ZONING MAP AMENDMENT

### City of Portland, Hope Avenue Locale



Name:	Address:	Tel #:	Email:
Wendy Masan	17 Basket Ln	536 1694	Wmason @ sbeglobal.net
Will Czaja	26 Basket Lane	217 8678	william.p.czaja@gmail.com
Peter Bouchard	NORMAN, HASON + DETROY	—————	—————
Kim Cook	City Council Dist 5		Kcook@portlandmaine.gov
CHRIS Di Matteo	GERRILL PALMER		

### **Neighborhood Meeting Notes**

Meeting held at the Lyman Moore Middle School Library and started at 5:03 pm.

Chris DiMatteo, with Gorrill Palmer provided a brief overview of the zoning map amendment application. Peter Bouchard, with Norman, Hason and DeTroy, developer, provided history of the property's contract with the City.

The attendees had general questions regarding the R-2 and R-3 zones and about the proposed residential development. It was stated that while the R-3 zone allows for a higher density, the proposed development is only slightly higher in density than what is allowed in the R-2 Zone.

There was a specific question on the use of an existing easement for access between the property and neighboring Alice Street. It was stated that it can be looked into when the proposed development is reviewed for Site and Subdivision plan regulations, after the zoning map amendment process is completed.

Time line and next steps were discussed and it was conveyed that there will be a first meeting with the planning board on 8/14. After the Planning Board reviews the proposed zoning map amendment and makes a recommendation for adoption, there will be additional meetings with the City Council. All meetings will have an opportunity for public input.

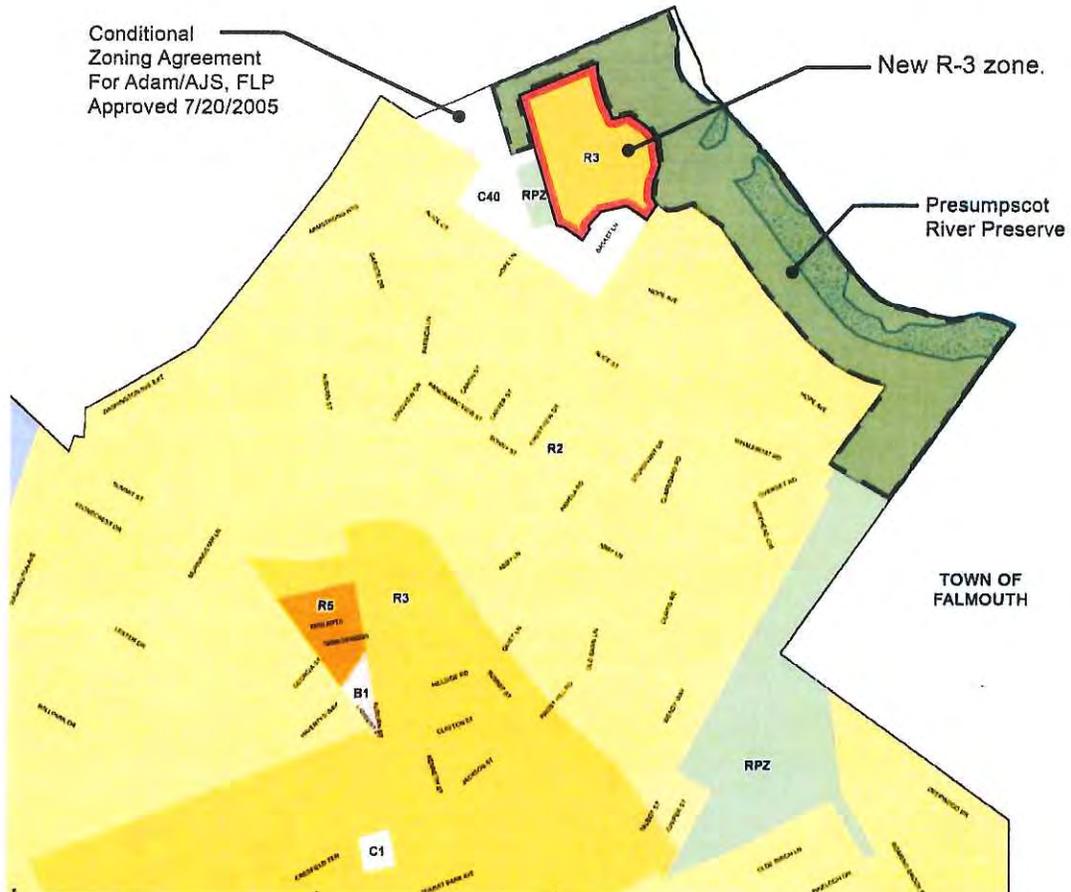
There was general discussion on the type of development that will be constructed with the zone change.

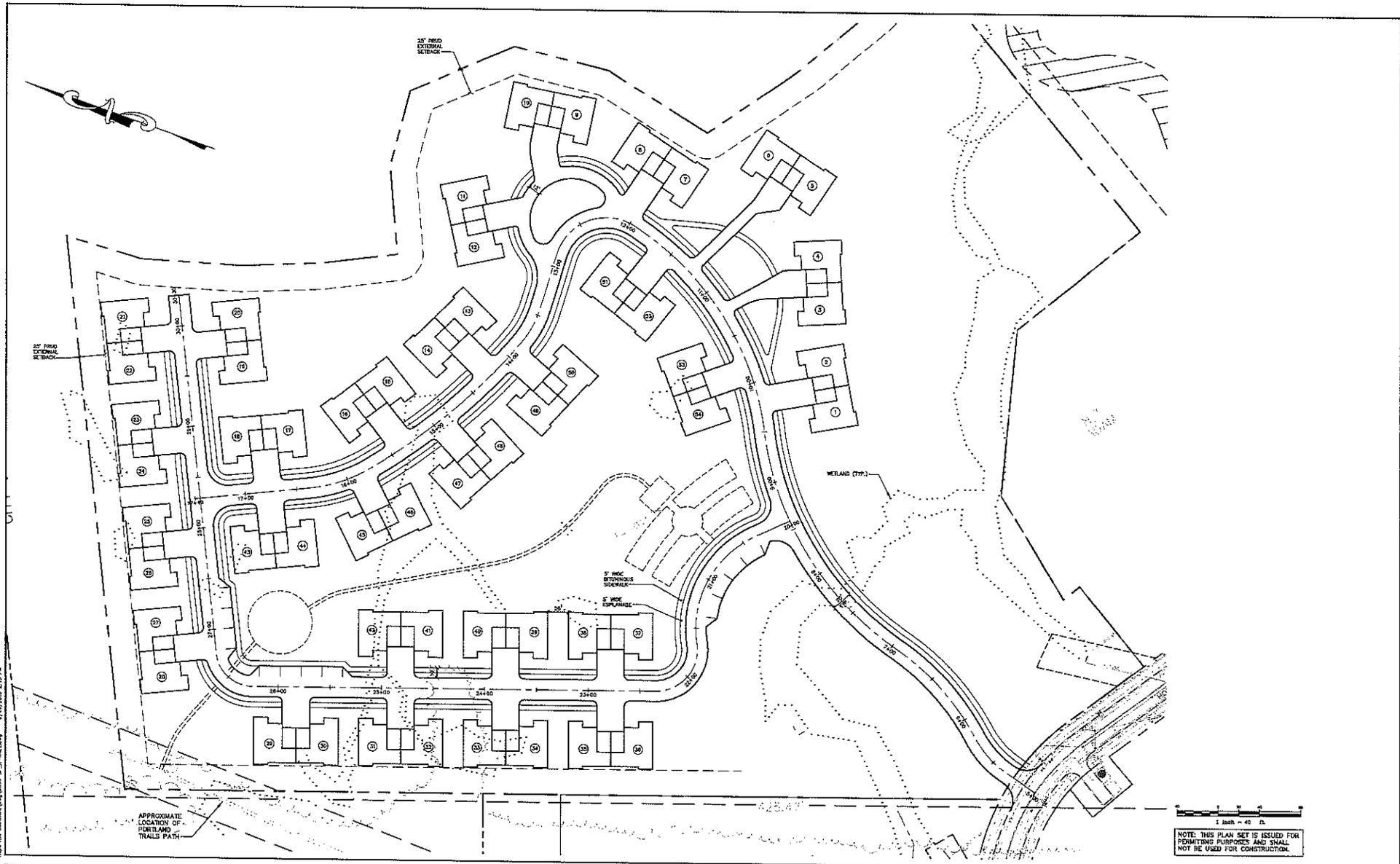
Meeting adjourned at approximately 6:00 pm.



**PROPOSED ZONING MAP AMENDMENT**

City of Portland, Hope Avenue Locale





6/27/2018 2:12 PM  
 Hope Ave. Bureau\eng\3348-SP-R-11.dwg

Rev.	Date	Revision

Issued For	Date	By

Design: SLS    Drawn: GP    Date: MARCH 2018  
 Checked: RSP    Scale: 1"=40'    Job No.: 3348  
 File Name: 3348-SP-R-11.dwg

This plan shall not be modified without written permission from Gorrill-Palmer Consulting Engineers, Inc. (GPCEI). Any alterations, authorized or otherwise, shall be at the user's sole risk and without liability to GPCEI.

**GORRILL PALMER**

Relationships. Responsiveness. Results.  
[www.gorrillpalmer.com](http://www.gorrillpalmer.com)  
 207.772.2515

Drawing Name:	<b>Sketch Plan</b>
Project:	<b>Residential Subdivision</b>
Client:	<b>Estelle Estates, LLC</b> 39 Darling Ave, South Portland, ME 04105

Drawing No. **C101**

Order 86-18/19  
Tab 18 10-15-18

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND**  
**IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING OPTION TO EXTEND NORTHEAST AIR  
NORTH APRON LEASE TO JUNE 30, 2056**

**ORDERED**, that the option to extend the Northeast Air North Apron Lease at the Portland International Jetport for twenty (20) years to June 30, 2056 is hereby approved in substantially the form attached hereto; and

**BE IT FURTHER ORDERED**, that the City Council hereby authorizes the City Manager or his or her designee to execute said documents and any other related documents necessary or convenient to carry out the intent of this order.

**MEMORANDUM**  
**City Council Agenda Item**

**DISTRIBUTE TO:** City Manager, Mayor, Mike Sauschuck, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Paul Bradbury, Airport Director

**DATE:** September 28, 2018

**SUBJECT:** Northeast Air

**SPONSOR:** Jon Jennings, City Manager

**COUNCIL MEETING DATE ACTION IS REQUESTED:**

**1<sup>st</sup> reading** October 15, 2018      **Final Action** October 15, 2018

**Can action be taken at a later date:**     X   Yes           No (If no why not?)

**PRESENTATION:** Paul Bradbury will introduce as needed, and answer any Council questions on this item.

**I.      ONE SENTENCE SUMMARY**

The Portland International Jetport is requesting an option to extend by approximately twenty years, to June 30, 2056, Northeast Air's north apron lease allowing the term to coincide with that of its other Fixed Base Operator (FBO) Lease at the Jetport.

