



Ocean properties, Ltd.
Hotels and Resorts

May 4, 2007

VIA EMAIL – jcuetara@moorscabot.com

Mr. Joe Cuetara
Moors & Cabot, Inc.
111 Devonshire Street
Boston, MA 02109

RE: Report Regarding Financial Impact – Maine State Pier Project
Dated April 20, 2007

Dear Joe,

Enclosed is a redline mark-up of your April 20, 2007 report, with changes indicated where we felt there were inaccuracies. Additionally, in light of the comparative format of this report, we have indicated differences or omissions where we believe they were not discussed or perhaps overlooked. Further to that, we have included present value tables due to the differing timelines showing the cash flow to the City over 75 years, and an equity analysis utilizing the present value of TIF dollars. Since it was not clear from your report if you were comparing the Ocean Properties, Ltd. (OPL) proposal to Option #1 or Option #2 of the Olympia Companies (TOC) proposal, we included both options on our present value tables.

Following is a summary of the reasons for the changes we have made by page number to your April 20, 2007 report to the City of Portland. As follows:

Page 1: “Corporate Structure”

We note the multi-entity structure planned by The Olympia Companies (TOC) and would request information on which entity will supply the support for the revenue bonds to be issued by the City under the TOC Option #2 or the “lease” under TOC Option #1.

Page 2:

Our project is estimated to cost \$90,420,000 and requires \$18,084,000 of equity from the shareholders. This will be in addition to the recourse financing to be utilized for this project, as we believe non-recourse financing for a mixed-use project of this size will be difficult and costly to attain.

On the TOC side, the equity of 15% on a project cost of \$93,109,684 is \$13,966,453 of equity not \$18,000,000 as stated.

Included with the TOC construction budget is payment of \$13,000,000 for parking. We think it is important to point out that our parking is to be built on site, and will be collateral for the project. The TOC version would somehow secure the parking they need by paying existing operators the \$13,000,000 to secure the spots. This would not generate an incremental increase in tax revenue for the project so the tax projections for the TOC project should be lower than the OPL project. Aside from that we see no way to judge future tax revenue to the City without looking at the quality of the development. The taxes on real estate cannot be compared because TOC used a lump sum formula representing 325,000 sq ft with no breakdown as to each part of the project, building size, and whether it is within the area of the RFP boundaries. As you know, they have proposed development outside the RFP area, such as Compass Park.

There are other significant differences between the TOC hotel component and the OPL hotel component of this project, most notably the quality. Both projects propose essentially the same number of hotel rooms, however, they are two very different hotels. In the TOC hotel, the hotel room dimension and size is approximately 330 square feet per room, more typical of a Day's Inn product or limited service hotel, falling far short of what is being represented as a 5 star hotel by TOC. Our proposal includes substantially all larger rooms, which would average close to 600 square feet, or about twice the size of the TOC rooms, with private balconies, five fixture bathroom and amenity features more typically found in a 5 star hotel development.

Page 3: "Developer Financial Commitment"

The Ocean Properties, Ltd. (OPL) financial commitment is \$11,000,000 for the immediate pier improvements (\$3,000,000 of which is for the cruise port bollards) and an additional \$7,084,000 to achieve the 20% shareholder equity requirement for financing. This is a \$18,084,000 up-front capital commitment, not \$3,000,000 as stated.

Furthermore, the net public commitment for OPL is entirely incorrect. We have not requested any public subsidy or any City involvement. We, like TOC under Option #1, have requested a TIF reimbursement. Again I refer you to our present value calculations for an accurate view of the OPL proposal versus TOC Option #1 and Option #2.

The lease term in our proposal is 99 years with renewal option. We did not request any right to purchase or request the City to repurchase the assets. In both Option #1 and Option #2 of the TOC proposal, this is required by the City if they do not renew or the developer is unwilling to agree to the new terms. This was stated by Kevin Mahaney to be part of his proposal at the meeting on the 24th of April.

Assuming a conservative 4.8% appreciation rate, the repurchase of the \$80,109,684 in assets of TOC could cost the City \$2.8 billion at FMV in year 75. The buildings to be constructed of steel and concrete would obviously have a life far in excess of 75 years and would be maintained. We believe this to be significant exposure for the City, and this is not discussed in your report.

The lease payments contemplated to be made in years 21-75 by TOC are to be put in escrow and used solely for repairs, maintenance, and improvements to the pier project. This is not rent and is similar to our commitment to maintain the project throughout the term.

As previously stated, our parking is built on site, and is collateral for the project. The TOC proposal is NOT for a 500-space parking garage, but is somehow to secure 500 parking spaces in existing facilities. This part of the project or \$13,000,000 in value will not generate new tax revenues. The tax projections for TOC should be reduced for this as well as for the differing levels of quality.

TOC has requested a \$1,800,000 up front payment from the CBITD, as disclosed on Page 2, further reducing their equity commitment. This is not indicated on your financial commitment page. OPL has requested nothing. Your financial commitment page states TOC will have revenue sharing with the City. This conflicts with your page 4 comment of no revenue sharing by TOC.

Page 4:

The selected footprints and market rents page is misleading. Obviously under the TOC proposal they have included an implied rent for the hotel as the table indicates 325,000 sq ft of buildings. The OPL table includes only true rental properties, with the hotel operated by OPL and not leased.

The cruise ship information appears on the TOC table to include all of the ships planned for Portland, Maine harbor, and indicated presently to dock at the City's new Ocean Gate facility. The OPL table indicates only those new ships we believe we can attract to the City and the Maine State Pier. Is the City willing to forgive the cruise ships' business at Ocean Gate, and transfer it all to the Maine State Pier?

Page 5:

This page completely ignores Option #2, and does not factor in the required FMV repurchase from TOC at the end of year 75. Please refer to our present value tables.

Page 6:

This page should disclose the cost of the FMV repurchase at the end of the lease term. The tax benefits to the City under the TOC proposal would be completely offset by this. Again I refer you to our present value tables.

Page 7:

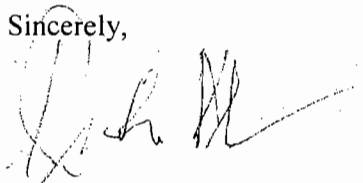
Your comparative cash flows misrepresent the fact that the lease by TOC is actually a reserve for repairs, maintenance, and improvements to the pier project, and are not general revenue funds. OPL has also committed to the repairs, maintenance, and improvements of the pier over the life of the lease whatever that cost might be; this has been mentioned 12 times in the process to date, and additionally OPL will have separate repairs and maintenance reserves for

the buildings in the project, and the dollar commitment twenty years from now would obviously be similar to TOC's.

Lastly, again the FMV buyout provision appears in both of the TOC options and was addressed by TOC at the commission hearings. Buildings and improvements of this nature have very long lives especially with the repairs and maintenance dollars to be expended. We believe this repurchase cost at 4.8% appreciation over the life of the lease to be \$2.8 billion or \$80.1 million in today's dollars.

Please call me if you need additional clarification at (603) 559-2101.

Sincerely,



Richard C. Ade
Executive Vice President

/dmm
Enclosures

cc: VIA HAND DELIVERY
Ellen Sanborn, City of Portland

City of Portland
 Maine State Pier
 Equity Analysis

	TOC #1	TOC #2 - Assumes \$18mm City Bond issue	OPL
Cost of Taxable Improvements	80,109,684	80,109,684	90,420,000
Other Costs - Procurement of Existing Parking Spaces - No New Tax Revenue Generated	13,000,000	13,000,000	-
Total Costs Incurred	93,109,684	93,109,684	90,420,000
Developer Equity	15%	15%	20%
Up Front Developer Equity	13,966,453	13,966,453	18,084,000
Less Payment From CBITD	(1,800,000)	(1,800,000)	-
Less TIF at Present Value Using 4.8%	(8,239,584)	0	(10,131,170)
Net Public Commitment From Developer Prior to FMV Buyout	3,926,868	12,166,453	7,952,830
PV Of Potential Buyout at End of 75 Years (\$80,109,684 inflated at 4.8% per year then discounted back to PV at 4.8%)	(80,109,684)	(80,109,684)	
Net Public Commitment From Developer Assuming FMV Buyout	(76,182,816)	(67,943,231)	7,952,830