**II.     AGENDA DESCRIPTION**

The Portland International Jetport is requesting approval to provide an option to extend the term of Northeast Air's north apron lease such that it coincides with Northeast Air's primary ground lease at the Portland International Jetport. Northeast Air is a longstanding Fixed Base Operation (FBO) at the Jetport. As an FBO, Northeast Air provides aircraft fueling, maintenance, deicing, and other aviation services as outlined in the Jetport's minimum standards. Under this request the term of Northeast Air's north FBO lease will have a new option for extension through June 30, 2056. The basic terms of the lease are as follows:

- **Term:** Provide a new option to extend the term of the existing lease by approximately 20 years from August 11, 2036 through June 30, 2056.
- **Rate:** Northeast Air will continue to pay ground rent and 2% of gross receipts excluding aircraft sales/leasing, sales of aircraft parts and accessories, charter flights, or fixed rent from subtenants approved by the City.
- **Full Service FBO:** Northeast Air must continue operating as a full service FBO with staffing, hours, and facilities that meet the requirements outlined in the Portland International Jetport's Minimum Standards throughout the lease term.

Northeast Air has been an FBO in good standing at the Portland International Jetport for decades. Making the terms of the leases issued to Northeast Air coincident allows for a seamless integrated operation of the north general aviation facilities.

### **III. BACKGROUND**

The ground lease agreement does not contain a termination at the convenience of the City clause, so any extension must be approved by the City Council.

### **IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

Approval of this lease extension allows Northeast Air to have a unified lease term among its two FBO ground leases at the Portland International Jetport.

### **V. FINANCIAL IMPACT**

If the lease extension option is approved, the Portland International Jetport will continue to collect ground rent, which under this lease increases or decreases annually based on the Consumer Price Index. Additionally the Jetport will receive 2% of gross receipts excluding aircraft sales/leasing, sales of aircraft parts and accessories, charter flights, or fixed rent from subtenants approved by the City.

### **VI. RECOMMENDATION**

Jetport staff recommends the City Council approve this lease extension with Northeast Air.

### **VII. LIST ATTACHMENTS**

Northeast Air Ground lease including prior assignments and amendments.

Prepared by: Paul Bradbury

Date: September 28, 2018

INDENTURE  
OF  
LEASE

THIS INDENTURE made this 12<sup>th</sup> day of August, A.D. 1976 by and between the CITY OF PORTLAND, a body politic and corporate, located in the County of Cumberland and State of Maine (hereinafter called "Lessor") and MAINE AVIATION CORPORATION, a corporation organized and existing under the laws of the State of Maine and having a place of business in Portland in said County and State (hereinafter called "Lessee").

W I T N E S S E T H

THAT, in consideration of the covenants herein contained to be performed, the Lessor does hereby lease, demise, and let unto the Lessee a certain lot or parcel of land located at the Portland International Jetport described as follows:

Beginning at a granite monument in the easterly sideline of Westbrook Street, said granite monument marking the first angle southerly of Cobb Avenue on the easterly sideline of Westbrook Street; thence northerly along said easterly sideline of Westbrook Street, a distance of 60<sup>75</sup> feet to a point; thence easterly and making an included angle of 85°, a distance of 96 feet to a point; thence southerly and making an included angle of 90° a distance of 420 feet to a point; thence westerly and making an included angle of 90°, a distance of 98 feet to a point; thence northerly and making an included angle of 90°, a distance of 288 feet to an iron pipe; thence northerly and along the easterly sideline of Westbrook Street a distance of 68.41 feet to the point of beginning. Meaning and intending to include herewith no less than all of the land lying under the existing buildings and improvements owned by the Lessee; the said lot or parcel of land hereinbefore described being shown on Exhibit A, attached hereto and made a part hereof.

For the purpose of conducting thereon the business of flight services, including air taxi and charter service, sales of aircraft and aircraft parts and accessories, major overhaul and repair of

aircraft, servicing of aircraft, aircraft fuel services, storage of aircraft, the operation of an FAA approved flying school and other business operations incidental to the foregoing, including the right, in common with others, to full jetport privileges in said Jetport for the lawful conduct of said business, with the understanding that no air meets shall be conducted at said Jetport unless prior approval shall have been obtained from the Director of Aviation and Public Buildings of the City of Portland and the Federal Aviation Administration.

TO HAVE AND TO HOLD for a term of twenty (20) years from and after August 1, 1976, yielding and paying rental therefor as follows:

- (a) An annual rental during the first ten (10) years of the term hereof to be computed on the basis of six (.06) cents per square foot for approximately 42,000 square feet as hereinbefore described.
- (b) During the second ten (10) years of the term hereof, and during any renewal period as herein provided, the rental to be paid for each annual rental period shall be adjusted upward or downward (from the amount of the annual rental due during the first year of the term hereof) as of the beginning of each such annual period in the same percentage proportion that the Consumer Price Index (all items) of the Portland, Maine area of the United States Department of Labor, Bureau of Labor Statistics, shall be increased or decreased over the same price index for December, 1976.

Notwithstanding the foregoing, said square foot rental, during both the second ten year term and the renewal period, if exercised, shall not be more than that per square foot rental then chargeable by the Lessor to similarly situated lessees of unimproved land at the Portland International Jetport, i.e., lessees paying both a percentage rental and also a per square foot base rental.

Notwithstanding anything to the contrary, the rent for the second ten years and during the renewal period shall not be less than seven (.07) cents per square foot per annum.

- (c) In the event that said Price Index is not published by the Department of Labor as aforesaid the parties agree to use any similar index published by the United States Government which reflects the purchasing power of the dollar; if no such similar index be published, then the said (.07) cents per square foot per annum shall be the annual rental.
- (d) For the purpose of computing annual rent for the base term of twenty (20) years and for any renewal period, each annual rental period shall commence as of the date hereof and the anniversary of the date hereof for each subsequent such period.

(e) Annual rental as described herein for the base term and the renewal term shall be paid in advance in equal monthly installments on or before the fifteenth day of the preceding month to the Director of Finance, City of Portland, Maine.

(f) In addition to such annual rent aforesaid, Lessee shall pay to Lessor two (2%) percent of the gross receipts from Lessee's business operations on the entire demised premises and on the aircraft parking ramps and on the airline terminal ramp as hereinafter provided, exclusive however of receipts from sales of aircraft, aircraft parts and accessories, and those air taxi and charter flights which do not originate, land for any purpose (other than emergency) and do not terminate at the Jetport or any segment thereof, and further exclusive of any other business operations not conducted at said Jetport. Said percentage of gross receipts shall be due and payable as follows: <sup>1200 - 12/24/81</sup> ~~\$500.00~~ deposit due and payable on the fifteenth day of each month during the term of this lease, with a payment of 1 and 1/2% interest per month or portion thereof on such payments which are in arrears on and after the fifteenth day of each month. Within 90 days after the end of each fiscal year of the lease, the Lessee shall give the Lessor a certified statement of its gross receipts resulting from its operations under this lease and shall then pay to the

Lessor any amount which said statement discloses shall be due to the Lessor over and above monthly deposit as provided above, or shall have credited to the next following rental payments, any overpayment of percentage rental resulting from such monthly deposits.

The term "gross receipts" as used herein shall not be construed to include:

- (i) The amounts of all discounts, refunds, credits, allowances and adjustments made in good faith to customers;
- (ii) The amounts of all sales taxes or other taxes in the nature of sales taxes, whether or not the same be called sales taxes, imposed by any governmental authorities, federal, state or local, irrespective of whether imposed by present or future laws;
- (iii) Receipts from vending machines maintained for the convenience of Lessee's employees and the incidental convenience of Lessee's customers, including public telephones;
- (iv) Sales of operational fixtures, tools, furniture or equipment (not normally held for sale in the ordinary course of Lessee's business) after use thereof on the demised premises.

The term "gross receipts" as used herein shall be construed to include:

- (i) Sales of gasoline, oil and other similar supplies;
- (ii) All service charges for maintenance and repair of aircraft which is performed at the Portland International Jetport;
- (iii) All flight operations and charter flights of every nature and description, excepting those air taxi and charter flights which do not originate, land for any purpose (other than emergency) and do not terminate at the Jetport or any segment thereof,

and further excepting any regularly scheduled airline operations of the Lessee's affiliate, Bar Hart Airlines, or its successors, which are initiated from or terminated at the Portland airport;

(iv) All flight school activities and,

(v) All hangar rentals and receipts from "tie down".

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE THAT:

1. The Lessee shall at its sole cost and expense have the right to construct upon the demised premises a hangar building, a paved aviation ramp, paved parking area and walkways and landscaping. Any and all such construction shall be subject to the prior written approval of the Director of Aviation and Public Buildings, which approval shall not be unreasonably withheld.
2. The design of said hangar building shall be in conformity with the building code and other ordinances of the City of Portland, as well as rules and regulations of the Federal Aviation Administration and the State of Maine.
3. Lessee shall, at its own cost and expense, be responsible for relocating any and all above or underground installations made necessary by its use of the premises, and for providing, including the cost of relocation thereof if necessary, all utility lines required for its use and occupation of the premises, including but not limited to gas, water, heat and electricity.
4. Except as otherwise specifically permitted herein, Lessee agrees that it will not execute any mortgage upon said hangar building and improvements, transfer title thereof or permit any mechanics' or similar liens to be so perfected as to place either

the Lessee or the Lessor in the position of not thereafter being able to insure that their respective interests or title may be divested without the opportunity of avoiding such divesture by the payment of the sum claimed or the filing of bond therefor if said sum is, or continues to be in dispute or litigation. In the event that any such mechanics' or similar lien is placed or claimed in manner aforesaid, and the same shall not have been discharged or dismissed within ninety (90) days next after the filing of the complaint alleging the same in the court having jurisdiction over the same, then the Lessee shall, at its own cost and expense, provide a commercial surety bond for the benefit of the Lessor, in such amount as may adequately insure the Lessor that its interests will not thereafter be impaired or divested; and further, to the extent that the Lessor shall have been required to expend funds for legal expenses incident to the acquisition and tender of said bond and the protection of its interests, the Lessee shall be obligated for and shall pay the same.

Any attempts to transfer title to said hangar building and improvements shall immediately cause title to said buildings and improvements to pass to the Lessor; provided, however, that this provision shall not be applicable to any mortgages or other encumbrances which may be required from the Lessee by lending institutions as security for construction financing and permanent financing of the erection and completion of said hangar building. Any re-financing (after such original construction and permanent financing as here-

inbefore referred to) of the buildings and improvements located on the demised premises which may require the Lessor to subordinate its interest therein and to consent thereto shall be subject to the approval of the City Manager for the City of Portland, which approval shall not be unreasonably withheld.

Notwithstanding the restrictions on transfer of title as provided for in this section, any such transfer of title by the Lessee to either or both of Joseph A. Caruso and Thomas J. Caruso (presently directors and stockholders of Lessee) shall be a permissible transfer and to which the restrictions of this provision 4. shall not apply provided however, that any such transfer to either or both of said Joseph A. Caruso and Thomas J. Caruso shall be upon the condition that their interests as a result of such transfer shall be fully and completely subject and subordinate to the interests of the Lessor in said buildings and improvements as provided for in this lease.

5. Lessee shall, during the term of this lease, keep and maintain the premises and buildings, fixtures, appurtenances, those specific portions of any aircraft parking ramp and automobile parking area as well as access roads constructed by Lessee, whether on or off the leased premises, in good and substantial repair, reasonable wear and tear excepted, including necessary plowing and mowing thereof, to the extent reasonably required by the Director of Aviation and Public Buildings. Notwithstanding the above, Lessor agrees to plow that portion of the paved aircraft parking area (when no aircraft are then parked thereon) and

ramp which is, or shall be hereafter, constructed by the Lessor or Lessee and which is located off the leased premises.