City of Portland, Maine
Maine State Pier
PV Cash Flow Recap

Base	TOC Option #1 PV				TOC Option #2 PV				OPL PV							
	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	Buy-Out Of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Retained	% City	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	Buy-Out of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Annual Lease Payments from TOC	Funds Escrowed for Improvements	Retained	% City	Inc Tax Rev Based on \$90,420,000 Value of Improvements	Dev	Retained	% City
1	862,302	-620,229	242,073	242,073	28.07%	862,302	0	-1,337,540	1,337,540	862,302	862,302	100.00%	973,282	-486,641	486,641	50.00%
2	839,263	-591,822	247,442	247,442	29.48%	839,263	0	-1,276,279	1,276,279	839,263	839,263	100.00%	947,279	-473,639	473,639	50.00%
3	816,840	-564,715	252,125	252,125	30.87%	816,840	0	-1,217,823	1,217,823	816,840	816,840	100.00%	921,970	-460,985	460,985	50.00%
4	795,016	-538,850	256,166	256,166	32.22%	795,016	0	-1,162,045	1,162,045	795,016	795,016	100.00%	897,337	-448,668	448,668	50.00%
5	773,775	-514,170	259,605	259,605	33.55%	773,775	0	-1,108,822	1,108,822	773,775	773,775	100.00%	873,362	-436,681	436,681	50.00%
6	753,102	-490,620	262,482	262,482	34.85%	753,102	0	-1,058,036	1,058,036	753,102	753,102	100.00%	850,028	-425,014	425,014	50.00%
7	732,981	-468,149	264,832	264,832	36.13%	732,981	0	-1,009,576	1,009,576	732,981	732,981	100.00%	827,318	-413,659	413,659	50.00%
8	713,398	-446,707	266,690	266,690	37.38%	713,398	0	-963,336	963,336	713,398	713,398	100.00%	805,214	-402,607	402,607	50.00%
9	694,337	-426,247	268,090	268,090	38.61%	694,337	0	-919,214	919,214	694,337	694,337	100.00%	783,700	-391,850	391,850	50.00%
10	675,786	-406,725	269,062	269,062	39.81%	675,786	0	-877,112	877,112	675,786	675,786	100.00%	762,762	-381,381	381,381	50.00%
11	657,731	-388,096	269,635	269,635	40.99%	657,731	0	-836,939	836,939	657,731	657,731	100.00%	742,383	-371,191	371,191	50.00%
12	640,158	-370,321	269,837	269,837	42.15%	640,158	0	-798,606	798,606	640,158	640,158	100.00%	722,548	-361,274	361,274	50.00%
13	623,065	-353,359	269,695	269,695	43.29%	623,065	0	-762,029	762,029	623,065	623,065	100.00%	703,243	-351,622	351,622	50.00%
14	606,408	-337,175	269,233	269,233	44.40%	606,408	0	-727,127	727,127	606,408	606,408	100.00%	684,454	-342,227	342,227	50.00%
15	590,206	-321,732	268,474	268,474	45.49%	590,206	0	-693,823	693,823	590,206	590,206	100.00%	666,167	-333,084	333,084	50.00%
16	574,437	-306,996	267,441	267,441	46.56%	574,437	0	-662,045	662,045	574,437	574,437	100.00%	648,369	-324,184	324,184	50.00%
17	559,090	-292,935	266,155	266,155	47.60%	559,090	0	-631,722	631,722	559,090	559,090	100.00%	631,046	-315,523	315,523	50.00%
18	544,152	-279,518	264,634	264,634	48.63%	544,152	0	-602,789	602,789	544,152	544,152	100.00%	614,186	-307,093	307,093	50.00%
19	529,614	-266,716	262,898	262,898	49.64%	529,614	0	-575,180	575,180	529,614	529,614	100.00%	597,777	-298,888	298,888	50.00%
20	515,464	-254,500	260,964	260,964	50.63%	515,464	0	-548,836	548,836	515,464	515,464	100.00%	581,805	-290,903	290,903	50.00%
21	501,692	0	501,692	501,692	100.00%	501,692	0	0	523,698	523,698	501,692	100.00%	566,261	-283,131	283,131	50.00%
22	488,288	0	488,288	488,288	100.00%	488,288	0	0	509,706	509,706	488,288	100.00%	551,132	-275,566	275,566	50.00%
23	475,242	0	475,242	475,242	100.00%	475,242	0	0	496,088	496,088	475,242	100.00%	536,407	-268,204	268,204	50.00%
24	462,545	0	462,545	462,545	100.00%	462,545	0	0	482,834	482,834	462,545	100.00%	522,076	-261,038	261,038	50.00%
25	450,187	0	450,187	450,187	100.00%	450,187	0	0	469,934	469,934	450,187	100.00%	508,127	-254,063	254,063	50.00%
26	438,159	0	438,159	438,159	100.00%	438,159	0	0	457,378	457,378	438,159	100.00%	494,551	-247,276	247,276	50.00%
27	426,452	0	426,452	426,452	100.00%	426,452	0	0	445,158	445,158	426,452	100.00%	481,338	-240,669	240,669	50.00%
28	415,059	0	415,059	415,059	100.00%	415,059	0	0	433,265	433,265	415,059	100.00%	468,478	-234,239	234,239	50.00%
29	403,969	0	403,969	403,969	100.00%	403,969	0	0	421,689	421,689	403,969	100.00%	455,961	-227,981	227,981	50.00%
30	393,176	0	393,176	393,176	100.00%	393,176	0	0	410,422	410,422	393,176	100.00%	443,779	-221,889	221,889	50.00%
31	382,671	0	382,671	382,671	100.00%	382,671	0	0	399,457	399,457	382,671	100.00%	431,922	0	431,922	100.00%
32	372,447	0	372,447	372,447	100.00%	372,447	0	0	388,784	388,784	372,447	100.00%	420,382	0	420,382	100.00%
33	362,497	0	362,497	362,497	100.00%	362,497	0	0	378,397	378,397	362,497	100.00%	409,151	0	409,151	100.00%
34	352,811	0	352,811	352,811	100.00%	352,811	0	0	368,287	368,287	352,811	100.00%	398,219	0	398,219	100.00%
35	343,385	0	343,385	343,385	100.00%	343,385	0	0	358,448	358,448	343,385	100.00%	387,580	0	387,580	100.00%
36	334,211	0	334,211	334,211	100.00%	334,211	0	0	348,871	348,871	334,211	100.00%	377,225	0	377,225	100.00%
37	325,282	0	325,282	325,282	100.00%	325,282	0	0	339,550	339,550	325,282	100.00%	367,146	0	367,146	100.00%
38	316,591	0	316,591	316,591	100.00%	316,591	0	0	330,478	330,478	316,591	100.00%	357,337	0	357,337	100.00%
39	308,132	0	308,132	308,132	100.00%	308,132	0	0	321,648	321,648	308,132	100.00%	347,790	0	347,790	100.00%
40	299,900	0	299,900	299,900	100.00%	299,900	0	0	313,055	313,055	299,900	100.00%	338,498	0	338,498	100.00%
41	291,887	0	291,887	291,887	100.00%	291,887	0	0	304,691	304,691	291,887	100.00%	329,454	0	329,454	100.00%
42	284,089	0	284,089	284,089	100.00%	284,089	0	0	296,550	296,550	284,089	100.00%	320,652	0	320,652	100.00%
43	276,498	0	276,498	276,498	100.00%	276,498	0	0	288,627	288,627	276,498	100.00%	312,085	0	312,085	100.00%
44	269,111	0	269,111	269,111	100.00%	269,111	0	0	280,915	280,915	269,111	100.00%	303,746	0	303,746	100.00%
45	261,921	0	261,921	261,921	100.00%	261,921	0	0	273,410	273,410	261,921	100.00%	295,631	0	295,631	100.00%
46	254,923	0	254,923	254,923	100.00%	254,923	0	0	266,105	266,105	254,923	100.00%	287,732	0	287,732	100.00%
47	248,112	0	248,112	248,112	100.00%	248,112	0	0	258,996	258,996	248,112	100.00%	280,045	0	280,045	100.00%
48	241,483	0	241,483	241,483	100.00%	241,483	0	0	252,076	252,076	241,483	100.00%	272,563	0	272,563	100.00%
49	235,031	0	235,031	235,031	100.00%	235,031	0	0	245,341	245,341	235,031	100.00%	265,281	0	265,281	100.00%
50	228,752	0	228,752	228,752	100.00%	228,752	0	0	238,786	238,786	228,752	100.00%	258,193	0	258,193	100.00%
51	222,640	0	222,640	222,640	100.00%	222,640	0	0	232,406	232,406	222,640	100.00%	251,295	0	251,295	100.00%
52	216,692	0	216,692	216,692	100.00%	216,692	0	0	226,197	226,197	216,692	100.00%	244,581	0	244,581	100.00%
53	210,902	0	210,902	210,902	100.00%	210,902	0	0	220,154	220,154	210,902	100.00%	238,046	0	238,046	100.00%

Base	TOC Option #1 PV				TOC Option #2 PV				OPL PV			
	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	Buy-Out Of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Retained	% City	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	Debt Service on \$18mm Bond at 4.8%	Annual Lease Payments From TOC	Funds Escrowed for Improvements	Retained	% City
54	885,973	0	205,268	205,268	100.00%	885,973	0	0	214,272	-214,272	205,268	100.00%
55	199,783	0	199,783	199,783	100.00%	199,783	0	0	208,547	-208,547	199,783	100.00%
56	194,446	0	194,446	194,446	100.00%	194,446	0	0	202,975	-202,975	194,446	100.00%
57	189,251	0	189,251	189,251	100.00%	189,251	0	0	197,552	-197,552	189,251	100.00%
58	184,194	0	184,194	184,194	100.00%	184,194	0	0	192,274	-192,274	184,194	100.00%
59	179,273	0	179,273	179,273	100.00%	179,273	0	0	187,137	-187,137	179,273	100.00%
60	174,483	0	174,483	174,483	100.00%	174,483	0	0	182,137	-182,137	174,483	100.00%
61	169,822	0	169,822	169,822	100.00%	169,822	0	0	177,271	-177,271	169,822	100.00%
62	165,284	0	165,284	165,284	100.00%	165,284	0	0	172,534	-172,534	165,284	100.00%
63	160,868	0	160,868	160,868	100.00%	160,868	0	0	167,925	-167,925	160,868	100.00%
64	156,570	0	156,570	156,570	100.00%	156,570	0	0	163,438	-163,438	156,570	100.00%
65	152,387	0	152,387	152,387	100.00%	152,387	0	0	159,071	-159,071	152,387	100.00%
66	148,316	0	148,316	148,316	100.00%	148,316	0	0	154,821	-154,821	148,316	100.00%
67	144,353	0	144,353	144,353	100.00%	144,353	0	0	150,685	-150,685	144,353	100.00%
68	140,496	0	140,496	140,496	100.00%	140,496	0	0	146,659	-146,659	140,496	100.00%
69	136,743	0	136,743	136,743	100.00%	136,743	0	0	142,741	-142,741	136,743	100.00%
70	133,089	0	133,089	133,089	100.00%	133,089	0	0	138,927	-138,927	133,089	100.00%
71	129,533	0	129,533	129,533	100.00%	129,533	0	0	135,215	-135,215	129,533	100.00%
72	126,073	0	126,073	126,073	100.00%	126,073	0	0	131,603	-131,603	126,073	100.00%
73	122,704	0	122,704	122,704	100.00%	122,704	0	0	128,087	-128,087	122,704	100.00%
74	119,426	0	119,426	119,426	100.00%	119,426	0	0	124,664	-124,664	119,426	100.00%
75	116,235	0	116,235	116,235	100.00%	116,235	0	0	121,334	-121,334	116,235	100.00%
76			-80,109,684	-80,109,684				-80,109,684			-80,109,684	

32,649,332	-10,131,170	21,518,162
28,926,426	-8,239,584	-60,308,815
28,926,426	0	-15,181,268
32,950,147	-17,768,879	-52,069,231