6. Lessor shall, at its sole cost and expense, maintain and repair the paved aircraft parking ramps heretofore or hereafter constructed by it, in a safe and operable condition for continued use by general aviation aircraft and the Lessor shall plow the same. Lessee agrees to cooperate with Lessor in moving parked aircraft during normal business hours in such manner as to facilitate snow removal operations by the Lessor, and in the event of inexcusable failure to do so, the Lessor shall be under no obligation to perform such snow removal operations. (Interpretation of Lessee's cooperation in this regard shall be consistent with the need of Lessee to effect the movement of aircraft from unplowed areas to plowed areas during daylight hours and the need of the Lessor to accommodate its plowing schedules so that open ramp areas may be first plowed, thus permitting parked aircraft to be moved into such plowed area and thereafter, plowing the balance of ramp parking area.)

7. Lessee shall have the right to receive reasonable tie-down storage charges on the aircraft parking ramp and right to fuel aircraft thereon consistent with FAA regulations and policy, City ordinances and rules and regulations, and shall have the right on a non-exclusive basis of performing fueling, chocking and other services at a reasonable charge for general aviation aircraft on the airline terminal ramp in areas (as may from time to time be) designated for such purpose by the Director of Aviation and Public Buildings.

8. The Lessor shall have the right to take any action it considers necessary to protect general operation of the Portland International Jetport and the aerial approaches of the said Portland International Jetport against obstruction. Lessee, in the use of the roadways, approaches, taxiways and runways of the aircraft landing field and in the use of the adjacent areas for parking or storage of aircraft, or in the use of its buildings or conduct of its business shall abide by and conform to any and all reasonable rules and regulations now existing or as may be hereafter promulgated by the Lessor through its Director of Aviation and Public Buildings and will comply with the requirements of any Federal Act or regulation which relates to the operation of the Jetport, including but not limited to, abiding, at its sole cost and expense, with any federal security or certification requirements which relate to its operations on the Jetport.

9. Lessee shall, during the term of this lease, pay for all heat, utilities and water used and for all real and personal property taxes which the City of Portland may assess upon its buildings and contents. This provision shall not be construed so as to require the Lessee to pay any real property taxes which may be attributable to land as distinguished from buildings and personal property.

10. Lessee shall maintain and shall provide certificates of such coverage to the Lessor, public liability insurance in the minimum amounts of \$100,000 to \$500,000 for personal injury or death and

\$300,000 for property damage, and will indemnify and hold harmless the City of Portland of and from any and all claims of liability for personal injury, death, or property damage resulting from Lessee's occupation and use of said premises during the term of this lease, but Lessee shall not be held to indemnify or hold the Lessor harmless for any such injury, death or damage to the extent Lessor is negligent, or the cause of a contributing cause of such injury, death or damage.

11. Lessee shall have prepared, by reputable Certified Public Accountants on or before 90 days after the close of the fiscal accounting period of the Lessee for income tax purposes, a statement of its gross receipts resulting from its operations under this lease for the previous fiscal year, and will furnish a signed copy of such statement to the Lessor, certified by the Lessee under oath, together with payment of any unpaid balance due under this lease for the period covered by such statement in accordance with Section (f) on Page 4 hereof. The Lessee agrees that the Director of Finance of the City of Portland, or his designated representative, shall have the right, at reasonable times, and upon reasonable notice in advance, to examine at the leased premises, Portland, Maine, the books of the Lessee insofar as they pertain to the Lessee's operations under this lease.

12. Lessee may, as it has heretofore, self insure as to fire and casualty loss at the demised premises, or may during the term of this lease, keep the premises and any and all buildings constructed or placed by it on said premises insured against fire and hurricane

or storm or other casualty in an insurance company authorized to do business in the State of Maine in an amount equal to eighty (80%) percent of the value thereof. In the event of damage to or destruction of said buildings by fire, hurricane, storm, or other insured casualty during the term of this lease, Lessee shall, unless it elects to cancel or terminate the lease as hereinafter provided, repair or rebuild the same to such an extent as to restore them to their condition immediately before such damage or destruction. In the event that Lessee does not elect to repair or rebuild as hereinbefore provided, it shall so notify the Lessor within thirty (30) days of said damage or destruction of its desire to terminate this lease. In the event of such notification, Lessor and Lessee agree that:

- (a) Lessee shall tear down and remove the damaged buildings and put the premises in good repair and safe condition within ninety (90) days after such notification. This lease shall automatically terminate when such work has been completed.
- (b) If the Lessee shall fail to tear down and remove the damaged buildings and put the premises in good repair and safe condition within ninety (90) days of such notification, the Lessor may enter the premises and remove said damaged buildings and put said premises in good repair and safe condition and charge all expense thereof to the Lessee, which expense the Lessee agrees to assume and pay. This lease shall automatically

terminate when such work has been completed, but not later than ninety (90) days after such failure on the part of Lessee.

If Lessee shall not have maintained the fire (and other casualty) insurance referred to in the opening paragraph of this provision 12, then Lessee agrees to maintain demolition insurance (or performance bond) on or relating to said hangar buildings and improvements in the amount of \$10,000 payable to the Lessor in the event of damage to or destruction of any of said property unless the Lessee shall have removed the same as provided herein.

(c) Notwithstanding the provisions of (a) and (b) above, within fifteen (15) days after receipt of such notification, the Lessor may (subject however to the interests of any permitted mortgagee under the terms hereof) terminate this lease forthwith and take possession of the premises including the hangars, accessory buildings and appurtenances in their then condition and title to the same shall immediately pass to the Lessor, and the Lessor shall be under no liability because of the provisions of (a) and (b) above.

13. Lessor shall, during time of war or national emergency, have the right to lease the landing area of the Portland International Jetport, or any part thereof, to the United States for use by its Armed Forces, and if any provisions of such lease are inconsistent with the provisions of this lease, the Lessee may terminate this

lease under the same terms and conditions as herein provided for termination at the expiration of the term of this lease.

14. This lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the Portland International Jetport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Portland International Jetport. In the event that the Lessor shall take any action under Section 8 hereof and/or make any agreement under this Section voluntarily and not as a result of any federal, state, or other authority in effect forcing the Lessor to so act or agree, the result of which so substantially affects the normal operations of the Lessee that it becomes economically or physically unfeasible or impractical for the Lessee to continue its operations, then the Lessee shall be entitled to a pro rata reduction of rental to such extent as will allow the Lessee to continue its operations under economically and physically feasible circumstances. If such reduction shall not, however, be sufficient to allow it to continue an economically and physically feasible operation, then it shall have the right to terminate this lease without further liability and remove its buildings in accordance with the terms of Section 19 hereof, except that the Lessor shall have the right to purchase from the Lessee said buildings at the then fair value of same, having in mind the age and condition of said buildings. In construing this section, it is agreed by the parties that agreements made by the

Lessor and/or actions taken by the Lessor are those which affect the physical operations of the Lessee or the properties of the Lessee.

15. Lessee shall conduct its business operations at the demised premises for the use and benefit of the public; shall make available all Jetport facilities and services to the public without unjust discrimination; and shall refrain from imposing or levying excessive discriminatory or otherwise unreasonable charges or fees for any use of its facilities or for any Jetport service. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of the Federal Aviation Act.

16. Lessee shall pay to the Lessor the said rental at the time and in the manner aforesaid and shall quit and deliver up the premises to the Lessor, or its Attorney, peaceably and quietly at the end of the term aforesaid in good order and condition (reasonable use and wearing thereof, or inevitable accident excepted) as the same are, or may be put into by the said Lessee and not make or suffer any waste thereof; and the Lessor may enter to view or make improvements and to expel the Lessee if it shall fail to pay the rent aforesaid, whether the same be demanded or not, or if it shall make or suffer any strip or waste thereof, or shall fail to quit and deliver up the premises to the Lessor at the end of said term, in manner aforesaid, or shall violate any of the covenants in this lease by said Lessee to be performed; or if the estate hereby created shall be taken from the Lessee by process of law,

or if the Lessee shall be adjudicated a bankrupt or insolvent, or if any assignment shall be made of Lessee's property for the benefit of creditors, the Lessor may immediately or at any time thereafter enter and expel the Lessee or those claiming under it and remove its effects without prejudice to any other remedies for arrears of rent or breach of covenant, and upon such entry said term shall cease; and if, prior to the expiration of the term of this lease or any renewal thereof, the Lessor takes possession of the premises by reason of the failure of the Lessee to perform any or all of the conditions and covenants herein contained, title to the buildings shall immediately vest in the Lessor (subject however to the interests of any mortgagee permitted under the terms hereof) and the Lessee shall have no further rights in said buildings nor shall it have the right to remove said buildings from the premises, but the Lessor shall have the right at its option to tear down and remove said buildings and/or put the premises in good repair and safe condition (and charge the expense of such repairs or tearing down and removal to the Lessee, which expense the Lessee agrees and assumes to pay).

17. Lessee shall not assign this lease or sublet the whole or any part of the demised premises without previously obtaining the written consent of the Lessor which consent, provided that such assignment or subletting shall be to qualified and responsible parties, shall not be unreasonably withheld. In the event of any default on the part of the Assignor as to payment of any rental or any other reinstatable default hereunder, the Lessor shall notify the Assignor of such default and allow the Assignor fifteen (15)

days to make payment of said rental and a reasonable time to correct such default, and thereby reinstate the position of the Assignor with respect to such lease.

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18. Upon the expiration of this lease, unless sooner terminated as hereinabove provided, Lessee shall have the right to renew said lease for a further period of twenty (20) years under the same terms and conditions (except a covenant for a further renewal) and for the rental as herein provided if Lessee shall have performed and observed all of the conditions and covenants required of it during the base term of this lease and if written notice of Lessee's desire to renew said lease shall have been given to the Lessor at least sixty (60) days prior to the expiration of the term of the lease.

19. Any and all buildings erected on the leased premises shall be and remain the personal property of the Lessee and the Lessee shall remove said buildings from the leased premises within six (6) months after the termination of this lease, or any renewal thereof, or it may, within the period of time, sell said buildings to a person, firm or corporation holding a new lease with the City of Portland for the same premises.

(a) In the event Lessee removes said buildings from the leased premises, it shall leave the premises in good repair and safe condition to the reasonable requirements of said Director of Aviation and Public Buildings. If the Lessee fails to put said premises in good repair and safe condition, the Lessor may put said premises to good

repair and safe condition and charge the Lessee for such expense, which expense the Lessee agrees to assume and pay.

(b) In the event Lessee fails to remove said buildings within the aforesaid six (6) months period and fails to sell said buildings as hereinbefore provided, the said buildings shall become the sole property of the Lessor, and the Lessor shall have the right, at its option, to tear down and remove said buildings and put the premises in good repair and safe condition and charge the expense thereof to the Lessee, which expense the Lessee agrees to assume and pay.

(c) For such time as said buildings shall remain on said premises within the aforesaid six (6) months period, Lessee shall pay to the Lessor the rental hereinbefore established.

20. Lessee, for itself, its heirs, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the premises that in the event facilities are constructed, maintained or otherwise operated on the said property described in this agreement for a purpose of which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Depart-

ment of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate this agreement and to re-enter and repossess said premises and the facilities thereon, and hold the same as if said agreement had never been made or issued.

21. The Lessee for itself, its successors in interest, and assigns, as a part of the condition hereof, does hereby covenant and agree as a covenant running with the premises that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. That in the event of breach of any of the above non-discrimination covenants,

the Lessor shall have the right to terminate this agreement and to re-enter and repossess said premises and the facilities thereon, and hold the same as if said agreement had never been made or issued.