City of Portland
Maine State Pier
Gross Cash Flow Recap

as of	TOC Option #1 Gross					City
	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	PV of TIF at 4.8% memo only	Buy-Out Of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Retained	
1	903,692	-650,000	-620,229		253,692	28.07%
2	921,766	-650,000	-591,822		271,766	29.48%
3	940,202	-650,000	-564,715		290,202	30.87%
4	959,006	-650,000	-538,850		309,006	32.22%
5	978,186	-650,000	-514,170		328,186	33.55%
6	997,749	-650,000	-490,620		347,749	34.85%
7	1,017,704	-650,000	-468,149		367,704	36.13%
8	1,038,059	-650,000	-446,707		388,059	37.38%
9	1,058,820	-650,000	-426,247		408,820	38.61%
10	1,079,996	-650,000	-406,725		429,996	39.81%
11	1,101,596	-650,000	-388,096		451,596	40.99%
12	1,123,628	-650,000	-370,321		473,628	42.15%
13	1,146,101	-650,000	-353,359		496,101	43.29%
14	1,169,023	-650,000	-337,175		519,023	44.40%
15	1,192,403	-650,000	-321,732		542,403	45.49%
16	1,216,251	-650,000	-306,996		566,251	46.56%
17	1,240,576	-650,000	-292,935		590,576	47.60%
18	1,265,388	-650,000	-279,518		615,388	48.63%
19	1,290,695	-650,000	-266,716		640,695	49.64%
20	1,316,509	-650,000	-254,500		666,509	50.63%
21	1,342,839	0			1,342,839	100.00%
22	1,369,696	0			1,369,696	100.00%
23	1,397,090	0			1,397,090	100.00%
24	1,425,032	0			1,425,032	100.00%
25	1,453,533	0			1,453,533	100.00%
26	1,482,603	0			1,482,603	100.00%
27	1,512,255	0			1,512,255	100.00%
28	1,542,500	0			1,542,500	100.00%
29	1,573,350	0			1,573,350	100.00%
30	1,604,817	0			1,604,817	100.00%
31	1,636,914	0			1,636,914	100.00%
32	1,669,652	0			1,669,652	100.00%
33	1,703,045	0			1,703,045	100.00%
34	1,737,106	0			1,737,106	100.00%
35	1,771,848	0			1,771,848	100.00%
36	1,807,285	0			1,807,285	100.00%
37	1,843,431	0			1,843,431	100.00%
38	1,880,299	0			1,880,299	100.00%
39	1,917,905	0			1,917,905	100.00%
40	1,956,264	0			1,956,264	100.00%
41	1,995,389	0			1,995,389	100.00%
42	2,035,297	0			2,035,297	100.00%
43	2,076,003	0			2,076,003	100.00%
44	2,117,523	0			2,117,523	100.00%
45	2,159,873	0			2,159,873	100.00%
46	2,203,070	0			2,203,070	100.00%
47	2,247,132	0			2,247,132	100.00%
48	2,292,075	0			2,292,075	100.00%
49	2,337,916	0			2,337,916	100.00%
50	2,384,674	0			2,384,674	100.00%
51	2,432,368	0			2,432,368	100.00%
52	2,481,015	0			2,481,015	100.00%
53	2,530,635	0			2,530,635	100.00%

as of	TOC Option #2 Gross					City	
	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	Buy-Out Of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Debt Service on \$18mm Bond at 4.8%	Annual Lease Payments From TOC		Funds Escrowed for Improvements
1	885,973	TIF	-1,401,742	-1,401,742	1,401,742	903,692	100.00%
2	921,766	0	-1,401,742	-1,401,742	1,401,742	921,766	100.00%
3	940,202	0	-1,401,742	-1,401,742	1,401,742	940,202	100.00%
4	959,006	0	-1,401,742	-1,401,742	1,401,742	959,006	100.00%
5	978,186	0	-1,401,742	-1,401,742	1,401,742	978,186	100.00%
6	997,749	0	-1,401,742	-1,401,742	1,401,742	997,749	100.00%
7	1,017,704	0	-1,401,742	-1,401,742	1,401,742	1,017,704	100.00%
8	1,038,059	0	-1,401,742	-1,401,742	1,401,742	1,038,059	100.00%
9	1,058,820	0	-1,401,742	-1,401,742	1,401,742	1,058,820	100.00%
10	1,079,996	0	-1,401,742	-1,401,742	1,401,742	1,079,996	100.00%
11	1,101,596	0	-1,401,742	-1,401,742	1,401,742	1,101,596	100.00%
12	1,123,628	0	-1,401,742	-1,401,742	1,401,742	1,123,628	100.00%
13	1,146,101	0	-1,401,742	-1,401,742	1,401,742	1,146,101	100.00%
14	1,169,023	0	-1,401,742	-1,401,742	1,401,742	1,169,023	100.00%
15	1,192,403	0	-1,401,742	-1,401,742	1,401,742	1,192,403	100.00%
16	1,216,251	0	-1,401,742	-1,401,742	1,401,742	1,216,251	100.00%
17	1,240,576	0	-1,401,742	-1,401,742	1,401,742	1,240,576	100.00%
18	1,265,388	0	-1,401,742	-1,401,742	1,401,742	1,265,388	100.00%
19	1,290,695	0	-1,401,742	-1,401,742	1,401,742	1,290,695	100.00%
20	1,316,509	0	-1,401,742	-1,401,742	1,401,742	1,316,509	100.00%
21	1,342,839	0	-1,401,742	-1,401,742	1,401,742	1,342,839	100.00%
22	1,369,696	0	-1,401,742	-1,401,742	1,401,742	1,369,696	100.00%
23	1,397,090	0	-1,401,742	-1,401,742	1,401,742	1,397,090	100.00%
24	1,425,032	0	-1,401,742	-1,401,742	1,401,742	1,425,032	100.00%
25	1,453,533	0	-1,401,742	-1,401,742	1,401,742	1,453,533	100.00%
26	1,482,603	0	-1,401,742	-1,401,742	1,401,742	1,482,603	100.00%
27	1,512,255	0	-1,401,742	-1,401,742	1,401,742	1,512,255	100.00%
28	1,542,500	0	-1,401,742	-1,401,742	1,401,742	1,542,500	100.00%
29	1,573,350	0	-1,401,742	-1,401,742	1,401,742	1,573,350	100.00%
30	1,604,817	0	-1,401,742	-1,401,742	1,401,742	1,604,817	100.00%
31	1,636,914	0	-1,401,742	-1,401,742	1,401,742	1,636,914	100.00%
32	1,669,652	0	-1,401,742	-1,401,742	1,401,742	1,669,652	100.00%
33	1,703,045	0	-1,401,742	-1,401,742	1,401,742	1,703,045	100.00%
34	1,737,106	0	-1,401,742	-1,401,742	1,401,742	1,737,106	100.00%
35	1,771,848	0	-1,401,742	-1,401,742	1,401,742	1,771,848	100.00%
36	1,807,285	0	-1,401,742	-1,401,742	1,401,742	1,807,285	100.00%
37	1,843,431	0	-1,401,742	-1,401,742	1,401,742	1,843,431	100.00%
38	1,880,299	0	-1,401,742	-1,401,742	1,401,742	1,880,299	100.00%
39	1,917,905	0	-1,401,742	-1,401,742	1,401,742	1,917,905	100.00%
40	1,956,264	0	-1,401,742	-1,401,742	1,401,742	1,956,264	100.00%
41	1,995,389	0	-1,401,742	-1,401,742	1,401,742	1,995,389	100.00%
42	2,035,297	0	-1,401,742	-1,401,742	1,401,742	2,035,297	100.00%
43	2,076,003	0	-1,401,742	-1,401,742	1,401,742	2,076,003	100.00%
44	2,117,523	0	-1,401,742	-1,401,742	1,401,742	2,117,523	100.00%
45	2,159,873	0	-1,401,742	-1,401,742	1,401,742	2,159,873	100.00%
46	2,203,070	0	-1,401,742	-1,401,742	1,401,742	2,203,070	100.00%
47	2,247,132	0	-1,401,742	-1,401,742	1,401,742	2,247,132	100.00%
48	2,292,075	0	-1,401,742	-1,401,742	1,401,742	2,292,075	100.00%
49	2,337,916	0	-1,401,742	-1,401,742	1,401,742	2,337,916	100.00%
50	2,384,674	0	-1,401,742	-1,401,742	1,401,742	2,384,674	100.00%
51	2,432,368	0	-1,401,742	-1,401,742	1,401,742	2,432,368	100.00%
52	2,481,015	0	-1,401,742	-1,401,742	1,401,742	2,481,015	100.00%
53	2,530,635	0	-1,401,742	-1,401,742	1,401,742	2,530,635	100.00%

as of	OPL Gross			City	
	Inc Tax Rev Based on \$90,420,000 Value of Improvements	Dev	PV Of TIF at 4.8% memo only		
1	1,000,000	TIF B	(486,641)	510,000	50.00%
2	1,040,400	-520,200	(473,639)	520,200	50.00%
3	1,061,208	-530,604	(460,985)	530,604	50.00%
4	1,082,432	-541,216	(448,668)	541,216	50.00%
5	1,104,081	-552,040	(436,681)	552,040	50.00%
6	1,126,162	-563,081	(425,014)	563,081	50.00%
7	1,148,686	-574,343	(413,659)	574,343	50.00%
8	1,171,659	-585,830	(402,607)	585,830	50.00%
9	1,195,093	-597,546	(391,850)	597,546	50.00%
10	1,218,996	-609,497	(381,381)	609,497	50.00%
11	1,243,374	-621,687	(371,191)	621,687	50.00%
12	1,268,242	-634,121	(361,274)	634,121	50.00%
13	1,293,607	-646,803	(351,622)	646,803	50.00%
14	1,319,479	-659,739	(342,227)	659,739	50.00%
15	1,345,868	-672,934	(333,084)	672,934	50.00%
16	1,372,786	-686,393	(324,184)	686,393	50.00%
17	1,400,241	-700,121	(315,523)	700,121	50.00%
18	1,428,246	-714,123	(307,093)	714,123	50.00%
19	1,456,811	-728,406	(298,888)	728,406	50.00%
20	1,485,947	-742,974	(290,903)	742,974	50.00%
21	1,515,666	-757,833	(283,131)	757,833	50.00%
22	1,545,980	-772,990	(275,566)	772,990	50.00%
23	1,576,899	-788,450	(268,204)	788,450	50.00%
24	1,608,437	-804,219	(261,038)	804,219	50.00%
25	1,640,606	-820,303	(254,063)	820,303	50.00%
26	1,673,418	-836,709	(247,276)	836,709	50.00%
27	1,706,886	-853,443	(240,669)	853,443	50.00%
28	1,741,024	-870,512	(234,239)	870,512	50.00%
29	1,775,845	-887,922	(227,981)	887,922	50.00%
30	1,811,362	-905,681	(221,889)	905,681	50.00%
31	1,847,589			1,847,589	100.00%
32	1,884,541			1,884,541	100.00%
33	1,922,231			1,922,231	100.00%
34	1,960,676			1,960,676	100.00%
35	1,999,890			1,999,890	100.00%
36	2,039,887			2,039,887	100.00%
37	2,080,685			2,080,685	100.00%
38	2,122,299			2,122,299	100.00%
39	2,164,745			2,164,745	100.00%
40	2,208,040			2,208,040	100.00%
41	2,252,200			2,252,200	100.00%
42	2,297,244			2,297,244	100.00%
43	2,343,189			2,343,189	100.00%