22. The lease entered into between the Lessor and the Lessee and under date of April 1, 1959, as amended, shall be, and hereby is, terminated with no further liability or obligation on the part of either the Lessor or the Lessee thereunder as of the date of the execution of this lease by the Lessor and the Lessee; each hereby releasing and discharging the other of and from any and all covenants, agreements or obligations of every nature and description arising or which have arisen thereunder; including, but not by way of limitation, any and all pending or threatened law suits, controversies, claims or charges relating thereto.

23. The parties have executed and delivered, concurrently with the execution hereof, a short form or memorandum of this lease for recording purposes. Upon the acceptance of the same for recording by the Cumberland County Registry of Deeds, Lessee agrees that this full indenture of lease shall not thereafter be recorded.

24. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection or war, same not being the fault of the party delayed in performing work or doing acts required under the terms of this lease, then performance of such act shall be excused for the

period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

IN WITNESS WHEREOF, the CITY OF PORTLAND has caused this instrument to be sealed with its corporate seal and signed in its corporate name by its City Manager A. J. Wilson thereunto duly authorized, and MAINE AVIATION CORPORATION has caused this instrument to be sealed with its corporate seal and signed in its corporate name by Joseph A. Caruso, its President, thereunto duly authorized the day and year first above written.

Witnesses:

*Patricia Mearns*

*Katherine A. Cook*

CITY OF PORTLAND

BY *A. J. Wilson*  
its City Manager

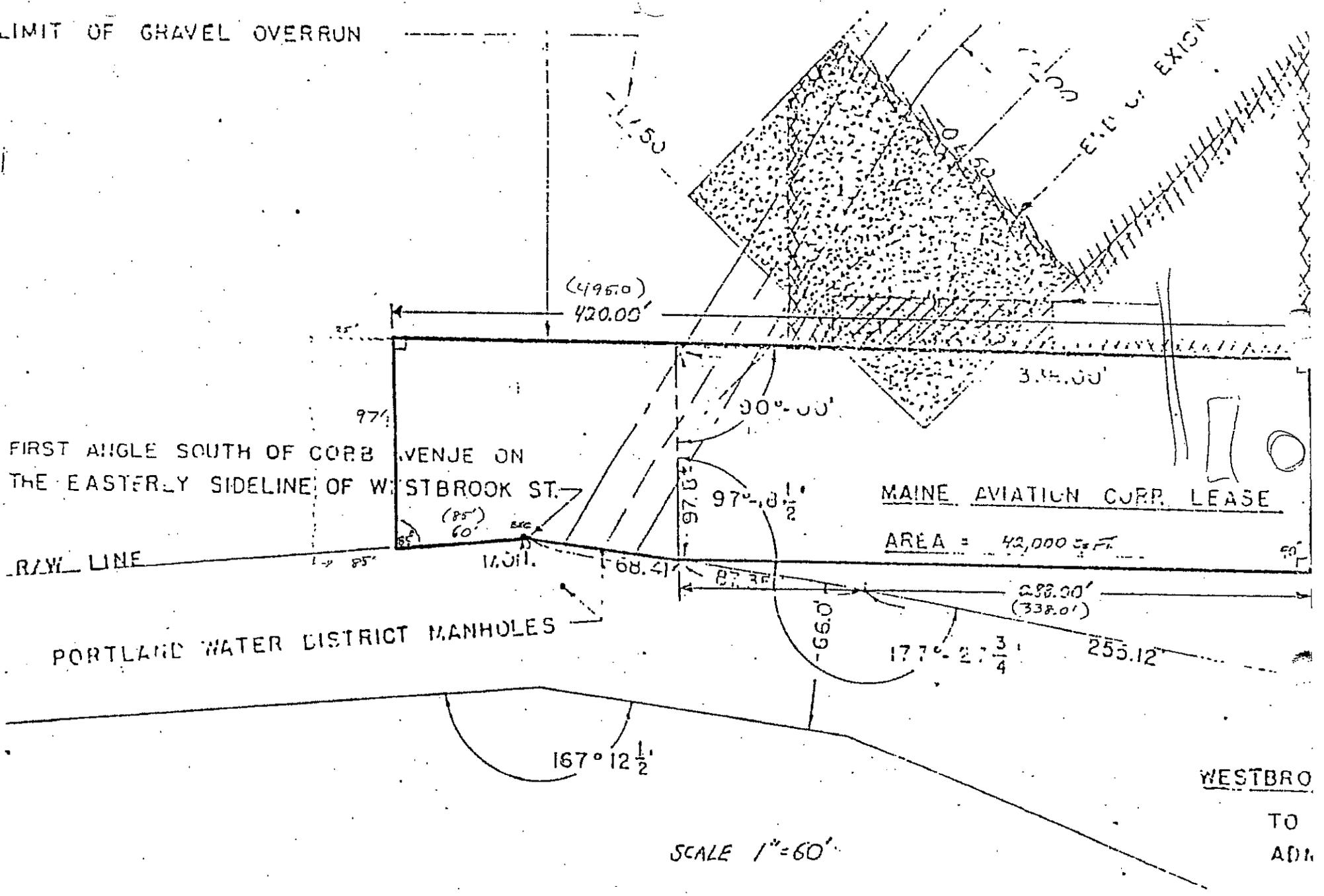
MAINE AVIATION CORPORATION

by *Joseph A. Caruso*  
its President

APPROVED AS TO  
FORM AND LEGALITY

*Chal*  
CORPORATION COUNSEL

LIMIT OF GRAVEL OVERRUN



AMENDMENT

This AMENDMENT made this 23rd day of September, 1976 by and between the CITY OF PORTLAND, a body politic and corporate, located in the County of Cumberland and State of Maine (hereinafter called "Lessor") and MAINE AVIATION CORPORATION, a corporation organized and existing under the laws of the State of Maine and having a place of business at Portland, in said County and State (hereinafter called "Lessee").

W I T N E S S E T H

WHEREAS on August 12, 1976, the Lessor and Lessee had entered into an agreement whereby the Lessor agreed to allow the Lessee to use certain premises at the Portland International Jetport; and

WHEREAS the Lessee had agreed to use such premises all as more fully set forth in a Lease between the parties dated August 12, 1976; and

WHEREAS the Lessor and Lessee mutually desired to amend the said Lease as set forth below:

NOW THEREFORE, in consideration of the mutual covenants and promises and agreements contained, and other good and valuable considerations, the parties hereto covenant and promise and agree as follows:

1. The description of the premises appearing on Page 1 of the Lease dated August 12, 1976, is hereby amended by deleting the present description

in its entirety and substituting therefor the following:

Beginning at a granite monument in the easterly sideline of Westbrook Street, said granite monument marking the first angle southerly of Cobb Avenue on the easterly sideline of Westbrook Street; thence northerly along said easterly sideline of Westbrook Street, a distance of eighty-five feet (85') to a point; thence easterly and making an included angle of  $85^{\circ}$ , a distance of ninety-seven feet (97') to a point; thence southerly and making an included angle of  $90^{\circ}$ , a distance of four hundred forty-five feet (445') to a point; thence westerly and making an included angle of  $90^{\circ}$ , a distance of ninety-eight feet (98') to a point; thence northerly and making an included angle of  $90^{\circ}$ , a distance of two hundred eighty-eight (288') feet to an iron pipe; thence northerly and along the easterly sideline of Westbrook Street a distance of sixty-eight and forty-one one-hundredths feet (68.41) to the point of beginning. Meaning and intending to include herewith no less than all of the land lying under the existing buildings and improvements owned by the Lessee, the said lot or parcel of land hereinbefore described being shown on Exhibit A, attached hereto and made a part hereof.

The purpose of this Amendment is to extend the northerly property line by twenty-five feet (25') in order to provide additional land to be used as a parking area.

2. Exhibit A, which is attached to the Lease dated August 12, 1976, is hereby amended to reflect the amended description of the leased premises which appear within Paragraph 1 above.

3. Paragraph (a) on Page 2 of the Lease dated August 12, 1976, is hereby amended by substituting "44,500 sq. ft." for "42,000 sq. ft."

4. The said Lessor and Lessee agree that all the remaining applicable provisions of the said Lease as set forth therein shall remain in full force and effect, and such remaining provisions shall not be affected in any way by the amendments described herein, and further, such provisions of the said Lease are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY OF PORTLAND has caused this instrument to be sealed in its corporate seal and signed in its corporate name by A. W. Wilson, its City Manager, thereunto duly authorized, and MAINE AVIATION CORPORATION has caused this instrument to be sealed in its corporate seal and signed in its corporate name by Joseph A. Caruso, its President, thereunto duly authorized, the day and year first above written.

Signed, sealed and delivered  
in presence of:

*Patricia S. Kealey*

CITY OF PORTLAND

*A. W. Wilson*  
By  
Its City Manager

MAINE AVIATION CORPORATION

*Joseph A. Caruso*

*Joseph A. Caruso*  
By  
Its President



AMENDMENT

This AMENDMENT made this 19th day of June, 1978 by and between the CITY OF PORTLAND, a body politic and corporate, located in the County of Cumberland and State of Maine (hereinafter called "Lessor") and MAINE AVIATION CORPORATION, a corporation organized and existing under the laws of the State of Maine and having a place of business at Portland in said County and State (hereinafter called "Lessee").

W I T N E S S E T H

WHEREAS on August 12, 1976, the Lessor and Lessee had entered into an agreement whereby the Lessor agreed to allow the Lessee to use certain premises at the Portland International Jetport; and

WHEREAS the Lessee had agreed to use such premises all as more fully set forth in a Lease between the parties dated August 12, 1976; and

WHEREAS the Lessor and Lessee mutually agreed to amend the said Lease as set forth in an amendment dated September 23, 1976; and

WHEREAS the Lessor and Lessee mutually desire to further amend said Lease as set forth below:

NOW THEREFORE, in consideration of the mutual covenants and promises and agreements contained, and other good and valuable considerations, the parties hereto covenant and promise and agree as follows:

1. The description of the premises appearing on Page 2 of the Amendment dated September 23, 1976, is hereby amended by deleting the present description in its entirety and substituting therefor the following

Beginning at a granite monument in the Easterly sideline of Westbrook Street, said granite monument marking the first angle Southerly of Cobb Avenue on the Easterly sideline of Westbrook Street; thence Northerly along said Easterly sideline of Westbrook Street, a distance of eighty-five feet (85') to a point; thence Easterly and making an included angle of  $85^{\circ}$ , a distance of ninety-seven feet (97') to a point; thence Southerly and making an included angle of  $90^{\circ}$ , a distance of four hundred ninety-five feet (495') to a point; thence Westerly and making an included angle of  $90^{\circ}$ , a distance of ninety-eight feet (98') to a point; thence Northerly and making an included angle of  $90^{\circ}$ , a distance of three hundred thirty-eight (338') feet to an iron pipe; thence Northerly and along the Easterly sideline of Westbrook Street a distance of sixty-eight and forty-one one-hundredths feet (68.41) to the point of beginning. Meaning and intending to include herewith no less than all of the land lying under the existing buildings and improvements owned by the Lessee, the said lot or parcel of land hereinbefore described being shown on Exhibit A, attached hereto and made a part hereof.

The purpose of this Amendment is to extend the Southerly property line by fifty feet (50') in order to provide additional land to be used as a fuel farm.

2. Exhibit A, which is attached to the amendment dated September 23, 1976, is hereby amended to reflect the amended description of the leased premises which appear within Paragraph 1 above.

3. Paragraph (a) on Page 2 of the Lease dated August 12, 1976, is hereby amended by substituting "49,400 sq. ft." for "44,500 sq. ft."