City of Portland
Maine State Pier
Gross Cash Flow Recap

as of	TOC Option #1 Gross					TOC Option #2 Gross					OPL Gross										
	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	PV of TIF at 4.8% memo only	Buy-Out Of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Retained	% City	Inc Tax Rev Based on \$80,109,684 Value of Improvements	Dev	Buy-Out Of Improvements in Yr 75 at FMV Assuming Appreciation of 4.8% per annum	Debt Service on \$18mm Bond at 4.8%	Annual Lease Payments From TOC	Funds Escrowed for Improvement	Retained	% City	Inc Tax Rev Based on \$90,420,000 Value of Improvements	Dev	PV Of TIF at 4.8% memo only	Retained	% City		
54	885,973	0	0	0	2,581,248	100.00%	885,973	0	0	2,694,472	-2,694,472	2,581,248	100.00%	1,000,000	TIFB	2,913,461	100.00%	2,913,461	100.00%		
55	2,632,873	0	0	0	2,632,873	100.00%	2,632,873	0	0	2,748,362	-2,748,362	2,632,873	100.00%	2,971,731		2,971,731	100.00%	2,971,731	100.00%		
56	2,685,531	0	0	0	2,685,531	100.00%	2,685,531	0	0	2,803,329	-2,803,329	2,685,531	100.00%	3,031,165		3,031,165	100.00%	3,031,165	100.00%		
57	2,739,241	0	0	0	2,739,241	100.00%	2,739,241	0	0	2,859,396	-2,859,396	2,739,241	100.00%	3,091,789		3,091,789	100.00%	3,091,789	100.00%		
58	2,794,026	0	0	0	2,794,026	100.00%	2,794,026	0	0	2,916,584	-2,916,584	2,794,026	100.00%	3,153,624		3,153,624	100.00%	3,153,624	100.00%		
59	2,849,907	0	0	0	2,849,907	100.00%	2,849,907	0	0	2,974,915	-2,974,915	2,849,907	100.00%	3,216,697		3,216,697	100.00%	3,216,697	100.00%		
60	2,906,905	0	0	0	2,906,905	100.00%	2,906,905	0	0	3,034,414	-3,034,414	2,906,905	100.00%	3,281,031		3,281,031	100.00%	3,281,031	100.00%		
61	2,965,043	0	0	0	2,965,043	100.00%	2,965,043	0	0	3,095,102	-3,095,102	2,965,043	100.00%	3,346,651		3,346,651	100.00%	3,346,651	100.00%		
62	3,024,344	0	0	0	3,024,344	100.00%	3,024,344	0	0	3,157,004	-3,157,004	3,024,344	100.00%	3,413,584		3,413,584	100.00%	3,413,584	100.00%		
63	3,084,831	0	0	0	3,084,831	100.00%	3,084,831	0	0	3,220,144	-3,220,144	3,084,831	100.00%	3,481,856		3,481,856	100.00%	3,481,856	100.00%		
64	3,146,527	0	0	0	3,146,527	100.00%	3,146,527	0	0	3,284,547	-3,284,547	3,146,527	100.00%	3,551,493		3,551,493	100.00%	3,551,493	100.00%		
65	3,209,458	0	0	0	3,209,458	100.00%	3,209,458	0	0	3,350,238	-3,350,238	3,209,458	100.00%	3,622,523		3,622,523	100.00%	3,622,523	100.00%		
66	3,273,647	0	0	0	3,273,647	100.00%	3,273,647	0	0	3,417,243	-3,417,243	3,273,647	100.00%	3,694,974		3,694,974	100.00%	3,694,974	100.00%		
67	3,339,120	0	0	0	3,339,120	100.00%	3,339,120	0	0	3,485,587	-3,485,587	3,339,120	100.00%	3,768,873		3,768,873	100.00%	3,768,873	100.00%		
68	3,405,902	0	0	0	3,405,902	100.00%	3,405,902	0	0	3,555,299	-3,555,299	3,405,902	100.00%	3,844,251		3,844,251	100.00%	3,844,251	100.00%		
69	3,474,020	0	0	0	3,474,020	100.00%	3,474,020	0	0	3,626,405	-3,626,405	3,474,020	100.00%	3,921,136		3,921,136	100.00%	3,921,136	100.00%		
70	3,543,501	0	0	0	3,543,501	100.00%	3,543,501	0	0	3,698,933	-3,698,933	3,543,501	100.00%	3,999,558		3,999,558	100.00%	3,999,558	100.00%		
71	3,614,371	0	0	0	3,614,371	100.00%	3,614,371	0	0	3,772,912	-3,772,912	3,614,371	100.00%	4,079,549		4,079,549	100.00%	4,079,549	100.00%		
72	3,686,658	0	0	0	3,686,658	100.00%	3,686,658	0	0	3,848,370	-3,848,370	3,686,658	100.00%	4,161,140		4,161,140	100.00%	4,161,140	100.00%		
73	3,760,391	0	0	0	3,760,391	100.00%	3,760,391	0	0	3,925,338	-3,925,338	3,760,391	100.00%	4,244,363		4,244,363	100.00%	4,244,363	100.00%		
74	3,835,599	0	0	0	3,835,599	100.00%	3,835,599	0	0	4,003,844	-4,003,844	3,835,599	100.00%	4,329,250		4,329,250	100.00%	4,329,250	100.00%		
75	3,912,311	0	0	0	3,912,311	100.00%	3,912,311	0	0	4,083,921	-4,083,921	3,912,311	100.00%	4,415,835		4,415,835	100.00%	4,415,835	100.00%		
76																					
	155,229,210	-13,000,000	-8,239,594	-2,825,807,021	-2,825,807,021	-2,825,807,021	155,229,210	0	0	166,227,725	-138,192,885	-2,671,463,784	155,229,210	-20,689,720	175,207,608	-10,131,170	153,517,888	175,207,608	-20,689,720	-10,131,170	153,517,888



MOORS & CABOT
INVESTMENTS

Banking & Advisory Group

**City of Portland
Maine State Pier Project**

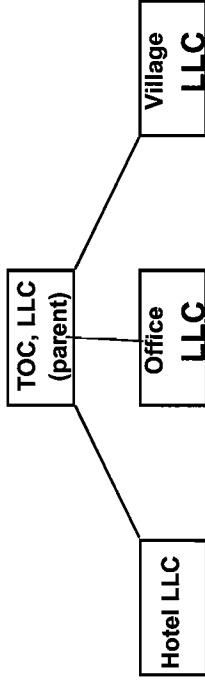
Observations Regarding Financial Impact

April 20, 2007

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

1) Corporate Structure:

The Olympia Companies (TOC)



The project is in essence three stand-alone companies, each “bankruptcy remote”. Each entity is obligated to the parent (e.g., lease revenue; ROE (return-on-equity) to parent, pro-rata share of debt/expenses, etc.). The parent has the obligation to its equity partners and debt holders. OPL’s data shows at least 1.35x debt service coverage; or at least 75% loan-to-value (for equity portion) at all times.

Ocean Properties Ltd. (OPL)

OPL contemplates that MSP will be a single-purpose LLC, formed for the purpose of developing and operating MSP. The Managing Members are to be Thomas Walsh and senator George Mitchell.

The MSP LLC will not be a subsidiary of OPL but, rather, an affiliate (i.e., a wholly-separate, stand-alone entity).

The “collective net worth of \$1 billion” is the net value of all business assets controlled by the Walsh family; the MSP LLC is expected to be leveraged at start-up with 80/20 recourse debt (i.e., a loan for which the endorser or guarantor is liable for payment in the event of default) The equity is expected to be from the Walsh group and Mitchell.

COMMENTS: Need to disclose which of these entities will be responsible for the lease payments.

COMMENTS:

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

2) Total Project Cost:

The Olympia Companies (TOC)

Breakdown of project:

Building	\$31,054,842
Office	24,598,392
Warehouse	3,756,480
Village	2,699,970
	<hr/>
Pier	62,109,684
	18,000,000
	80,109,684
Garage	
Procurement	
of Existing	
Parking	
Spaces	13,000,000
	<hr/>
	\$93,109,684

Generally this is financed with 15% equity and 85% debt, offset by a one-time payment of \$1.8 million from the CBITD for improvements/use of facilities.

COMMENTS: 15% of \$93mm is \$13.95mm. After the \$1.8mm payment from CBITD, TOC will have less than 15% equity.

Ocean Properties Ltd. (OPL)

Breakdown of project:

	<u>sq ft</u>	<u>\$/sf</u>	<u>Cost</u>
Hotel	150,000	\$265	\$40,000,000
Parking garage	300 cars	\$16M/car	4,800,000
Office Building	120,000	\$185	22,200,000
Fenders	-	-	3,000,000
Pier Improv. & Tug Pier	-	-	8,000,000
CBITD shed	4,600	\$100	460,000
Fire Quarters	2,500	\$250	625,000
Wholesale Market	11,000	\$150	1,650,000
Restaurants	15,000	\$225	3,800,000
Rooftop Gardens	12,000	(Rest)	(Rest)
Ramp to Rooftop	2,000	\$125	250,000
Cruise Terminal	3,900	\$200	780,000
Oceangate Office	2,500	\$150	375,000
Oceangate Warehouse	6,000	\$100	600,000
Tug Offices	800	\$150	120,000
Tug Warehouse	3,000	\$100	300,000
Retail Space	9,000	\$175	1,600,000
Public Gallery	1,800	\$200	360,000
Open Space	-	-	150,000
Contingency	-	-	1,350,000
			<hr/>
			\$90,420,000

COMMENTS: OPL equity at 20% amounts to \$18,084,000 which includes the \$11million earmarked for pier renovation and public facilities.

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

3) Developer Financial Commitment to the City:

<p><u>The Olympia Companies (IOC)</u> Up-front capital commitment: \$18,000,000 Net Public Commitment by developer : \$18,000,000 (\$13MIM reimbursed by TIF) PV of TIF is \$8,239,584 Contribution to maintenance: 100% through term of lease (est. at ≈ \$570M/yr ave) Starting in Year 21 the funds for R&M will be paid into an escrow fund and used solely for the project. This does not constitute an annual "lease" Payment" to the City.</p>	<p><u>Ocean Properties Ltd. (OPL)</u> \$3,000,000 20% of \$90,420,000 or \$18,084,000 \$11mm-8mm-City-lease-OPTION=\$3,000,000-net \$18,084,000(\$10,131,170 reimbursed by TIF)</p>
<p>Lease term: 75 years – If not renewed City must buy the improvements from the developer at FMV</p>	<p>All of the project maintenance and repairs will be paid for by the developer with up to (not-greater-than) \$300,000/year dedicated to the maintenance of the Pier itself. The hotel and other components of the project will have their own repair and maintenance budgets.</p> <p>99 years; renewable City does not have to buy the improvements under any circumstances. At the end of the lease. City owns it.</p>

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

Lease from the City: On and after year 21, none

\$1.4MM (↑ 2.0% annually to \$4.1MM in 75 years) in annual lease payments for use of the pier; but dedicated solely to Cap Improvement Fund for the Pier project.

Maritime Use fee sharing: NO Fee sharing for port tariffs, water and sewer fees, rental revenues, debarkation fees (impact fees) (pg-40) page 39. none

Parking Garage: \$13MM-500 space-Parking Garage 247 Parking Garage within scope of the project and generating new taxes for the City

Procurement of parking spaces in existing garages and on-street Page 38(non-

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

TIFed) No
new taxes
generated

Additional
Parking/Queuing: Within scope
of project, in
addition to
CBITD
queuing,
development
of Ocean
Gateway
Terminal
(OGT)
queuing and
development
to Hancock
Street.

CBITD queuing with scope of the project ending at India Street

Public Parks: Compass
Park and
Casco Bay
Park (2.1.2.1.)
This would
either be
donated to the
City with the
inherent event
rental fees
(and parking
revenues from
OGT?)
accruing
thereon; or
leased from
the City under
TOC
management.

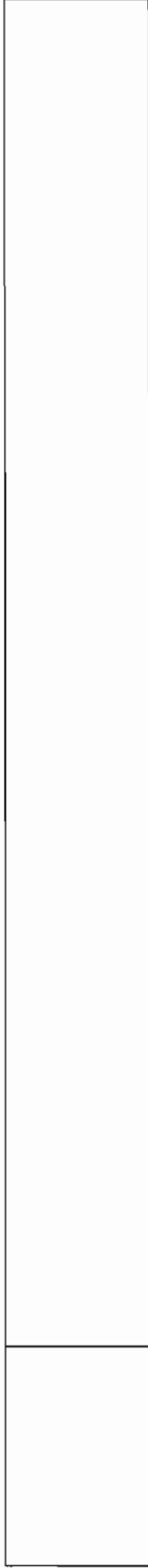
Compass Park

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

COMMENTS:
If TOC has dropped Option #2 then the points from Option #2 should not be used in the comparison. I.e. the marine related revenue sharing. If they have not dropped Option #2 then that needs to be part of the comparison. I.e. the debt service on the \$18mm bond issue needs to be deducted from the return to the City.

COMMENTS:

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**



4) Selected Footprints and Market Rents:

The Olympia Companies (TOC)

	<u>sq ft</u>	<u>\$/sf</u>	<u>Rent</u>
CBITD Shed	5,000	\$18.00	90,000
Fire Support	2,500	\$18.00	45,000
Tug Boat Office	-	-	-
Tug Warehouse	-	-	-
Oceangate Office	-	-	-
Oceangate Warehouse	-	-	-
			<u>135,000</u>

Ocean Properties Ltd. (OPL)

	<u>sq ft</u>	<u>\$/sf</u>	<u>Rent</u>
CBITD Shed	4,600	\$8.60	39,560
Fire Support	2,500	10% costs	-
Tug Boat Office	800	\$13.00	10,400
Tug Warehouse	3,000	\$8.60	25,800
Oceangate Office	2,500	\$12.85	32,125
Oceangate Warehouse	6,000	\$8.60	51,600
			<u>159,485</u>

Buildings (includes Hotel) 325,000 \$21.50 6,987,500

Office Building	120,000	\$25.00	3,000,000
Fish Coop	11,000	\$10.00	110,000
Restaurant	15,000	\$20.00	300,000
Retail	9,000	\$18.00	162,000
			<u>3,572,000</u>

COMMENTS: What is the significance of this comparison as either TOC or OPL will collect the rent. Looks like TOC's building area includes the hotel, which would not garner rental income.

COMMENTS: Includes actual rental properties only. Does not include the hotel.

5) Cruise Line Passenger Fee Sharing:

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

The Olympia Companies (TOC)

No revenue sharing as basic lease accommodates the City. Estimates that 40,000 – 45,000 passengers will “call” on MSP (CruiseMaine USA). The Port of Portland’s passenger manifest tariff is currently \$4.75. (Includes all passengers now being sent to Ocean Gate facility)

Ocean Properties Ltd. (OPL)

No revenue sharing as basic lease accommodates the City. Expect addition of five to six ancillary cruise ships – additional 10,000 passengers.

COMMENTS:

Which is it? #3 says they will share the fees.

COMMENTS:

6) TIF:

Term of TIF:
Gross Real Estate Taxes (first 20 years):
Projected TIF to Developer:
Gross Real Estate Taxes (next 10 years):
Projected TIF to Developer:
Net Benefit to City

The Olympia Companies (TOC)

20 years
\$24,783,317
(\$13,000,000)
\$16,596,124
\$0
\$28,379,441

Ocean Properties Ltd. (OPL)

30 years
\$24,783,317
(\$12,391,659)
\$16,596,124
(\$8,298,062)
\$20,689,720

TIF Increment Retained by City

68.58%

50.00%

COMMENTS: What about the \$1.8million up front payment to TOC? Also need to go out at least 75 years. Need to PV all these calculations. See PV Tables

COMMENTS: See Equity Analysis Using PV Need to go out at least 75 years. Need to show PV. Gross dollars are meaningless whereas we are comparing 30 years to 20 years. See PV tables.

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

7) 30 year Comparative of Tax Benefit to the City:

*** tax for TOC will be less as they will have no on-site parking facility (see new PV schedules in which we reduced the tax prorata for TOC since the parking costs will generate no incremental tax revenue) We made no reduction for the lesser quality of the TOC hotel as this would be difficult to quantify at this point.**

Comparison of Tax Benefit and TIF for the Maine State Pier Project

Base	Inc Tax Rev	TOC			OPL		
		Dev	City	% City	Dev	City	% City
	1,000,000						
1	1,020,000	(650,000)	370,000	36.27%	(510,000)	510,000	50.00%
2	1,040,400	(650,000)	390,400	37.52%	(520,200)	520,200	50.00%
3	1,061,208	(650,000)	411,208	38.75%	(530,604)	530,604	50.00%
4	1,082,432	(650,000)	432,432	39.95%	(541,216)	541,216	50.00%
5	1,104,081	(650,000)	454,081	41.13%	(552,040)	552,040	50.00%
6	1,126,162	(650,000)	476,162	42.28%	(563,081)	563,081	50.00%
7	1,148,686	(650,000)	498,686	43.41%	(574,343)	574,343	50.00%
8	1,171,659	(650,000)	521,659	44.52%	(585,830)	585,830	50.00%
9	1,195,093	(650,000)	545,093	45.61%	(597,546)	597,546	50.00%
10	1,218,994	(650,000)	568,994	46.68%	(609,497)	609,497	50.00%
11	1,243,374	(650,000)	593,374	47.72%	(621,687)	621,687	50.00%
12	1,268,242	(650,000)	618,242	48.75%	(634,121)	634,121	50.00%
13	1,293,607	(650,000)	643,607	49.75%	(646,803)	646,803	50.00%
14	1,319,479	(650,000)	669,479	50.74%	(659,739)	659,739	50.00%
15	1,345,868	(650,000)	695,868	51.70%	(672,934)	672,934	50.00%
16	1,372,786	(650,000)	722,786	52.65%	(686,393)	686,393	50.00%
17	1,400,241	(650,000)	750,241	53.58%	(700,121)	700,121	50.00%
18	1,428,246	(650,000)	778,246	54.49%	(714,123)	714,123	50.00%
19	1,456,811	(650,000)	806,811	55.38%	(728,406)	728,406	50.00%
20	1,485,947	(650,000)	835,947	56.26%	(742,974)	742,974	50.00%
	24,783,317	(13,000,000)	11,783,317	47.55%	(12,391,659)	12,391,659	50.00%
21	1,515,666	0	1,515,666	100.00%	(757,833)	757,833	50.00%
22	1,545,980	0	1,545,980	100.00%	(772,990)	772,990	50.00%
23	1,576,899	0	1,576,899	100.00%	(788,450)	788,450	50.00%
24	1,608,437	0	1,608,437	100.00%	(804,219)	804,219	50.00%
25	1,640,606	0	1,640,606	100.00%	(820,303)	820,303	50.00%
26	1,673,418	0	1,673,418	100.00%	(836,709)	836,709	50.00%
27	1,706,886	0	1,706,886	100.00%	(853,443)	853,443	50.00%
28	1,741,024	0	1,741,024	100.00%	(870,512)	870,512	50.00%
29	1,775,845	0	1,775,845	100.00%	(887,922)	887,922	50.00%
30	1,811,362	0	1,811,362	100.00%	(905,681)	905,681	50.00%
	16,596,124	0	16,596,124	100.00%	(8,298,062)	8,298,062	50.00%
30 years	41,379,441	(13,000,000)	28,379,441	68.58%	(20,689,720)	20,689,720	50.00%

BASIS: The above are Moors & Cabot calculations based upon public information in the RFP and with assumption that II VV (Incremental Increase in Value) will generate incremental tax revenue of \$1,000,000 in year 1, and then at 2.0% annual increases thereafter.