4. The said Lessor and Lessee agree that all the remaining applicable provisions of the said Lease as set forth therein shall remain in full force and effect, and such remaining provisions shall not be affected in any way by the amendments described herein, and further, such provisions of the said Lease are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY OF PORTLAND has caused this instrument to be sealed in its corporate seal and signed in its corporate name by A.J. Wilson, its City Manager, thereunto duly authorized, and MAINE AVIATION CORPORATION has caused this instrument to be sealed in its corporate seal and signed in its corporate name by Joseph A. Caruso, its President, thereunto duly authorized, the day and year first above written.

Signed, sealed and delivered  
in presence of:

*Nigina S. Kane*

CITY OF PORTLAND

By *A.J. Wilson*  
Its City Manager

MAINE AVIATION CORPORATION

By *Joseph A. Caruso*  
Its President

APPROVED AS TO  
FORM AND LEGALITY

*Chal A I*  
CORPORATION COUNSEL

AMENDMENT

This AMENDMENT made this /77<sup>th</sup> day of July, 1980 by and between the CITY OF PORTLAND, a body politic and corporate, located in the County of Cumberland and State of Maine (hereinafter called "Lessor") and MAINE AVIATION CORPORATION, a corporation organized and existing under the laws of the State of Maine and having a place of business at Portland, in said County and State (hereinafter called "Lessee").

W I T N E S S E T H

WHEREAS on August 12, 1976 the Lessor and Lessee had entered into an agreement whereby the Lessor agreed to allow the Lessee to use certain premises at the Portland International Jetport; and

WHEREAS the Lessee had agreed to use such premises all as more fully set forth in a Lease between the parties dated August 12, 1976; and

WHEREAS the Lessor and Lessee mutually agreed to amend the said Lease as set forth in an amendments dated September 23, 1976 and June 19, 1978; and

WHEREAS the Lessor and Lessee mutually desire to further amend said Lease as set forth below:

NOW THEREFORE, in consideration of the mutual covenants and promises and agreements contained, and other good and valuable considerations, the parties hereto covenant and promise and agree as follows:

1. To insert in said lease the following paragraph:

The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E, the Lessee assures that no person shall be

excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessor that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by CFR Part 152, Subpart E, to the same effect.

2. The said Lessor and Lessee agree that all the remaining applicable provisions of the said Lease as set forth therein shall remain in full force and effect, and such remaining provisions shall not be affected in any way by the amendments described herein, and further, such provisions of the said Lease are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY OF PORTLAND has caused this instrument to be sealed in its corporate seal and signed in its corporate name by Alan J. Munroe, its Director of Transportation Facilities, thereunto duly authorized, and MAINE AVIATION CORPORATION has caused this instrument to be sealed in its corporate seal and signed in its corporate name by Joseph A. Caruso, its President, thereunto duly authorized, the day and year first above written.

Signed, sealed and delivered  
in presence of:

Donald J. ...

Patricia S. Rowe

CITY OF PORTLAND

By Alan J. Munroe  
Its Director of  
Transportation Facilities

MAINE AVIATION CORPORATION

By Joseph A. Caruso

AMENDMENT  
TO  
LEASE

THIS Amendment, dated as of the 24th day of December, 1981, to an Indenture of Lease, made and entered into the 12th day of August, 1976, by and between the CITY OF PORTLAND, a body politic and corporate, located in the County of Cumberland and State of Maine (hereinafter called "Lessor"), and MAINE AVIATION CORPORATION, a corporation organized and existing under the laws of the State of Maine and having a place of business at Portland, in said County and State (hereinafter called "Lessee"),

W I T N E S S E T H :

WHEREAS, on August 12, 1976, Lessor and Lessee entered into an Indenture of Lease with respect to use and occupancy of certain premises at the Portland International Jetport; and,

WHEREAS, on September 23, 1976, and June 19, 1978, said Lease was amended with respect to the description of the premises, said amendments being recorded in the Cumberland County Registry of Deeds; and,

WHEREAS, Lessor and Lessee have mutually agreed to further amend said Lease in the manner set forth below:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties do hereby covenant and agree as follows:

1. Paragraph (e) on Page 4 of said Lease is amended by adding the following sentence thereto: "Interest shall be due at the current "prime rate" (as quoted under "Money Rates" in the

Wall Street Journal), on such payments which are in arrears on and after the 15th day of the month to which such installment payment is attributable."

2. Paragraph (f) on Page 4 of said Lease is amended by deleting the reference to \$500.00 in the second sentence thereof, and substituting the sum of \$1,200.00 therefor, all to the end that the monthly deposit due and payable on account of percentage rental shall be \$1,200.00, beginning with the payment due January 15, 1982.

In addition, Paragraph (f), as it continues on Page 5 of said Lease, is amended by adding the following sentence after the word "deposits" in the fifth line thereof: "Interest shall be due at the current "prime rate" (as quoted under "Money Rates" in the Wall Street Journal), on any amount which said statement discloses shall be due to the Lessor, over and above the aggregate monthly deposit, if and to the extent that such amount is not paid within the ninety (90) day period provided for."

3. The Lessor is the owner of the lands contained within a fenced area lying next adjacent to the northerly end of the premises leased to the Lessee, which area is now substantially paved or otherwise improved and used for the parking of vehicles which enter the same through a portion of Lessee's leasehold under the Lease. Lessee has expended in excess of \$10,000.00 in effecting the improvements within said fenced in area, including the asphaltting of portions thereof, relocating certain of the fencing and attending to certain grading.

In consideration of said improvements, Lessor agrees to permit Lessee to use said area (not otherwise included in the Lease as part of the leasehold premises), for vehicle parking by its employees, agents, business and other invitees, for and during the period ending December 31, 1986. If Lessee intends to so utilize said area thereafter, then Lessee and Lessor shall negotiate, in good faith, a rental therefor which shall represent a fair rental under the then circumstances.

4. The said Lessor and Lessee agree that all the remaining applicable provisions of said Lease as set forth therein, and as amended, shall remain in full force and effect, and such remaining provisions shall not be affected in any way by the amendments described herein, and further, such provisions of said Lease are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY OF PORTLAND has caused this instrument to be sealed with its corporate seal and signed in its corporate name by Stephen Timothy Honey, its City Manager, thereunto duly authorized, and MAINE AVIATION CORPORATION has caused

this instrument to be sealed with its corporate seal and signed in its corporate name by Joseph A. Caruso, its President, thereunto duly authorized, the day and year first above written.

Witness:

CITY OF PORTLAND

*Cliff Medegan*

By: *Stephen T Honey*  
Its City Manager

*Dick W. Shabell*

MAINE AVIATION CORPORATION  
By: *Joseph A. Caruso*  
Its President

STATE OF MAINE  
CUMBERLAND, ss.

~~January~~  
December 17, 1982

Personally appeared the above-named STEPHEN TIMOTHY HONEY, City Manager of the CITY OF PORTLAND and acknowledged the foregoing to be his free act and deed in his said capacity, and the free act and deed of the City of Portland.

*Cliff Medegan*  
Notary Public/~~Justice of the Peace~~

MY COMMISSION EXPIRES  
JULY 10, 1988

Approved As To Legality  
By *Richard P. Flawley*

*Richard P. Flawley*  
Notary Public

## FOURTH AMENDMENT TO LEASE

7086

THIS AGREEMENT is an amendment to a Lease entered into on the 12th day of August, 1976, by and between the CITY OF PORTLAND, therein and hereinafter referred to as "Lessor", and MAINE AVIATION CORPORATION, therein and hereinafter referred to as "Lessee", being the same parties to this Agreement and the same parties that previously amended said Lease on September 23, 1976, June 19, 1978, and December 24, 1981.

W I T N E S S E T H:

1. The above-referenced Lease and the Amendments thereto shall be unaffected by this Amendment except by the addition of a requirement at the end of paragraph (f) in the Habendum Clause of the following sentence:

If Lessee fails or delays in providing Lessor with the certified statement of its gross receipts as provided hereinabove, Lessee shall pay the City as liquidated damages for such failure, and as additional rental hereunder, the sum of Ten Dollars (\$10.00) per day for each day that the certified statement is late. Such liquidated damages shall be paid as additional rent, together with the annual rent when due. Notwithstanding the aforesaid liquidated damages, Lessee shall be under a continuing obligation to furnish said statement, and the City may use any additional remedy it may have in law and equity to require the delivery of said statement in compliance with the terms of this Lease as amended.

IN WITNESS WHEREOF, the CITY OF PORTLAND has caused this instrument to be sealed in its corporate seal and signed in its

corporate name by Brian Dudley, its Deputy City Manager, in the absence of its City Manager, subject to ratification by the Portland City Council, and MAINE AVIATION CORPORATION has caused this instrument to be sealed with its corporate seal and signed in its corporate name by Joseph A. Caruso, its President, thereunto duly authorized this 22nd day of February, 1983.

WITNESS:

CITY OF PORTLAND

David P. Luni

By Brian L. Dudley (for)  
Its City Manager

[Signature]

MAINE AVIATION CORPORATION

By Joseph A. Caruso  
Its President

STATE OF MAINE  
CUMBERLAND, ss.

February 22, 1983

Personally appeared the above-named Joseph Caruso, President of Maine Aviation and acknowledged the foregoing to be his free act and deed in his said capacity and the free act and deed of the Corporation.

[Signature]  
Notary Public/Justice of the Peace

March 9, 1983

Northeast Bank, Mortgagee of Lessee's leasehold interests hereby consents to this Fourth Amendment and all other amendments referenced above.

By [Signature]  
Its Senior Vice President

MAR 15 1983

47226

QUITCLAIM ASSIGNMENT OF LEASE AND QUITCLAIM DEED TO FIXTURES  
ASSIGNMENT and DEED effective as of 12<sup>th</sup> day of September,  
1995, by the Chapter 11 Estate of JET SERVICES PORTLAND, INC.  
(hereinafter "Assignor"), to IRVING OIL CORPORATION, a Maine  
corporation with a mailing address of P.O. Box 401, Bangor, ME  
04402 (hereinafter "Assignee").

Pursuant to a certain Order dated September 7, 1995 issued  
by the United States Bankruptcy Court for the District of Maine  
in Chapter 11 Case No. 94-20408, authorizing and approving a  
Purchase and Sale Agreement dated July 24, 1995 between Assignor  
and Assignee, and in consideration of the sum of \$1.00 and other  
valuable consideration, the receipt and sufficiency of which is  
hereby acknowledged, Assignor hereby assigns to Assignee the  
Assignor's interest in a certain indenture of lease between the  
City of Portland and Jet Services Portland, Inc. as described in  
an Indenture of Lease dated August 12, 1976 between the City of  
Portland and Maine Aviation Corp., as amended by Amendments dated  
September 23, 1976, June 19, 1978, July 17, 1980, December 24,  
1981, and February 22, 1983 (together, the "Lease"), and hereby  
conveys whatever interest the Assignor has in all buildings and  
other fixtures located on the leased premises.

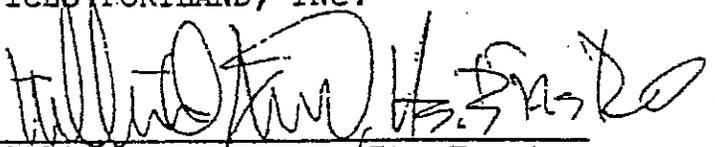
To have and to hold the same unto Assignee, its successors  
and assigns, from the above referenced date forward, subject to  
the rents, covenants, conditions and provisions contained in the  
Lease documents.