COMMENTS: This table is meaningless using gross	COMMENTS: This table is meaningless using gross values – Need to PV out
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**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

values – Need to PV out until at least year 75.	until at least year 75.
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8) 30 year Comparative Cash Flow (including lease after 21 years):

Comparison of Net 30-year Cash Flow to the City

**Inc Tax
Rev Taxes
will be
less for
TOC due
to no on-
site
parking
structure
(see new
schedules)**

		TOC OPTION #1??				OPL		
		Dev	City			Dev	City	
			Lease Repair Escrow	Retained	% City		Retained	% City
Base		TIF				TIF		
1	1,000,000	(650,000)		370,000	36.27%	(510,000)	510,000	50.00%
2	1,020,000	(650,000)		390,400	37.52%	(520,200)	520,200	50.00%
3	1,040,400	(650,000)		411,208	38.75%	(530,604)	530,604	50.00%
4	1,061,208	(650,000)		432,432	39.95%	(541,216)	541,216	50.00%
5	1,082,432	(650,000)		454,081	41.13%	(552,040)	552,040	50.00%
6	1,104,081	(650,000)		476,162	42.28%	(563,081)	563,081	50.00%
7	1,126,162	(650,000)		498,686	43.41%	(574,343)	574,343	50.00%
8	1,148,686	(650,000)		521,659	44.52%	(585,830)	585,830	50.00%
9	1,171,659	(650,000)		545,093	45.61%	(597,546)	597,546	50.00%
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13	1,268,242	(650,000)		643,607	49.75%	(646,803)	646,803	50.00%
14	1,293,607	(650,000)		669,479	50.74%	(659,739)	659,739	50.00%
15	1,319,479	(650,000)		695,868	51.70%	(672,934)	672,934	50.00%
16	1,345,868	(650,000)		722,786	52.65%	(686,393)	686,393	50.00%
17	1,372,786	(650,000)		750,241	53.58%	(700,121)	700,121	50.00%
18	1,400,241	(650,000)		778,246	54.49%	(714,123)	714,123	50.00%
19	1,428,246	(650,000)		806,811	55.38%	(728,406)	728,406	50.00%
20	1,456,811	(650,000)		835,947	56.26%	(742,974)	742,974	50.00%
21	1,485,947	0	1,401,742	1,515,666	NA	(757,833)	757,833	50.00%
22	1,515,666	0	1,429,777	1,545,980	NA	(772,990)	772,990	50.00%
23	1,545,980	0	1,458,372	1,576,899	NA	(788,450)	788,450	50.00%
24	1,576,899	0	1,487,540	1,608,437	NA	(804,219)	804,219	50.00%
25	1,608,437	0	1,517,291	1,640,606	NA	(820,303)	820,303	50.00%
26	1,640,606	0	1,547,636	1,673,418	NA	(836,709)	836,709	50.00%
27	1,673,418	0	1,578,589	1,706,886	NA	(853,443)	853,443	50.00%
28	1,706,886	0	1,610,161	1,741,024	NA	(870,512)	870,512	50.00%

**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

29	1,775,845	0	1,642,364	1,775,845	NA	(887,922)	887,922	50.00%
30	1,811,362	0	1,675,211	1,811,362	NA	(905,681)	905,681	50.00%
	<u>41,379,441</u>	<u>(13,000,000)</u>	<u>15,348,684</u>	<u>43,728,125</u>		<u>(20,689,720)</u>	<u>20,689,720</u>	

28,379,441

BASIS: The above are Moors & Cabot calculations based upon public information in the RFP and with assumption that II VV (Incremental Increase in Value) will generate incremental tax revenue of \$1,000,000 in year 1, and then at 2.0% annual increases thereafter.

<p>COMMENTS: Note new taxable improvements are only \$80,109,684. Incremental tax needs to be reduced accordingly. See Excel schedule.</p>	<p>COMMENTS:</p>
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**City of Portland – Maine State Pier Project
Observations Regarding Financial Impact**

9) If the City were to finance, construct improvements to MSP and maintain such, an annual fair market rent for the property footprint be:

<u>Year</u>	<u>Lease Rent</u>	<u>Pier Maintenance</u>	<u>Total Unrestricted Rent</u>	<u>Projected Debt Service</u>	<u>Debt Service Coverage</u>
1	1,401,748	250,000	1,651,748	1,140,000	1.45
2	1,401,748	255,000	1,656,748	1,136,463	1.46
3	1,401,748	260,100	1,661,848	1,137,450	1.46
4	1,401,748	265,302	1,667,050	1,137,725	1.47
5	1,401,748	270,608	1,672,356	1,137,288	1.47
6	1,401,748	276,020	1,677,768	1,136,138	1.48
7	1,401,748	281,541	1,683,289	1,139,275	1.48
8	1,401,748	287,171	1,688,920	1,136,463	1.49
9	1,401,748	292,915	1,694,663	1,137,938	1.49
10	1,401,748	298,773	1,700,521	1,138,463	1.49
11	1,401,748	304,749	1,706,497	1,138,038	1.50
12	1,401,748	310,844	1,712,592	1,136,663	1.51
13	1,401,748	317,060	1,718,809	1,139,338	1.51
14	1,401,748	323,402	1,725,150	1,135,825	1.52
15	1,401,748	329,870	1,731,618	1,136,363	1.52
16	1,401,748	336,467	1,738,215	1,140,713	1.52
17	1,401,748	343,196	1,744,945	1,138,638	1.53
18	1,401,748	350,060	1,751,808	1,140,375	1.54
19	1,401,748	357,062	1,758,810	1,135,688	1.55
20	1,401,748	364,203	1,765,951	1,139,813	1.55
21	1,401,748	371,487	1,773,235	1,137,275	1.56
22	1,429,783	378,917	1,808,700	1,138,313	1.59
23	1,458,379	386,495	1,844,874	1,137,688	1.62
24	1,487,546	394,225	1,881,771	1,140,400	1.65
25	1,517,297	402,109	1,919,407	1,136,213	1.69
26	1,547,643	410,151	1,957,795	1,135,363	1.72
27	1,578,596	418,355	1,996,951	1,137,613	1.76
28	1,610,168	426,722	2,036,890	1,137,725	1.79
29	1,642,371	435,256	2,077,627	1,135,700	1.83
30	1,675,219	443,961	2,119,180	1,136,538	1.86
	43,383,714	10,142,020	53,525,733	34,131,475	1.57
31 - 75	122,844,739	32,555,923	155,400,662		
	166,228,452	42,697,943	208,926,396	34,131,475	

NICHOLAS M. MAVODONES, JR. (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
DONNA J. CARR (3)
CHERYL A. LEEMAN (4)

JAMES I. COHEN (5)
JAMES F. CLOUTIER (A/L)
JILL C. DUSON A/L)
EDWARD J. SUSLOVIC (A/L)

AGENDA
CITY COUNCIL MEETING
EVENING SESSION
MAY 21, 2007

The Portland City Council will hold a regular City Council Meeting at 7:00 p.m. in the City Council Chambers, City Hall. The Honorable Nicholas M. Mavodones, Jr., Mayor, will preside.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

APPROVAL OF MINUTES OF PREVIOUS MEETING:

(Tab 1) May 7, 2007

ANNOUNCEMENTS:

RECOGNITIONS:

PROCLAMATIONS:

- | | |
|--------------------------------|---|
| Proc 47-06/07
(Tab) | Proclamation Honoring Randy W. Emmons as Employee of the Month for May, 2007 – Sponsored by Mayor Nicholas M. Mavodones, Jr. |
| Proc 48-06/07
(Tab) | Proclamation Honoring Officer Christopher Coyne and Canine Tai as Police Officers of the Month for April, 2007 - Sponsored by Mayor Nicholas M. Mavodones, Jr. |
| Proc 49-06/07
(Tab) | Proclamation Recognizing Healthy Home and Garden Season – Sponsored by Mayor Nicholas M. Mavodones, Jr. |

APPOINTMENTS:

- | | |
|------------------------|---|
| Order
(Tab) | Order Appointing Member to Business Diversity Task Force – Sponsored by Mayor Nicholas M. Mavodones, Jr. |
|------------------------|---|

This order appoints Jennifer Rockwell, small independent business representative, to the Business Diversity Task Force .

Five affirmative votes are required for passage after public comment.

CONSENT ITEMS:

**Order
(Tab)**

Order Amending Traffic Schedule Re: Somerset Street between Chestnut and Pearl Streets – Sponsored by Joseph E. Gray, Jr., City Manager.

The Traffic Section has received a written request from New England Metal Recycling (NEMR) to address the parking congestion and safety of movement on Somerset Street between Chestnut and Pearl Streets. The curb adjacent to the NEMR has traditionally been used for queuing of vehicles using NEMR. With the opening of the Somerset Marketplace, employees of the Marketplace have been parking off site on adjacent streets to leave their parking lot free for customers. The employees have been using both sides of Somerset Street for parking where in the past only the vehicles queuing for NEMR have been present with no parking on the opposite curb.

With parking on both sides of the street, the vehicles destined have been queuing adjacent to the parked cars, in effect double parking. This has left little or no room for through traffic to maneuver. The width of the street is 32 feet. With parking on both sides at 7 feet width for each parking lane, there is only 18 feet remaining for two lanes of traffic. Because there are numerous heavy trucks and some with extra wide loads queuing for NEMR at many times, there is insufficient width for even one travel lane for through traffic.

The area in front of the NEMR driveway has large vehicles and tractor trailers maneuvering into the driveway, and vehicles frequently use the entire width of the roadway to back into the site. The parked vehicles opposite the driveway have hindered the ability of vehicles backing in, and the vehicles must make multiple maneuvers to enter the NEMR site. This causes the street to be blocked for as long as eight minutes before through traffic can proceed.

In order to maintain two travel lanes in this section of Somerset Street, which has seen an increase in commuter traffic because of improvements at the intersection, the lane for queuing vehicles should be reestablished to eliminate double parking. The curb space opposite the NEMR driveway should be posted for no parking to facilitate movement of vehicles into the driveway. This would reestablish the two travel lanes on Somerset Street.

The Traffic Section recommends establishment of a Commercial Vehicle Loading Zone on the north side of Somerset Street as shown on the traffic schedule amendment and aerial schematic included in the agenda backup material. (The no-parking zone on the south side of Somerset Street at Pearl Street is existing for sight distance.) It is also recommended to increase the no-parking zone in front of the NEMR driveway to facilitate easier movement into the site.