THIS CONVEYANCE IS ON AN "AS IS" "WHERE IS" "WITH ALL DEFECTS" BASIS, WITHOUT ANY WARRANTY OR REPRESENTATION OF ANY TYPE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE STATUS OF TITLE, THE ASSIGNABILITY OF THE LEASE, THE PHYSICAL OR LEGAL CONDITION OF THE PROPERTY OR REGARDING THE ABSENCE OR PRESENCE OF ANY ENVIRONMENTAL CONTAMINATION.

This Quitclaim Assignment of Lease and Quitclaim Deed to Fixtures is given pursuant to Section 1(a) of the Purchase and Sale Agreement dated July 24, 1995, between Assignor and Assignee, which Purchase and Sale Agreement shall survive this conveyance.

IN WITNESS WHEREOF, Assignor has signed and acknowledged this instrument on the 8<sup>th</sup> day of September, 1995.

CHAPTER 11 ESTATE OF JET SERVICES PORTLAND, INC.

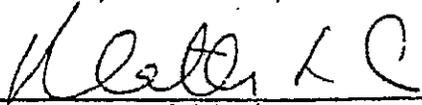
By:   
William D. Forrest, Its Trustee

STATE OF MAINE  
CUMBERLAND, ss.

September 8, 1995

The foregoing instrument was acknowledged before me by William D. Forrest in his said capacity as Trustee of the Chapter 11 Estate of Jet Services Portland, Inc.

Before me,

  
~~Notary Public/Attorney-at-Law~~

MATTHEW L. CARAS  
Print or Type Name as Signed

RECEIVED  
RECORDED REGISTRY OF DEEDS

95 SEP 13 PM 12:10

CUMBERLAND COUNTY

John B. O'Brien

60001

BK12762PG177

LIEN CERTIFICATE

Notice of Lien Claim

DESIGN ACOUSTICS, INC., with a place of business in Portland, County of Cumberland and State of Maine, hereby states and certifies by and through its duly authorized attorney-in-fact and authorized agent that the following is a true statement of the amount due it with all credits given, for materials and labor furnished by it pursuant to a contract with CASCADE CONSTRUCTION, a corporation with a principal place of business in South Portland, Maine, Maine.

The materials and labor furnished by DESIGN ACOUSTICS, INC., were furnished for and were incorporated and used in the construction, alteration, repair, and/or erection of certain houses, buildings, and/or appurtenances on all or a portion of the PORTLAND INTERNATIONAL JETPORT, 1001 Westbrook Street, City of Portland, County of Cumberland, and State of Maine, owned by the CITY OF PORTLAND, more fully described as follows:

Tax Map 204, Lot #A1

Said labor and materials were furnished with the knowledge and consent of the CITY OF PORTLAND, and if not the said CITY OF PORTLAND, then the owner of the premises is to the claimant unknown.

There remains a balance due DESIGN ACOUSTICS, INC., for said labor and materials of \$3,617.00.

This lien is claimed against all right, title, and interest of the CITY OF PORTLAND, its successors and assigns, to the above-described real estate as well as all houses, buildings, appurtenances, and other structures thereon. The first of the aforementioned labor and materials were furnished by DESIGN ACOUSTICS, INC., on or about May 1996, and the last of such materials and labor were furnished on July 10, 1996.

In accordance with the above facts, DESIGN ACOUSTICS, INC., claims a lien on all of the above-described real estate at 1001 Westbrook Street as well as all houses, buildings, appurtenances, and structures thereon which have not heretofore been sold to a bona-fide purchaser, said lien to secure the payment of the total amount due, to wit: \$3,617.00.

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case*

IN WITNESS WHEREOF, the said DESIGN ACOUSTICS, INC., has caused its name to be hereto affixed and this certificate to be signed and sworn to by RICHARD J. ABBONDANZA, its attorney and authorized agent, at Portland, Maine this 22 day of October 1996.

WITNESS

*[Signature]*  
By: Richard J. Abbondanza  
Design Acoustics, Inc.  
Its: Attorney and authorized agent

STATE OF MAINE  
CUMBERLAND, ss.

October 8, 1996

Personally appeared before me the above-named RICHARD J. ABBONDANZA, attorney and authorized agent for DESIGN ACOUSTICS, INC., who, after being duly sworn, made oath that the foregoing instrument is true and accurate, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of DESIGN ACOUSTICS, INC.

Before me,

*[Signature]*  
Notary Public/Attorney at Law

Printed Name:

ANTHONY WELLS  
Notary Public

SEAL

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RECEIVED  
RECORDED REGISTRY OF DEEDS  
95 OCT -2 PM 1:48  
CUMBERLAND COUNTY  
*John B O'Brien*

02681  
LIEN CERTIFICATE

Notice of Lien Claim

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Armed  
mtd

DESIGN ACOUSTICS, INC., with a place of business in Portland, County of Cumberland and State of Maine, hereby states and certifies by and through its duly authorized attorney-in-fact and authorized agent that the following is a true statement of the amount due it with all credits given, for materials and labor furnished by it pursuant to a contract with DIAZ CORP., a corporation with a principal place of business in Jay, Maine, Maine.

The materials and labor furnished by DESIGN ACOUSTICS, INC., were furnished for and were incorporated and used in the construction, alteration, repair, and/or erection of certain houses, buildings, and/or appurtenances on all or a portion of the PORTLAND INTERNATIONAL JETPORT, 1001 Westbrook Street, City of Portland, County of Cumberland, and State of Maine, owned by the CITY OF PORTLAND, more fully described as follows:

# 204 -

Tax Map 404, Lot #A1

Said labor and materials were furnished with the knowledge and consent of the CITY OF PORTLAND, and if not the said CITY OF PORTLAND, then the owner of the premises is to the claimant unknown.

There remains a balance due DESIGN ACOUSTICS, INC., for said labor and materials of \$8,572.00.

This lien is claimed against all right, title, and interest of the CITY OF PORTLAND, its successors and assigns, to the above-described real estate as well as all houses, buildings, appurtenances, and other structures thereon. The first of the aforementioned labor and materials were furnished by DESIGN ACOUSTICS, INC., on or about August 1995, and the last of such materials and labor were furnished on October 20, 1995.

In accordance with the above facts, DESIGN ACOUSTICS, INC., claims a lien on all of the above-described real estate at 1001 Westbrook Street as well as all houses, buildings, appurtenances, and structures thereon which have not heretofore been sold to a bona-fide purchaser, said lien to secure the payment of the total amount due, to wit: \$8,572.00.

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Abandanya

filed 2-16-96  
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772-5845

rec d : 1/16/96  
1/16/96  
1/16/96

not over  
tax paid

still  
pending

Portland International Jetport  
Jeffrey Schultes, A.A.E.  
Manager



Transportation and Waterfront Dept.  
Thomas F. Valleau  
Director

CITY OF PORTLAND

December 1, 1995

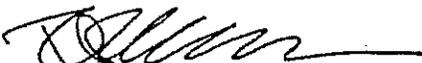
Chris Mc Auliffe  
Vice President & COO  
Irving Oil Corporation  
700 Main Ave  
P.O. Box 401  
Bangor, ME 04402-0401

Dear Chris,

This will confirm your letter of October 27, 1995, securing an extension of your lease at the Portland International Jetport as agreed. This extends the term of the lease to August, 2016.

Best regards.

Sincerely,

  
Thomas F. Valleau

TFV/md

cc: Jeff Schultes, Airport Manager  
Elizabeth Boynton, Associate Corporation Counsel  
Irving File

cc V. Spiegner  
D. O. Grady  
A. Cadant  
File

ed

## ASSIGNMENT OF LEASEHOLD INTEREST

KNOW ALL MEN BY THESE PRESENTS that Irving Oil Corporation, a Maine corporation, in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration to it paid by Northeast Air, a Maine corporation, receipt of which is hereby acknowledged, does hereby assign, transfer and set over unto Northeast Air, its successors and assigns, all of the rights and obligations of the Lessee under a certain Indenture of Lease dated August 12, 1976 between the City of Portland and Maine Aviation Corp., as amended by Amendments dated September 23, 1976, June 19, 1978, July 17, 1980, December 24, 1981, February 22, 1983 and Extension dated December 1, 1995 (collectively the "Lease"), copies of which are attached hereto.

TO HAVE AND TO HOLD said Lease unto Northeast Air for itself and its own use forever.

AND, Irving Oil Corporation represents and warrants that it has good right and power to enter into this Assignment, and has obtained the consent of the City of Portland to such assignment.

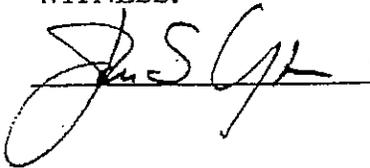
AND, Northeast Air does hereby agree to accept assignment and to indemnify and to hold harmless Irving Oil Corporation from any duty, liability, or cost arising out of Northeast Air's performance pursuant to the Lease herein assigned after the date hereof.

AND, Irving Oil Corporation does hereby agree to indemnify and to hold harmless Northeast Air from any duty, liability, or cost arising out of the Lease herein assigned with respect to Irving Oil Corporation's acts or omissions prior to the date hereof.

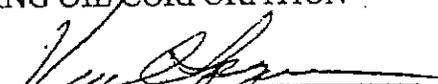
AND FURTHER, Irving Oil Corporation hereby covenants and agrees with Northeast Air to sign, seal, execute and deliver and cause to be signed, sealed, executed and delivered and to do, make, or cause to be made or done, upon reasonable request by Northeast Air, any and all certificates, instruments, acts or things supplemental or confirmatory which may be reasonably requested by Northeast Air for the purpose of or in connection with more effectual vesting in Northeast Air assignment of the Lease.

IN WITNESS WHEREOF, Irving Oil Corporation has caused this assignment to be executed this 4<sup>th</sup> day of October, 2000.

WITNESS:

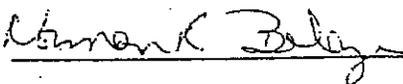
  
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IRVING OIL CORPORATION

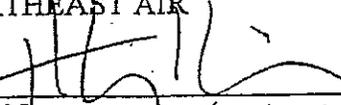
By: 

Name: Vernon Sarague  
Its: Vice President

WITNESS:

  
\_\_\_\_\_

NORTHEAST AIR

By: 

Name: HERBERT A. LAUGEL  
Its: PRESIDENT

STATS OF MAINE -  
UMBERLAND, SS

OCTOBER 4, 2000

PERSONALLY APPEARED BEFORE ME VERNON L. SPRAGUE,  
VICE-PRESIDENT OF IRVING OIL CORPORATION, WHO ACKNOWLEDGED  
THE FOREGOING TO BE HIS FREE ACT AND DEED IN HIS  
AID CAPACITY AND THE FREE ACT AND DEED OF  
IRVING OIL CORPORATION

~~9/~~  
MAINE ATTORNEY-AT-LAW  
PRINT NAME: Gregory B. Postroy

ASSIGNMENT OF LEASEHOLD INTEREST

KNOW ALL MEN BY THESE PRESENTS that Irving Oil Corporation, a Maine corporation, in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration to it paid by Northeast Air, a Maine corporation, receipt of which is hereby acknowledged, does hereby assign, transfer and set over unto Northeast Air, its successors and assigns, all of the rights and obligations of the Lessee under a certain Indenture of Lease dated August 12, 1976 between the City of Portland and Maine Aviation Corp., as amended by Amendments dated September 23, 1976, June 19, 1978, July 17, 1980, December 24, 1981, February 22, 1983 and Extension dated December 1, 1995 (collectively the "Lease"), copies of which are attached hereto.

TO HAVE AND TO HOLD said Lease unto Northeast Air for itself and its own use forever.

AND, Irving Oil Corporation represents and warrants that it has good right and power to enter into this Assignment, and has obtained the consent of the City of Portland to such assignment.

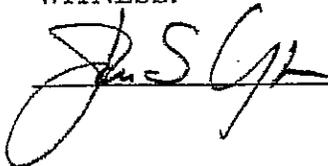
AND, Northeast Air does hereby agree to accept assignment and to indemnify and to hold harmless Irving Oil Corporation from any duty, liability, or cost arising out of Northeast Air's performance pursuant to the Lease herein assigned after the date hereof.

AND, Irving Oil Corporation does hereby agree to indemnify and to hold harmless Northeast Air from any duty, liability, or cost arising out of the Lease herein assigned with respect to Irving Oil Corporation's acts or omissions prior to the date hereof.

AND FURTHER, Irving Oil Corporation hereby covenants and agrees with Northeast Air to sign, seal, execute and deliver and cause to be signed, sealed, executed and delivered and to do, make, or cause to be made or done, upon reasonable request by Northeast Air, any and all certificates, instruments, acts or things supplemental or confirmatory which may be reasonably requested by Northeast Air for the purpose of or in connection with more effectual vesting in Northeast Air assignment of the Lease.

IN WITNESS WHEREOF, Irving Oil Corporation has caused this assignment to be executed this 4<sup>th</sup> day of October, 2000.

WITNESS:

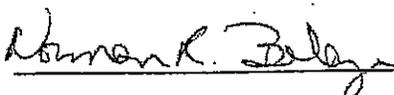
  
\_\_\_\_\_

IRVING OIL CORPORATION

By:

  
Name: Vernon Sprague  
Its: Vice President

WITNESS:

  
\_\_\_\_\_

NORTHEAST AIR

By:

  
Name: MARK A. LAUGHLIN III  
Its: PRESIDENT

(See reverse)

CUMBERLAND, SS

OCTOBER 7, 2000

PERSONALLY APPEARED BEFORE ME VERNON L. SPRAGUE,  
VICE-PRESIDENT OF IRVING OIL CORPORATION, WHO ACKNOWLEDGED  
THE FOREGOING TO BE HIS FREE ACT AND DEED IN HIS  
SAID CAPACITY AND THE FREE ACT AND DEED OF  
IRVING OIL CORPORATION

~~9~~  
MAINE ATTORNEY-AT-LAW  
PRINT NAME: Gregory B. Portrey

Lawrence R. Clough, Esq.  
Tompkins, Clough, Hirston & Langer, P.A.  
3 Canal Plaza  
P.O. Box 15060  
Portland ME 04112-5060

Portland International Jetport  
Jeffrey Schultes, A.A.E.  
Manager



Transportation and Waterfront Dept.  
Thomas F. Valleau  
Director

CITY OF PORTLAND

December 1, 1995

Chris Mc Auliffe  
Vice President & COO  
Irving Oil Corporation  
700 Main Ave  
P.O. Box 401  
Bangor, ME 04402-0401

Dear Chris,

This will confirm your letter of October 27, 1995, securing an extension of your lease at the Portland International Jetport as agreed. This extends the term of the lease to August, 2016.

Best regards.

Sincerely,

  
Thomas F. Valleau

TFV/md

cc: Jeff Schultes, Airport Manager  
Elizabeth Boynton, Associate Corporation Counsel  
Irving File

cc: V. Spiegna

D. O. Gandy

A. Colet

File

ASSIGNMENT OF LEASEHOLD INTEREST

KNOW ALL MEN BY THESE PRESENTS that Irving Oil Corporation, a Maine corporation, in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration to it paid by Northeast Air, a Maine corporation, receipt of which is hereby acknowledged, does hereby assign, transfer and set over unto Northeast Air, its successors and assigns, all of the rights and obligations of the Lessee under a certain Indenture of Lease dated August 12, 1976 between the City of Portland and Maine Aviation Corp., as amended by Amendments dated September 23, 1976, June 19, 1978, July 17, 1980, December 24, 1981, February 22, 1983 and Extension dated December 1, 1995 (collectively the "Lease"), copies of which are attached hereto.

TO HAVE AND TO HOLD said Lease unto Northeast Air for itself and its own use forever.

AND, Irving Oil Corporation represents and warrants that it has good right and power to enter into this Assignment, and has obtained the consent of the City of Portland to such assignment.

AND, Northeast Air does hereby agree to accept assignment and to indemnify and to hold harmless Irving Oil Corporation from any duty, liability, or cost arising out of Northeast Air's performance pursuant to the Lease herein assigned after the date hereof.

AND, Irving Oil Corporation does hereby agree to indemnify and to hold harmless Northeast Air from any duty, liability, or cost arising out of the Lease herein assigned with respect to Irving Oil Corporation's acts or omissions prior to the date hereof.

AND FURTHER, Irving Oil Corporation hereby covenants and agrees with Northeast Air to sign, seal, execute and deliver and cause to be signed, sealed, executed and delivered and to do, make, or cause to be made or done, upon reasonable request by Northeast Air, any and all certificates, instruments, acts or things supplemental or confirmatory which may be reasonably requested by Northeast Air for the purpose of or in connection with more effectual vesting in Northeast Air assignment of the Lease.

IN WITNESS WHEREOF, Irving Oil Corporation has caused this assignment to be executed this 4<sup>th</sup> day of October, 2000.

WITNESS:

[Signature]

IRVING OIL CORPORATION

By: [Signature]  
Name: Vernon Sprague  
Its: Vice President

WITNESS:

[Signature]

NORTHEAST AIR

By: [Signature]  
Name: MARK A. LUGGILLAN III  
Its: PRESIDENT

UMBERLAND, SS

OCTOBER 4, 2000

PERSONALLY APPEARED BEFORE ME VERNON L. SPRAGUE,  
VICE-PRESIDENT OF IRVING OIL CORPORATION, WHO ACKNOWLEDGED  
THE FOREGOING TO BE HIS FREE ACT AND DEED IN HIS  
OWN CAPACITY AND THE FREE ACT AND DEED OF  
IRVING OIL CORPORATION

~~9/~~  
MAINE ATTORNEY-AT-LAW  
PRINT NAME: Gregory B. Portrey

**SIXTH AMENDMENT TO  
AGREEMENT BETWEEN  
CITY OF PORTLAND  
AND  
NORTHEAST AIR**

THIS SIXTH AMENDMENT is made as of this 29 day of August, 2018, to the **INDENTURE OF LEASE** dated August 12, 1976 by and between the **CITY OF PORTLAND**, a body politic and corporate, located in Cumberland County and State of Maine (hereinafter the "**City**"), and **NORTHEAST AIR**, a Maine corporation with a mailing address of 987 Westbrook Street, Portland, Maine 04102 (hereinafter the "**Tenant**").

**WITNESSETH:**

**WHEREAS**, by virtue of a Quitclaim Assignment of Lease and Quitclaim Deed to Fixtures to Irving Oil Corporation dated September 10, 1995, and an Assignment of Leasehold Interest between Irving Oil Corporation and Northeast Air dated October 4, 2000, the City and Tenant are parties to a certain Indenture of Lease between the City and Maine Aviation Corporation dated August 12, 1976, as amended by a certain Amendment dated September 23, 1976, a certain Amendment dated June 19, 1978, a certain Amendment dated July 17, 1980, a certain Amendment dated December 24, 1981, and a certain Fourth [sic] Amendment dated February 22, 1983 (collectively, the "Lease"); and

**WHEREAS**, the initial term of the Lease was twenty years, which term was extended to August 2016 by letter from the City to Irving Oil Corporation dated December 1, 1995; and

**WHEREAS**, pursuant to a certain Option to Lease Real Estate dated August 3, 2011 (the "Option"), the City granted to Tenant an option to extend the term of the Lease for an additional twenty-year renewal term through August 11, 2036, provided that Tenant committed to an expenditure of no less than Four Hundred Sixty-Five Thousand Dollars (\$465,000.00) for improvements to the leased premises as more fully set forth in the Option, and provided that Tenant notified the City of its commitment to do so at least 60 days before the expiration of the Lease term on August 11, 2016; and

**WHEREAS**, by letter dated June 8, 2016 Tenant notified the City of its intent to expend no less than \$465,000 in improvements on the leased premises and has since

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constructed the proposed improvements and desires to extend the term of the Lease through August 11, 2036.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows:

1. The termination date of the Lease is hereby extended until August 11, 2036 unless earlier terminated pursuant to the terms of the Lease.
2. Section 10 of the Lease is hereby deleted and replaced with the following:

## 10 INDENTIFICATION AND INSURANCE

### 10.1 INDEMNIFICATION

10.1.1 To the fullest extent permitted by law, Tenant agrees to defend, indemnify, and save forever harmless the City, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of Tenant's use, occupancy or management of the premises that are the subject of the Lease (the "Leased Premises"); City shall give to Tenant prompt and reasonable notice of any such claims or actions, and Tenant shall have the right and obligation to investigate and defend the same; and provided further, that Tenant shall not be liable for any claims, actions, injury, damages or losses that are occasioned solely by the negligent or intentional act of City, its officers, agents or employees. Notwithstanding the foregoing, Tenant shall defend the City from all such claims. "Tenant" as used in this Subsection 10.1.1 and in Section 10.2 shall mean and include the named Tenant, its officers, agents, employees, invitees, customers, subcontractors, transferees, licensees, subtenants, vendors, suppliers and anyone for whose act Tenant may be legally liable.

10.1.2 Tenant shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against City or in which City may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, material, men, and suppliers. City shall have the right to participate in such suits and no action shall be settled without prior consent of the City. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the City which would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

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10.1.3 If Tenant is required to obtain workers compensation coverage under Maine law, Tenant agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against City. In the event such waiver is not available, Tenant shall defend, indemnify and hold the City harmless from any such subrogated claims.

10.1.4 This indemnity and hold harmless provision of this Section 10.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the City. The provisions of this Section 10. and the obligations of Tenant hereunder shall survive the termination or expiration of this Lease.

10.1.5 Notwithstanding anything to the contrary contained in this Lease, in no case shall either party be liable to the other, for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

## 10.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, Tenant shall not cause nor permit any lien against the Leased Premises, any portion thereof or any City property wherever located, or any improvements thereto, to arise out of or accrue from any action, omission or use thereof by Tenant. Tenant may in good faith, however, contest the validity of any alleged lien. Tenant shall defend and indemnify and hold the City harmless from any cost, expense, attorney's fees or other liability arising out of or resulting from any such lien or liens and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure which is acceptable to the City. So long as Tenant defends City in any action concerning any such lien, Tenant shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the City. This provision shall survive termination or expiration of this Lease Agreement. If (a) Tenant is not defending against such lien; and (b) foreclosure proceedings have been commenced by a lienor other than City, and (c) Tenant has not bonded off or otherwise made provision for the subject lien, City may, at its sole discretion, pay any amounts secured by any such lien and in such case, Tenant shall repay all such payments to City immediately upon City's demand therefor. PROVIDED, NONETHELESS, that nothing in this Section 10.2 shall be deemed to prohibit Tenant from entering into any construction or permanent mortgage financing or refinancing of any hangar or improvements upon the Leased Premises as anticipated in Section 4 of the Lease, which may require subordination of Lessor's interest in such hangar or improvements and Lessor's consent to such financing, not to be unreasonably withheld.

### 10.3 INSURANCE

10.3.1 Without expense to the City, and with no lapse in coverage, Tenant shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance no less than that required by the Jetport Minimum Standards for FBO operations at the Airport. A copy of the insurance requirements in effect as of the execution date of this Agreement is attached as Exhibit A.

10.3.2 Tenant shall procure and maintain, as of the date of beneficial occupancy of the Leased Premises, all risks fire and casualty insurance, in an amount no less than ninety percent (90%) of the replacement value of the buildings and improvements on the Leased Premises and related fixtures, or in such maximum amount as is available if ninety percent (90%) is not available.

10.3.3 Tenant and the City understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and City reserves the right to amend the minimums as needed throughout the term of this Lease. Tenant agrees that it will increase such minimum limits upon receipt of notice in writing from the City.

10.3.4 In the event any construction or renovation on the Leased Premises is approved by the City, Tenant shall procure and maintain, or cause to be procured and maintained, commercial general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the City may reasonably require, covering such construction. Said insurance shall protect Tenant and City from any claims or damages arising out of or resulting from such construction or renovations, and shall name the City as an additional insured thereon. In addition to the foregoing, Tenant shall cause to be procured and maintained automobile liability and workers compensation insurance in such amounts as the City may reasonably require.

10.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Leased Premises shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport Director. Each liability policy required to be obtained hereunder shall name the City as an additional insured thereunder and shall be on an occurrence basis.

10.3.6 Certificates or other evidence of insurance coverage required of Tenant in this Section 10, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the City prior to the execution of this Amendment and annually thereafter. Tenant shall at all times during the term of this Lease provide City with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises. Insurer shall provide no less than thirty (30) days written notice

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prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Director. It shall be Tenant's responsibility throughout the term of this Lease to provide or have provided to the Airport Director renewal insurance certificates with no lapse in coverage prior to such renewal.

10.3.7 If at any time Tenant should fail either to obtain or to maintain in force the insurance required herein, the City shall notify Tenant of its intention to purchase such insurance for Tenant's account; and, if Tenant has not delivered evidence of insurance to the Airport Director prior to the date on which the current insurance expires, the City may effect such insurance by taking out policies in companies satisfactory to the City and charging the costs thereof to Tenant as additional rent. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the City shall be payable by Tenant as additional rental immediately upon demand therefor by City. Nothing herein is intended nor shall it be deemed to waive any right of City to declare the Lease in default hereunder.

3. SURVIVING TERMS. Any and all terms of the Lease not herein amended shall remain in full force and effect for the duration of the Lease as amended hereby and are hereby ratified. In the event of any conflict between the terms of this Amendment and the terms of the Lease and any exhibits thereto, the terms of this Amendment shall govern and control so long as this Amendment is in effect.

**IN WITNESS WHEREOF**, the said **CITY OF PORTLAND** has caused this Amendment to be signed and sealed by Jon P. Jennings, its City Manager, thereunto duly authorized, and **NORTHEAST AIR** has caused this Amendment to be signed and sealed by Mark Godwin its Vice President thereunto duly authorized, the day and year first above written.

WITNESS:

*Sonia Bean*

**CITY OF PORTLAND**

By: \_\_\_\_\_

Jon P. Jennings  
Its City Manager

WITNESS:

*James R. ...*

**NORTHEAST AIR**

By: *Mark R. Godwin*

MARK R. Godwin  
Its: Vice President

Approved as to form:

*neb*

City Corporation Counsel's Office

Approved as to funds:

*[Signature]*  
City Finance Director

*Wile*

**SEVENTH AMENDMENT TO  
AGREEMENT BETWEEN  
CITY OF PORTLAND  
AND  
NORTHEAST AIR**

**THIS SEVENTH AMENDMENT** is made as of this \_\_\_\_ day of \_\_\_\_\_, 2018, to the **INDENTURE OF LEASE** dated August 12, 1976 by and between the **CITY OF PORTLAND**, a body politic and corporate, located in Cumberland County and State of Maine (hereinafter the "**City**"), and **NORTHEASE AIR**, a Maine corporation with a mailing address of 987 Westbrook Street, Portland, Maine 04102 (hereinafter the "**Tenant**").

**W I T N E S S E T H:**

**WHEREAS**, by virtue of a Quitclaim Assignment of Lease and Quitclaim Deed to Fixtures to Irving Oil Corporation dated September 10, 1995, and an Assignment of Leasehold Interest between Irving Oil Corporation and Northeast Air dated October 4, 2000, the City and Tenant are parties to a certain Indenture of Lease between the City and Maine Aviation Corporation dated August 12, 1976, as amended by a certain Amendment dated September 23, 1976, a certain Amendment dated June 19, 1978, a certain Amendment dated July 17, 1980, a certain Amendment dated December 24, 1981, a certain Fourth [*sic*] Amendment dated February 22, 1983, and a certain Sixth Amendment to Agreement dated August 29, 2018 (collectively, the "Lease"); and

**WHEREAS**, the termination date of the Lease is August 11, 2036; and

**WHEREAS**, City and Tenant are also party to a certain Amended, Consolidated and Restated Ground Lease Agreement dated February 2, 2016 (the "Consolidated Lease"), which includes a renewal term provision providing Tenant an option to extend the term of the Consolidated Lease until June 30, 2056 subject to the terms and conditions of the Consolidated Lease; and

**WHEREAS**, City and Tenant wish to amend the Lease to add a renewal provision similar to that set forth in the Consolidated Lease.

**NOW, THEREFORE**, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows:

1. Section 18 of the Lease is hereby deleted and replaced with the following:

Tenant shall have the option to renew this Lease for an additional term through June 30, 2056 (the "2056 Renewal Term") so long as Tenant has been and is continuing in full compliance with all of the terms and conditions of this Lease, Airport Minimum Standards and Rules and Regulations, and subject to renegotiation of the rent as provided below. Tenant shall provide City with no more than nine months and no less than six months' notice of its intent to renew prior to expiration of the current term of this Lease. City shall renew the Lease as outlined below, subject to the continuing compliance by Tenant with all the terms and conditions of the Lease. Such renewal shall be in writing signed by both parties.

Notwithstanding anything to the contrary in the Lease, including the rent provisions in pages 2-6 of the Lease, in the event Tenant renews this Lease for the 2056 Renewal Term, all rent under the Lease during said 2056 Renewal Term, including, without limitation, fixed annual and percentage rent, shall be in an amount to be negotiated in good faith by the parties. Notice of intent to negotiate new rent for the 2056 Renewal Term shall be given no less than 120 days prior to renewal of the Lease; provided, however, that failure to give such notice shall not diminish nor negate the Parties' obligation to negotiate a new rent hereunder. If the parties have been unable to agree upon a new rental within 45 days after such notice (the "Rent Agreement Date"), the parties agree to submit the issue of rent only to the following appraisal process. City and Tenant shall use reasonable, good faith efforts to agree, within fifteen (15) days after the Rent Agreement Date, upon a single appraiser to determine the renewal rent for the Premises. Such appraiser shall use its best efforts to render the appraisal to City and Tenant on or before twenty (20) days after its selection, and such appraisal shall be final and binding upon the parties. In the event City and Tenant cannot agree upon a single appraiser within ten (10) days after the Rent Agreement Date (the "Election Date"), then each of City and Tenant shall, within ten (10) days after the Election Date, select an appraiser. Such two (2) appraisers shall select a third appraiser within five (5) days. Such third appraiser shall use its best efforts to render the appraisal to the City and Tenant on or before twenty (20) days after its selection. The fair rental value determined by such third appraiser shall be final and binding upon the parties and shall be the rent for the 2056 Renewal Term. The cost of the appraiser appointed by each party shall be borne by such party, and the cost of the third appraiser or, if the City and Tenant shall have jointly selected one appraiser, the jointly-selected appraiser, shall be borne one-half (1/2) by the City and one-half (1/2) by the Tenant.

2. **SURVIVING TERMS.** Any and all terms of the Lease not herein amended shall remain in full force and effect for the duration of the Lease as amended hereby and are hereby ratified. In the event of any conflict between the terms of this Amendment and the terms of the Lease and any exhibits thereto, the terms of this Amendment shall govern and control so long as this Amendment is in effect.

**IN WITNESS WHEREOF**, the said **CITY OF PORTLAND** has caused this Amendment to be signed and sealed by Jon P. Jennings, its City Manager, thereunto duly authorized, and **NORTHEAST AIR** has caused this Amendment to be signed and sealed by \_\_\_\_\_, its \_\_\_\_\_, thereunto duly authorized, the day and year first above written.

WITNESS:

**CITY OF PORTLAND**

\_\_\_\_\_

By: \_\_\_\_\_

Jon P. Jennings  
Its City Manager

WITNESS:

**NORTHEAST AIR**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to form:

Approved as to funds:

\_\_\_\_\_  
City Corporation Counsel's Office

\_\_\_\_\_  
City Finance Director

ETHAN K. STRIMLING (MAYOR)  
BELINDA S. RAY (1)  
SPENCER R. THIBODEAU (2)  
BRIAN E. BATSON (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

KIMBERLY COOK (5)  
JILL C. DUSON (A/L)  
PIOUS ALI (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO THE PORTLAND CITY CODE CHAPTER 6  
RE: NON-OWNER-OCCUPIED SHORT TERM RENTAL UNITS  
IN MULTI-UNIT BUILDINGS**

**Sec. 6-153. Violations.**

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

As of October 12, 2018, a mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit and subject to this limitation. Any such units that are registered as of October 11, 2018, may remain registered regardless of whether this limitation has been reached.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five (5) short term rentals in the City, including the Islands, in any one (1) calendar year. For purposes of this section, short term rentals registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building	
	Owner Occupied	Non-Owner Occupied
2	2	1
3	3	2
4	4	2
5	5	2
6-9	5	4
10+	5	5

Tenant-occupied units, where the tenant is the registrant, shall not be counted towards these limits.

**BE IT FURTHER ORDAINED** that, notwithstanding the provisions of 1 M.R.S. § 302, this amendment shall apply retroactively to include any and all applications submitted on and after October 12, 2018 for the registration of non-owner-occupied short term rental units in owner-occupied buildings; and

**BE IT FURTHER ORDAINED**, that this amendment is enacted as an Emergency, pursuant to Article II, Section 11 of the Portland City Charter, in order to protect the availability of long-term housing in the City of Portland.

## MEMORANDUM

**TO:** Portland City Council; Mayor Strimling  
**CC:** Jon Jennings; Michael Sauschuck; Danielle West-Chuhta  
**DATE:** October 12, 2018  
**RE:** Change to Short Term Rental Ordinance

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During the time that the Housing Committee is working through changes to the short term rental ordinance, it was the Committee's desire that no non-owner occupied short term rental units – whether they were in an owner occupied building or otherwise – be registered above the 300 unit cap found in City Code § 6-153. The attached amendment may be introduced at the City Council meeting on October 15, 2018 in lieu of a moratorium on owner-occupied short term rentals.

The amendment would change the short term rental ordinance to make it clear that non-owner occupied units in an owner occupied building will be counted towards the 300 unit cap. Because the total of non-owner occupied units in both owner-occupied and non-owner occupied buildings is at or slightly above that 300 cap, no new non-owner occupied units could be registered unless and until registrations fell below that cap or the cap was raised.

The amendment also contains a retroactivity clause, making it effective October 12, 2018. This means that it will apply to any applications for non-owner occupied units submitted on or after that date. However, any non-owner occupied units registered as of October 11, 2018, will remain registered, regardless of whether the 300 unit cap has been exceeded.

This amendment achieves the Committee's goal of ensuring that no non-owner occupied units above the 300 cap are registered while they are considering changes to the ordinance. The Committee and Council could choose to revisit this language as part of their proposal on larger changes.