**Order
(Tab0**

Order Declaring the American Legion’s “Maine State Healing Field” in Deering Oaks Park – Sponsored by Joseph E. Gray, Jr., City Manager.

Donna Sailor, Communication Chair, and Tom Naragon, State of Maine Site Coordinator for the Maine State Healing Field, have requested use of Deering Oaks Park for a large display of American flags. Six thousand flags are slated for the park.

The flag posts stand eight feet high with a 3x5 flag attached. The posts and flags would be installed November 9 and 10. A dedication ceremony is scheduled for November 11, 2007, from 2:00-3:00 p.m. at the Oaks bandstand.

The festival area is bordered by Deering Oaks Park from High Street to Deering Avenue, to I-295 to Park Avenue, and sidewalk areas abutting the park areas.

In order for the dedication ceremony to be held, park roadways need to be closed to traffic, and State Street Extension would also be closed to vehicular traffic from approximately 1:00 p.m. to 4:00 p.m. Some roadway areas of the park and State Street Extension may need to be posted “no parking”.

**Order
(Tab)**

Order Accepting Ruby Lane as a City Way – Sponsored by Joseph E. Gray, Jr., City Manager.

Ruby Lane has been completed according to city standards and is now ready for acceptance as a city street. Public works has approved the description of the street and recommends the street be accepted.

**Order
(Tab)**

Order Approving Transfer of Funds Under 15 M.R.S.A. Secs 5824(3) and 5836(6) – Sponsored by Joseph E. Gray, Jr., City Manager.

This order authorizes the City Council to approve the transfer of \$1,665.00 in forfeited assets from the State of Maine to the City of Portland from the case of the State of Maine vs James Charles. This 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. Money in that account is used primarily for drug investigations, training, and equipment.

Five affirmative votes are required for passage of the Consent Calendar.

LICENSES:

COMMUNICATIONS:

RESOLUTIONS:

**Resolve 14-6/07
(Tab)**

Resolution Supporting Opportunity Maine: A Citizen’s Initiative to Make College More Affordable, Create More High-Paying Jobs, and Strengthen Maine’s Economy – Sponsored by Mayor Nicholas M. Mavodones, Jr. and Co-Sponsored by Councilors Jill C. Duson, James F. Cloutier, and Kevin J. Donoghue.

This Resolution supports a statewide petition drive that is currently underway, which if it obtains enough signatures, will be sent to the voters.

The purpose of the petition drive is to create a state law that will provide an income tax credit for those college graduates who remain and work in Maine. Keeping those graduates in Maine will encourage businesses with high paying jobs to remain or locate here.

Five affirmative votes are required for passage after public comment.

UNFINISHED BUSINESS:

BUDGET ITEMS:

BOND ORDERS:

**Order 213-06/07
(Tab)**

Order Authorizing General Obligation Bonds to Finance the Acquisition and Installation of Capital Equipment in an Amount not to Exceed \$990,000 – Sponsored by Joseph E. Gray, Jr., City Manager.

This order authorizes the incurring of indebtedness by the City of Portland through the issuance of short-term General Obligation Bonds pursuant to the City Charter.

The specific items for which the bond proceeds will be expended are set forth in detail in the accompanying Appropriation Order.

This order authorizes the Director of Finance to prepare, issue, and sell such bonds in the aggregate amount of \$990,000 and to determine the form and manner of their sale and award subject to the provision law, the City Charter, and this order.

The Director of Finance, Mayor and Clerk and other proper officials of the City are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things as may be necessary or desirable in order to effect the issuance, sale and delivery of the bonds.

Sufficient funds for the annual payments of principal and interest on the bonds and any notes issued hereunder shall be included in the tax levy of each year until the debt represented by said bonds and notes is extinguished.

This item must be read on two separate days. It was given a first reading on May 7th. Seven affirmative votes are required for passage after public comment.

**Order 214-06/07
(Tab)**

Order Appropriating \$990,000 for Various Capital Equipment Projects for the Fiscal Year 2008 - Sponsored by Joseph E. Gray, Jr., City Manager.

This is the companion order to the previous one. It appropriates the funds from the bond proceeds to authorize the following expenditures:

GENERAL FUND

Dept.	Description	Amount to Borrow
Fire	Ambulance	\$ 135,000
	Furnace, L3 (Stevens)	35,000
	Roof Replacement, L4 (Allen)	45,000
Public Works	Rolloff Truck	135,000
	4x4 Tractor w/flail (Shared with Parks)	100,000
	Backhoe	85,000
	4x4 Dump w/plow and attachments	90,000
	4x4 Flatbed w/plow and attachments	90,000
Barron Center	Pave parking lot-rear BC/laundry	40,000
Wastewater	4x4 Loader/Backhoe	165,000
	City	<u>920,000</u>
School Department	School bus	<u>70,000</u>
	Total	\$990,000

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 215-06/07
(Tab)**

Order Authorizing FY 2008 Administrative Fees in Various Departments – Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

This order authorizes certain other administrative charges. The increases and new fees are located in the following departments and / or divisions: City Clerk, Parking, Public Works, and various Parks and Recreation divisions: Cemetery, Forestry, Recreation Division, Aquatic Division, Golf Course, and Ice Arena.

On May 7th this item was postponed to this meeting to coincide with consideration of the Appropriation Resolve. Five affirmative votes are required for passage after public comment.

**Order 216-06/07
(Tab)**

**Order Revising Commercial Fee at Riverside Recycling Facility – Sponsored
Sponsored by Joseph E. Gray, Jr., City Manager.**

This order increases the maximum fee which can be charged for commercial waste from \$90/ton to \$100/ton. Small commercial/residential waste remains at \$35.00/yard. Public Works can revise these fees for market conditions, so long as they remain under these maximums. The miscellaneous items and universal waste are separately authorized in the Administrative Fee order.

On May 7th this item was postponed to this meeting to coincide with consideration of the Appropriation Resolve. Five affirmative votes are required for passage after public comment.

**Order 217-06/07
(Tab)**

**Order Setting Parking Violation Waiver Fees – Sponsored by the Finance
Committee, Councilor James I. Cohen, Chair.**

This order revises the waiver fees which may be paid by violators of our parking regulations when they do not dispute the violation and do not wish to go to court.

On May 7th this item was postponed to this meeting to coincide with consideration of the Appropriation Resolve. Five affirmative votes are required for passage after public comment.

**Order 218-06/07
(Tab)**

**Order Authorizing Non-Union Wage Adjustment – Sponsored by the
Appointments and Non-Union Personnel Committee – Councilor Cheryl A.
Leeman, Chair.**

On April 18th the Appointments and Non-Union Personnel Committee voted to recommend a 3% general Pay increase for all non-union employees including City Councilors and Council appointees effective July 1, 2007.

It is the same as the increase provided for union employees through the collective bargaining process.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 219-06/07
(Tab)**

**Order Authorizing City Manager to Enter into Certain Agreements
to Implement the FY 2008 Human Resources and Certain Fringe Benefits
Budgets – Sponsored by Joseph E. Gray, Jr., City Manager.**

This order authorizes the City Manager to enter into standard agreements and amendments to standard agreements with providers of services for the fiscal year 2008 in order to implement portions of human resources, medical, workers' compensation, and liability budgets.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 220-06/07
(Tab)**

Order Re: Self-Insured Liability Program - Sponsored by Joseph E. Gray, Jr., City Manager.

This order establishes the limit of the city's liability as \$400,000 as required by the Maine Tort Claims Act and states the city's commitment to "self-insure" for such liability by appropriating funds for this purpose.

On May 7th this item was postponed to this meeting to coincide with consideration of the Appropriation Resolve. Five affirmative votes are required for passage.

**Order 221-06/07
(Tab)**

Order Authorizing City Manager to Enter into Certain Agreements to Implement the FY 2008 Health and Human Services Budget - Sponsored by Joseph E. Gray, Jr. City Manager.

This order authorizes the City Manager to enter into standard agreements and amendments to those standard agreements to receive reimbursement for services by the Health and Human Services Department.

In addition, the City enters into agreements with service providers and landlords to provide services for department programs.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 222-06/07
(Tab)**

Order Authorizing Corporation Counsel to Undertake Civil Actions to Collect Personal Property Taxes - Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

This item will give Corporation Counsel a standing authorization to undertake civil actions to collect any delinquent property taxes that arise during the course of the fiscal year. Otherwise it would be necessary for the City Council to specifically authorize each individual legal action. This general authorization will take the place of the case by case approach.

On May 7th this item was postponed to this meeting to coincide with consideration of the Appropriation Resolve. Five affirmative votes are required for passage after public comment.

**Order 223-06/07
(Tab)**

Order Amending 2002 Waterfront Tax Increment Financing Plan and Appropriating Funds – Sponsored by Joseph E. Gray, Jr., City Manager.

In 2002, the City Council approved the creation of the Waterfront Tax Increment Financing and Economic Redevelopment Program (2002 Waterfront TIF). As described in the Development Programs for this TIF District, the City Council is allowed to decide on a yearly basis the amount of tax revenue to capture from each TIF Program.

For FY08, the City Manager is budgeting for the maximum 100% allocation from the Waterfront TIF. The Council pledged Waterfront TIF to fund debt service associated with the City's share of the Ocean Gateway project. All funds retained are used in support of economic development initiatives outlined in the TIF District's Development Program, which was reviewed and approved by the Council and the State Department of Economic and Community Development.

A public hearing on this amendment must be held in conjunction with the adoption of the City budget, and if approved, will be forwarded on to the State for their review and approval.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 224-06/07
(Tab)**

Order Amending 2003 Bayside Tax Increment Financing Plan and Appropriating Funds – Sponsored by Joseph E. Gray, Jr., City Manager.

In 2003, the City Council approved the creation of the Bayside Tax Increment Financing Program (Bayside TIF). As described in the Development Programs for this TIF District, the City Council is allowed to decide on a yearly basis the amount of tax revenue to capture from each TIF Program.

For FY08, the City Manager is budgeting for the minimum 1% allocation from the Bayside TIF program. All funds retained are used in support of economic development initiatives outlined in the TIF District's Development Program, which was reviewed and approved by the Council and the State Department of Economic and Community Development.

A public hearing on this amendment must be held in conjunction with the adoption of the City budget, and if approved, will be forwarded on to the State for their review and approval.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

BUDGET RELATED ORDINANCE AMENDMENTS:

Order 225-06/07 (Tab) **Amendment to Portland City Code Section 28-86 Re: Parking Meter Rates – Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.**

Parking at a Two-Hour Meter: four (4) minutes	\$0.05
Parking at a Two-Hour Meter: eight (8) minutes	\$0.10
Parking at a Two-Hour Meter: twenty (20) minutes (except at fifteen-minute meters)	\$0.25
Parking at a Two-Hour Meter: sixty (60) minutes	\$0.75

	Current	Proposed
Parking at a Fifteen-Minute Meter: Fifteen (15) minutes	\$0.10	\$0.25
Parking at a Fifteen-Minute Meter: Eight (8) minutes	N/A	\$.10
Parking at a Fifteen Minute Meter: Four (4) minutes	N/A	\$.05

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

Order 226-06/07 (Tab) **Amendment to Portland City Code Chapter 25, Sec. 119 (Streets, Sidewalks and Other Public Places) Re: Excavator’s License- Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.**

This amendment both locates the excavator’s license fee in the appropriate ordinance, and provides the annual fee increase from \$500 to \$519 annually. Since this license is issued by Public Works, and not by the City Clerk, it has been removed from the Clerk’s fees in Chapter 15.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

Order 227-06/07 (Tab) **Order Amending Chapter 15 (Licenses and Permits) Sec. 15-12 (Fees and Expiration Dates) - Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.**

This order amends licenses and permits as follows:

	Current	Proposed
Temporary FSE (Food Service Establishment):		
a. Unopened prepackaged Food	\$80.00	n/c
b. Opened or non-prepackaged food	\$80.00	n/c

Mobile FSE	\$285.00	n/c
Base Station (for Mobile FSE)	\$105.00	n/c
FSE – no food preparation on premises	\$155.00	n/c
FSE – with preparation limited to hot beverages only	\$130.00	n/c
FSE – with beer and wine take out	\$155.00	\$500.00
FSE – food preparation on premises	\$390.00	n/c
FSE's with liquor:		
FSE-Class A lounge (Class X)	\$1,950.00	\$2,400.00
FSE-Class A restaurant (Class I)	\$1,315.00	\$1,615.00
FSE-Class A restaurant / lounge (Class XI)	\$1,640.00	\$2,020.00
FSE-Qualified catering service (Class I)	\$1,315.00	\$1,615.00
Innholder – 15 rooms or less	\$1,265.00	n/c
Innholder – 16 to 40 rooms	\$1,420.00	\$1,745.00
Innholder – more than 40 rooms	\$1,575.00	\$1,935.00
FSE – Spirituous license (Class II)	\$540.00	n/c
FSE – Vinous license (Class III)	\$360.00	n/c
FSE – Malt license (Class IV)	\$580.00	\$775.00
FSE – Malt and vinous license (Class III and IV combined)	\$640.00	\$855.00
FSE – Nonprofit club (Class IV with catering or Class V without catering)	\$520.00	\$695.00
FSE – Liquor Catering	\$25.00	n/c
FSE – Temporary (bona fide nonprofit organization) with any spirituous vinous or malt license and special entertainment	\$55.00	n/c
FSE – Auditorium	\$515.00	n/c
FSE – Civic Auditorium	\$1,305.00	\$1,745.00
Night Street Vendor (must also obtain FSE and street vendor)	\$55.00	n/c
Old Port Overlay Zone Permit (in addition to all other required licenses):		
Bars	\$260.00	Delete
All Others	\$55.00	Delete
Entertainment with dancing	\$240.00	\$600.00
Entertainment without dancing	\$90.00	\$250.00
Entertainment – After hours	New	\$800.00

*NOTE: n/c = no change

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 228-06/07
(Tab)**

Amendment to Portland City Code Section 10-16 (Fire Prevention Code) Re: Amendment to Permit Fees – Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

	Current	Proposed
Dry cleaning plants	\$25.00	\$50.00
Fireworks display	\$45.00	\$141.00*
Flammable combustible liquids	\$100.00	\$150.00**
Garages, repair	\$100.00	\$150.00**
Hazardous materials	\$25.00	\$50.00**
Lumber yards and lumber storage	\$50.00	\$100.00**
Ovens and furnaces	\$30.00	\$60.00**
Special type dispensing systems	\$100.00	\$150.00**
Spraying operations and dipping (flammable finishes)	\$100.00	\$150.00**
Tank vehicles transporting flammable or combustible liquids	\$30.00	\$60.00
Watercraft refueling	\$25.00	\$50.00
Welding and cutting	\$25.00	\$50.00
Woodworking plants	\$25.00	\$50.00

* Equal to fee charged by state

** The Clerk’s office will administer the application and license issuance with fire department review.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 229-06/07
(Tab)**

Order Ratifying Final Fiscal Year 2005-2006 Expenditures and Revenues - Sponsored by Joseph E. Gray, Jr., City Manager.

The audited financial report for the year ended June 30, 2006 was reviewed by the Finance Committee on January 24, 2007. The Finance Committee discussed over expenditures and revenue collections and acknowledged that the City expenditures exceeded the budgeted appropriations for the year, but they were offset by the actual revenues collected exceeding the budget estimates by \$1.2 million.

The main reasons for City expenditures exceeding the budgeted appropriations by \$6.4 million were the result of the change in the operations at the Riverside Recycling Facility, as well as expenditures related to the upgrades and repairs to the International Marine Terminal facility. In addition, the School Department’s spending exceeded its budgeted appropriation by \$836,000.

The accounting change at the Riverside facility, increased revenue to the Barron Center, the sale of the Martin’s Point property, and increased collection of EMS revenue contributed to a total revenue collection of \$8.4 million over the budgeted estimates.

The Finance Committee recommended that the City Council ratify the appropriations as requested.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 230-06/07
(Tab)**

Order Approving State/Local EPS Funding Allocation for Portland Schools for FY 2008 - Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

The City's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the City must raise in order to receive the full amount of state dollars.

This Order appropriates the money determined by State law to be the minimum amount the City must raise in order to receive the full amount of state funding under the Essential Programs and Services Funding Act.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 231-06/07
(Tab)**

Order Approving Non-State Funded Debt Service Allocation for Portland Schools for FY 2008 – Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

Non-state-funded debt service is the amount of money needed for the annual payments on the City's long-term debt for major capital school construction projects and minor capital renovation projects that are not approved for state subsidy. The bonding of this long-term debt was previously approved by the voters or other legislative body.

This Order appropriates the amount of City money needed to pay the debt service for the annual payments on long term school construction and minor capital improvement projects which are not approved for state funding.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 232-06/07
(Tab)**

Order Approving Additional Local Funds for Portland Schools for FY 2008 – Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

The additional local funds are those locally raised funds over and above the City's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state-funded debt service that will help achieve the City's budget for educational programs.

This Order appropriates local funds over and above the EPS amount and the debt service amount which is the City's contribution to the cost of funding K-12 educational programs.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 233-06/07
(Tab)**

Order Approving Total Budget Summary for Portland Schools for FY - Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

The City appropriates the above amount in order to provide the funds for educational services in the Portland Public Schools beyond those recognized for partial funding by the State of Maine under LD#1.

This Order appropriates the amount needed to provide the funds for educational services beyond those recognized in the Essential Programs and Services Act.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

**Order 234-06/07
(Tab)**

Order Reducing Local Option Funds by Unanticipated State School Subsidy for Portland Schools for FY 2008 – Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

The City will reduce the additional local appropriation raised pursuant to 20-A MRSA Sec. 15690(3) for public schooling by the amount of any state general purpose aid received for the fiscal year beginning July 1, 2007 and ending June 30, 2008 which exceeds \$12,336,736.

This Order provides that any amount of state school funding in excess of that anticipated in the School budget will be used to reduce the City's additional local school funding.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

APPROPRIATION RESOLVE:

**Order 235-06/07
(Tab)**

Fiscal Year 2007-2008 Appropriation Resolve - Sponsored by the Finance Committee, Councilor James I. Cohen, Chair.

This item brings forward the Appropriation Resolve for FY2008 for action by the City Council.

The Resolve contains the City Manager's recommended budget for FY2008 for general municipal purposes in the amount of \$182,812,202. In addition it contains the School Committee's recommended budget for FY2008 for school purposes in the amount of \$86,371,057.

This would result in a tax levy of \$127,217,056 for FY 2008. The tax rate based on this levy would be \$17.24 per \$1,000 of assessed value.

The Finance Committee reviewed the City Manager's budget and on April 30, 2007, by a vote of 3 to 0 recommended expenditures in the amount of \$182,705,779 for general municipal purposes.

The tax levy based upon the committee's recommendation for municipal purposes would be \$59,917,265. The tax rate based on the combined levies would be \$17.20 per \$1,000 of assessed value, a 5.5% increase.

On May 21, Councilor James Cohen, as Chair of the Finance Committee, will move to substitute the Finance Committee's recommended budgets for those of the City Manager and the School Committee.

Under the City Charter, in order for the Council to reduce the sum requested by the School Committee, at least six Councilors must vote in favor of the reduced amount.

The Appropriation Resolve also directs the Assessor of Taxes to assess a tax upon all real and personal property liable to be taxed as of April 1, 2007 and sets September 14, 2007, as the tax due date, which may be paid in two installments due on September 14, 2007, and March 14, 2008.

The delinquency rate of interest is set at 12.0% per year, and the abatement rate of interest is set at 8.0% per year.

This item must be read on two separate days. It was given a first reading on May 7th. Five affirmative votes are required for passage after public comment.

PUBLIC HEARINGS:

ORDERS:

**Order
(Tab)**

Order Authorizing Skatepark at Dougherty Field – Sponsored by Councilors Kevin J. Donoghue and David Marshall.

Five affirmative votes are required for passage after public comment.

**Order
(Tab)**

Order Amending Capital LLC TIF – Sponsored by the Community Development Committee – Councilor James F. Cloutier, Chair.

This item must be read on two separate days. This is its first reading.

**Order
(Tab)**

**Order Authorizing City Manager to Apply for HUD 108 Loan –
Sponsored by Joseph E. Gray, Jr., City Manager.**

This item must be read on two separate days. This is its first reading.

AMENDMENTS:

LICENSE RENEWALS: