



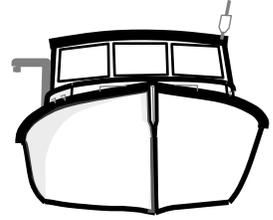
## Waterfront Workgroup

### 5th Meeting Agenda

March 21, 2019

Room 24, City Hall

3:00pm to 5:00pm



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1. Welcome and Introductions: *Jon Jennings, City Manager, Chair*

2. Review Meeting Notes from Meeting 5, 3-7-19

3. Working Group discussion of TIF Funding Priorities

***Working Group members are asked to review the previously provided TIF presentation and the attached memo and provide feedback for prioritizing use of Waterfront TIF funds in the year 2020 City Manager's budget.***

4. Overview of Portland Development Corporation Commercial Loan and Grant Programs.

***As requested at the previous meeting, there will be a brief overview of programs currently available to assist businesses in the City through the Portland Development Program.***

5. Next steps

City of Portland  
Waterfront Working Group

Meeting #5  
Thursday, March 7, 2019  
3:00 - 5:00 p.m.

Attendance:

Working Group: Jon Jennings, Becky Rand, Mike Alfiero, Keith Lane, Bill Coopersmith, Willis Spear, Togue Brawn, Dory Waxman, Steve Dimillo, Cyrus Hagge, Charlie Poole

City Staff: Bill Needleman, Jeff Levine, Christine Grimando, Greg Mitchell, Ethan Strimling, Greg Mitchell, Matthew Grooms

**Agenda:**

- Welcome and Intro, Jon Jennings
- Review Meeting Notes from Meeting 4 and 3
- Zoning Issues Continued from previous meetings  
    Bill Needleman, Waterfront Coordinator, Matt Grooms, Planner, Christine Grimando  
    Acting Planning Director
- Questions on Meetings
- Performance Standards
- Zoning Issues
- Next Steps

**Meeting Summary:**

There were two discussion parts to this meeting:

Part 1) Continued discussion of zoning issues and clarification of the differences of opinion on nmouz restrictions/recommendations and ordinance language (as well as restricted use clarifications and recommendations). Additional restrictions or changes to the 55/45 marine/non-marine percentage rules currently in place were also discussed, including the option of a 70/30 marine/non-marine percentage option.

John Jennings and Bill Needleman stated that they need to take working group conclusions regarding zoning issues to City Council, even though there is not unanimous consensus regarding restricted use recommendations and setback footage requirements. Specifically, mariners are concerned that certain language could allow future developers to take advantage of one-time exceptions (using an “it’s been done before” argument for non-marine use development) and that unoccupied space can be counted toward marine use in the 55/45 use split (marine/non-marine). John Jennings agreed to prepare a memo RE: Fisherman’s Pier based on discussion (notes follow).

Part 2) Continued discussion/clarification of waterfront TIF zone. In Part 2, John Jennings stressed that City staff needs input/ideas/recommendations/suggestions from the Working Group regarding allocation of TIF funds. There was nearly unanimous support from PWWG that funds need to be allocated to dredging. Group agreed to submit additional suggestions.

### **Discussion and Dialog of Meeting Part 1:**

Mr. Needleman acknowledged the receipt of a 2/14/19 Issues letter from the PWWG that included the group's stand on Contract/Conditional Rezoning, NMOUZ 125/300 requirements, Permitted Uses, Building Footprint Size and Lot Coverage, Ground Floor/Exterior Space, 55/45 Compliance Determination, and Performance Standards.

Mr. Needleman distributed a table addressing many of the above issues, which included the issues, approaches being considered to address the issues, the status of the issues and the next steps to be taken on issues. The table is intended to be a summary of where the group stands from a status standpoint.

It was agreed to approach the Planning Board with the 125 ft offset from Commercial Street with a 300 ft exception at Long Wharf.

**Issue: Contract/Conditional Rezoning** - although the status is considered resolved, it is noted that there is not consensus on the resolution within the PWWG. It will be recommended to the Planning Board to eliminate the option for site specific zoning within the WCZ.

It was clear from discussion that there is not a group consensus on changing the percentages from 55/45 to 70/30 or on marketing restrictions for vacant space. Bill Needleman agreed that the non-consensus of the Working Waterfront group on zoning restrictions and use percentages will be acknowledged to the City Council, although it appears to be a non-resolvable non-consensus.

JJ: Does anyone disagree with BN on contract/conditional rezoning?

SD: I thought when we went to the planning board meeting the questions of whether to keep the language in place or replace it.

BN: I thought we were as close to a resolution as we were going to get. The extent of non-consensus from the PWWG group will be reflected at Planning Board meeting.

### **Issue: Non Marine Use Overlay Zone:**

BN: The revised line leaves a significant majority of building within the overlay and the line bumps 25 ft from highwater. 25 ft offset from high water. 125/150 doesn't make much difference.

Long Wharf offset is not resolved.

DEP might change it/other reasons to move overlay

Fisherman's Wharf/Chandler's has 125 ft, but it diverts back to same line because of the existing nmouz water offset.

Dimillo's line (500) (the majority of Jay's parking lot is Dimillo's holding) -- 25 ft setback from water bumps the line

Flatbread/Rira is over the water (grandfathered use)

SD: Thomas block is also in B3?

BN: Gilberts is in B3, Dry Dock is in Waterfront Central Zone

MA: Flatbread/RiRa are in marine use only zone.

BN: They came in under a different set of rules, they are a reflection of their time.

MA: What happens if they were to leave?

BN: Within 1 year of leaving they lose their grandfathered status -- which is true for any property -- it's State law. The change from 150 to 125 doesn't have a significant impact on existing structures.

BC: I like the 125/300 -- a fish pier built for fishermen

MA: Fish Pier parking for Pierce Atwood?

BN: The lot serves 85 spaces for PA -- as an offsite commercial non-marine lot, it is already non-conforming, but it's legal because it existed before current zoning ordinances.

CG: Other Fish Pier restrictions?

BN: In terms of development, ONLY development is support of seafood on Fish Pier. There may be ancillary non marine uses, but only marine development on Fish Pier.

BC: My suggestion of a line change doesn't change the existing buildings as they are now.

DW: IF someone wanted to develop that property, it would have to be approved by Fish Pier board and that's good.

BC: Deadline of June 17 let's move on

JJ: We'll put together a memo specifically on Fish Pier.

SD: Let's talk about my neighbors at Chandler's Wharf. If they were here they would say they understand you (fishermen) didn't like hotel project, but whatever gets built on the property will benefit

wharves through TIF. I don't see any problem with what they develop. If parking lots are built, ok. I know some in this group don't want development, but it benefits everyone.

BN: The only difference would be 55% marine use requirement, building heights would be the same.

CP: They (the Dimillos) might need to do something on their property -- it seems we might be taking something away from the family. I find it hard to believe that vessel (the floating restaurant) will last forever. I hate seeing us arbitrarily pushing a line back that might hinder a public asset.

KL: Here's a family that's opened up their property to the public -- this property is unique -- we have to look at it publically even though its privately owned. It's an anomaly, but it's special -- it's dual purpose/ public/private.

BC: You have to be in compliance with 55/45 -- would Steve's place be entitled to any CEA money? I understand where Steve is coming from -- I'm putting that on the table -- this property is unique and I support 125/300 here.

WS: The reason we got the referendum going is that in 2010 -- the fishermen saw there was a trend that had a negative impact on waterfront marine use . We accept 125/300 at Long Wharf, but no more. If one guy can get it why can't someone else? It would be very easy for a developer to come in and say he's (DiMillo) got it why can't we? Extending to a 500 nmouz is too dangerous. To be safe 300 is the most. At another time we can talk, this is a transition period now. This is one of the biggest hot spots for development in America, and we need time to develop restrictions. Young fishermen want to buy waterfront and we need to make sure they can do that. We could lose winning lottery ticket.

TB: Going from 125 to 300 was odd, but what you are saying about the property makes sense to me - if it stays at 300 but Steve wants to do something and you think it's great, let's approve it.

BN: The mechanism to open is a rezoning, which is a higher bar conversation.

MA: I am a little uncomfortable punishing the Dimillio family due to increased traffic -- this seems to be biggest issue we haven't even discussed yet. How does accommodating Dimillo take into account traffic? We need to discuss traffic first. I don't want to see the marina suffer because of traffic -- the marina is good business that everyone benefits from.

BC: If Steve lost his boat and he needed to put new structure on the property I would be 1st to support it.

JJ: There has been a good compromise from fishermen to go to 300 at Long Wharf -- I've heard everyone say they do not want to penalize the Dimillo family - 300 feet seemed to be comfortable compromise until the last meeting -- we do need to move on get a sense of the group...

CP: I want to make sure door is not slammed closed for young people to buy property on waterfront.

JJ: We feel comfortable going to the Planning Board with 125 and 300 (Long Wharf)-- does anyone completely disagree? (No)

BN: I appreciate the manner with which this has been handled by everyone.

**Issue: 55% first floor and open area marine use requirement**

BN: It was brought up that marine use should be a condition for non marine use -- if you are going to have a non marine use you must 1st demonstrate a marine use within the structure

KL: How does 70/30 work?

BN: Same as 55/45. Language is written that 55% is required. Bill suggested that if you have vacancies and you do not have 55% marine use, you must show how you will have marine use in open space. Lobstering group suggests 70/30 for open space.

BN: With the system now, if there is any change of use/tenancy it needs to be marketed to marine use for 60 days. If nobody bites, then owners bring evidence of marketing for marine use to the zoning authority that shows they tried to lease for marine use to no avail, but do have non marine tenant, which would be permitted if 55% of building is marine use or vacant.

KL: What happens to remaining space in building?

BN: Only 45% can go to non marine use -- you don't get non marine use until you have compliance with 55% marine use. Either occupied or vacant and available

BN: With 55/45 right now there is about a 5% vacancy rate -- this is not indicative of a wholesale problem outside of overlay.

BN: issues 1 at a time -- for open spaces lobstermen suggestion of 70/30?

BC: Is there a penalty for going over 55? BN: No There's no **requirement** for non marine, only an **allowance** for non marine.

JJ: We need a better understanding of 70/30.

BN: Referring to Dimillos, outside of the Overlay. Right now 55% of this parking should be dedicated to marine use. Recreational berthing does not qualify as marine use. Neither does a floating restaurant. Right now your use is legal, (grandfathered) but non-conforming. If existing use continues uninterrupted, legal nonconformity would remain. But there is no ability to expand it (legal non-conformity), and if you abandoned use for 1 year, you would have to comply with 55/45.. If existing legal nonconformity was abandoned, property would be subject to 55/45 use restrictions.

It's very complicated to apply. We do our best, but it's a bear.

SD: If no restaurant, how could I develop?

BN: 70/30 is same as 55/45, just different percentages. Commercial parking is not a legal use within the zone. Driveways are carved out, not part of the percentages. Percentages are based on leasable/usable space.

BN: Outside the nmouz - your 1st floor must comply, 2nd story can be completely non marine.

SD: I don't see a reason to change to 70/30.

BN: Maine Wharf and end of Portland Pier -- 2 examples recent examples taking advantage of the full 45% non-marine – in and out of building .

BN: If it's been there, nobody is watching who goes in there. It's allowed to be part of the general parking supply.

JJ: We need to have a dedicated meeting just on parking.

CP: Within X amount of commercial berthing, there could be dedicated space for loading/unloading and marine use needs for operating.

JJ: I'd like to put this one on hold. Is there a way to come up with a solution to give the fishermen what they want? Let's bring this up at the next meeting.

BN: Is there any other discussion on marine use as a condition for non-marine use occupancy?

SD: I don't think it's fair to property owners to go to 70/30..

BC: Keeping the space vacant would reduce the ability to take space from marine use -- it would eliminate the need for marketing.

BN: The 55/45 is all about the 1st floor -- upper floors are not subject to percentage use.

CP: When we did this 10 years ago, the idea was to keep buildings full.

BN: Right now I am not seeing a consensus for changing the percentages -- this should be reflected in the notes.

BN: My recommendation would be that this group get comfortable with percentages and leave this as a non-consensus resolution.

**Issue: First floors marketed to marine use as a condition for non-marine use occupancy**

TB: First floors, Do you want us to put some boundaries on that?

JJ: We do an annual report of anything significant that was done on the waterfront, and a comprehensive report every 3 years.

End of Zoning Issues Discussion -- remaining issues will be addressed at a future meeting

## **TIF Funding Part II - Greg Mitchell**

GM: Any feedback on doing a few things/higher investment projects vs. doing many projects at a lower investment level? Particular ideas? Small vs. big projects? Low value vs. high value?

JJ: This is homework.

SD: Put effort and \$\$\$\$ into new berthing for fishermen. Fishing boat berthing.

GM: Berthing means dredging.

SD: Not always.

JJ: We don't want to add more berthing at the fish pier because it might interfere with private piers.

CP: I think dredging is a part of this discussion.

MA: I agree with the dredging -- it's going to open up a lot of berthing.

BC: Fish are being caught -- boats are being turned away now because infrastructure is not there for all the large loads. I'd like to see TIF money available for the top of the water.

JJ: Some type of loan program/grant program?

BC: Yes. Money available to kickstart businesses by starting funds available to rent Charlie's property

GM: Program could be designed for that purpose

JJ: Come forward with sheet of paper -- critically important to get this done soon budget has to get to council by april 8.

JJ: Portland Development Corp. -- small business asking for loans/grants

CP: Property owners face difficulty diving into infrastructure issue.

JJ: In my conversation with DOT commissioner he showed that he knows it is on his agenda to figure out how to fund dredging. He understands the importance. I think we'll see a lot of support from the new administration.

GM: Continue to think about ideas and feed them back to us. Make a laundry list/large/small/medium...

JJ: This can be anythings (small storage bldg. anything) so we can put package together to give to council  
Be creative.

BC: How to support young people -- one idea was to charge the village supplement fee for any hotel room on Fore street -- reason: those people come to see the working waterfront again, we're an important part of development of portland

JJ: We agree/user fee/local options tax is a good idea, but taxing is a State issue

ES: We have more support for this than ever, but it is still huge lift.

BC: We are asking for support of a group

JJ: We have 12 years of significant revenue ahead of us as part of TIF -- we don't have authority to institute tax, that's the state

SD: Suppose I propose some development on Long Wharf, what percent has to be marine-use?

DW: Is there a list of restrictions? (in the TIF program)

BN: There is more of a list of what *can* be done.

GM: We'll recirculate that - recirculate the balance with commitments/balance. This is a re-occurring pool every year.

JJ: Greg, will you also send to the group info about Portland Development Corp? We also will do some work on parking and other conditions related to open space.

Meeting ends.



Economic Development Department

**Memorandum****Date:** March 14, 2019**To:** Waterfront Working Group**RE:** Meeting #6, March 21, 2019

- TIF program recommendations
- Overview of Portland Development Corporation Commercial Loan and Grant Programs

**From:** Bill Needelman, Waterfront Coordinator**CC:** Jon Jennings, City Manager

Greg Mitchell, Economic Development Director

Jeff Levine, Planning and Urban Development Director

Christine Grimando, Planning Director

Matt Grooms, Planner

Jennifer Thompson, Associate Corporation Counsel

John Peverada, Parking Manager

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**Introduction:**

The following memo provides support for the continuing work of the Waterfront Working Group (WWG) at its 6<sup>th</sup> meeting on March 21. The Meeting 6 agenda will concentrate on prioritizing potential use of Tax Increment Financing (TIF) funds. The February 7, 2019 *Municipal Tax Increment Financing Overview* presentation from the Meeting 3 packet is attached as background for this discussion.

As requested at Meeting 5, also attached to this memo are:

- memos on the City's commercial loan and business assistance programs;
- the City deed for the Portland Fish Pier, describing limits on allowable uses; and,
- and updated table of Zoning Issues and Approaches, showing the revised status of topics under discussion.

**Prioritizing TIF Funding:**

As described by Greg Mitchell, Economic Development Director, at Meeting 4, the 2020 Budget year assumes \$1.4 Million in Waterfront TIF revenue. Of that figure, +/- \$700,000 is previously committed, potentially more. Existing commitments include staff salaries, retiring bonds, professional services, the Merrill's Wharf CEA, and new debt to pay for an extension of streets in the Eastern Waterfront. To be conservative, staff suggests that +/- \$600,000 remains available for allocation for the 2020 budget year; however, the City Manager stresses that it is prudent to

consider reserving funds from these early years in the expanded program to allow the Waterfront TIF fund to grow in anticipation of making more robust allocations in future years.

*Use of Funds:* The Waterfront TIF program constrains use of the funds to the following categories:

- Pier and Wharf Structural Repair
- Street Studies and Improvements
- Pedestrian and Multi-Modal Circulation
- New Publicly-Owned pier
- Surface and Structured Parking
- Utilities Infrastructure
- City Staff Salaries
- Environmental Improvements, Including Sea Level Adaptation
- Dredging of Commercial Vessel Berthing
- Dredge Sediment Disposal and CAD Cell Development
- Workforce Training Fund
- Professional Services Costs
- Credit Enhancement Agreements
- Local Match for Ocean Gateway Project

Given the limited funds available for the current year, City staff recommends against spreading the funds between the full list above. In order to have a significant impact, staff recommends choosing a small number of projects that will address the greatest need(s) and have the greatest impact.

The WWG conversations to date have stressed *access and berthing* as fundamental to the current problems expressed by the maritime community. Specifically, congestion on Commercial Street is a recurring issue that will need attention and investment. Also, as is noted in the meeting notes from Meeting 5, the need for pier dredging is clear and support for dredging appears strong among WWG members and the maritime community. Dredging berthing areas has the potential to reestablish lost berthing and vessel loading opportunities.

Additional expansion of berthing has been explored on the Portland Fish Pier, and that remains a viable opportunity subject to direction by the Portland Fish Pier Authority.

**Staff Recommendations:**

*Commercial Street Congestion:* The Commercial Street Operations and Master Plan process will in the near future report short-term and long-term potential improvements to address congestion on the waterfront. While we cannot report out a list of recommended improvements at this time (such options are still under development,) we can be sure that all interventions on Commercial will cost dollars – certainly more than can be paid for through TIF funding alone. Staff recommends considering Commercial Street as a priority area for investment with 2020 dollars.

*Dredging:* The vexing and long-discussed problem of pier and berthing dredging has both short and long-term costs. Recent work by the Portland Harbor Commission, funded by EPA Brownfields grants, and disposal option evaluations for the City by Stantec, funded by MDOT, have identified the location, volume, and composition of sediments needing removal. The current process has also identified a feasible site for sediment disposal – a Confined Aquatic Disposal (CAD) cell located near the South Portland Coast Guard station.

The potential costs associated with dredging and disposing sediments that compromise berthing resources within Portland Harbor (Portland and South Portland) will likely exceed \$30,000,000. While TIF funding alone cannot carry such an extraordinary figure, TIF funds could provide needed short-term funding shortfalls to continue the chemical testing, engineering design, and permitting to allow the process to continue. Future TIF funds also have the potential to leverage much larger funds from state and federal sources, demonstrating a local commitment to the dredging effort. Private and public funds, contributed by pier owners, will likely also be needed as a *tipping fee* based on the volume of dredged sediments. Staff asks the WWG to consider prioritizing dredging as a use of 2020 TIF funds to allow continued progress toward improving access and addressing pollution in Portland Harbor.

*Berthing Expansion:* In addition to Congestion and Dredging, WWG members may consider whether TIF funds may be used for the expansion of berthing at the Portland Fish Pier. Construction of berthing at the Fish Pier would be consistent with the mission of the facility and would expand the facility's relevance to the lobstering industry. If the WWG suggests prioritizing use of TIF funds toward berthing expansion at the Fish Pier, staff will report this finding to the Portland Fish Pier Authority Board for further exploration.

*Concluding Remarks:* The above recommendations are not intended to constrain the conversation or imagination of the WWG. Other priorities have merits and staff looks forward to hearing the thoughts and guidance provided at Meeting 6.

**Attachments:**

- Meeting 5 Notes, March 7, 2019
- February 7, 2019 TIF Presentation
- Portland Fish Pier Deed, State of Maine to the City of Portland
- Table of Zoning Issues, Approaches and Status, Draft, 3-14-19



# Municipal Tax Increment Financing Overview

## **Waterfront Working Group**

February 7, 2019

Presented by:

Gregory A. Mitchell, Director  
Economic Development/City of Portland



# What is Tax Increment Financing?

- A public economic development municipal financing program, funded by property taxes on the incremental or increased new municipal assessed value generated by a development project.

# Why is TIF Used?

- To stimulate private sector investment and job creation
  - Targeted industries
  - Targeted locations
- To Invest in Public Infrastructure and City costs (staff, studies, etc.) and additional specified uses.
- Workforce Training.
- Expand existing or fund new transit service capital costs (bus shelters, benches, signage, crosswalks, etc.) and limited operational costs (transit operator salaries, fuel, and maintenance).
- To 'shelter' against adverse adjustments to State subsidies and County taxes based on total municipal valuation.

# How Does TIF Work?

- A municipality designates a specific geographic area as a municipal development tax increment financing district.
- This “freezes” the base value of taxable property within the district (the original assessed value or “OAV”); TIF revenues derive from taxes on **increased new property value** above OAV.
- Municipality adopts a **development program** describing authorized uses of revenue.



# Establishing The TIF District

TIF districts may be designated for a maximum of **30** years, and at least **25%** of the district area must be:

- Blighted
- In need or rehabilitation, redevelopment or conservation;
- Suitable for commercial uses or arts; or
- Affordable Housing with 25% suitable for residential use.



# Funding Mechanisms

## ■ Municipal Bonds

- Municipality established a Development Sinking Fund for debt service requirements

## ■ Credit Enhancement Agreement

- TIF revenues placed in a Project Cost Account for direct payment to company for authorized project costs

## ■ Municipal Economic Development

- TIF revenues placed in a Project Cost Account for direct payment by municipality for authorized project costs

# How Does 'Sheltering' Work?

- With new investment, real estate valuation goes 
- As a result, state subsidies go  and county taxes go 
- TIF 'shelters' captured new value by excluding it from total municipal value reported to the state for the length of the TIF.
- Portland 'shelter' value is estimated at 30 cents of every new property tax dollar.



# TIF Approval Process (2 Steps)

## TIF Program

- District Boundaries
- Development Program
- Financial Plan

1. Municipal or County Approval, followed by:

2. State DECD Approval for Commercial & Industrial Projects;

OR

Maine State Housing Authority for Affordable Housing TIFs.

Credit Enhancement Agreements w/Project Developer then executed after above two approvals.



# City TIF Policy

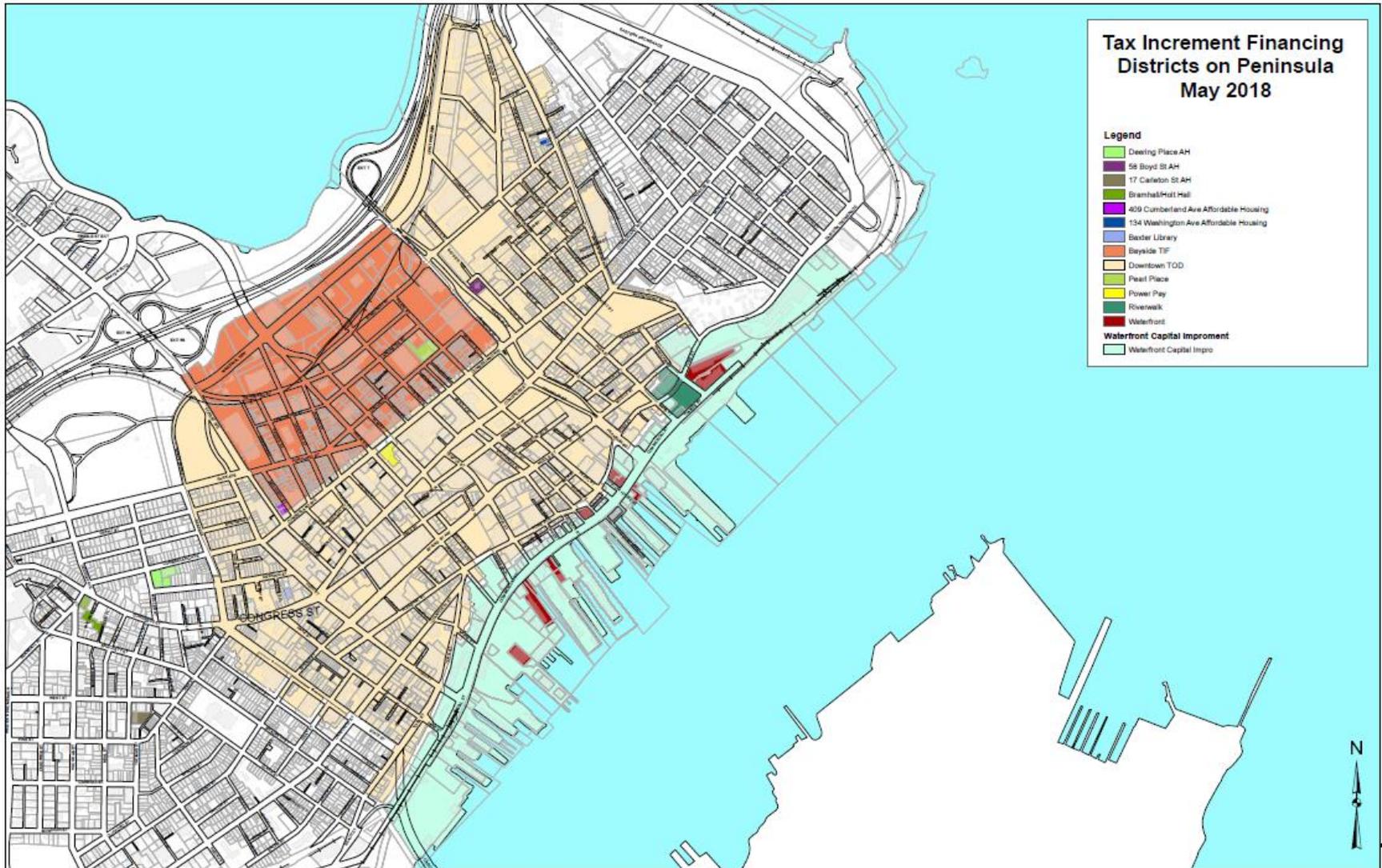
- Adopted New Council TIF Policy as of 11/20/2017
- Credit Enhancement Agreements (CEA) – up to 20 Years With Average 65% Capture Rate
- CEA Development Compliance with City Green Building Code and State Prevailing Wages Related to New Construction



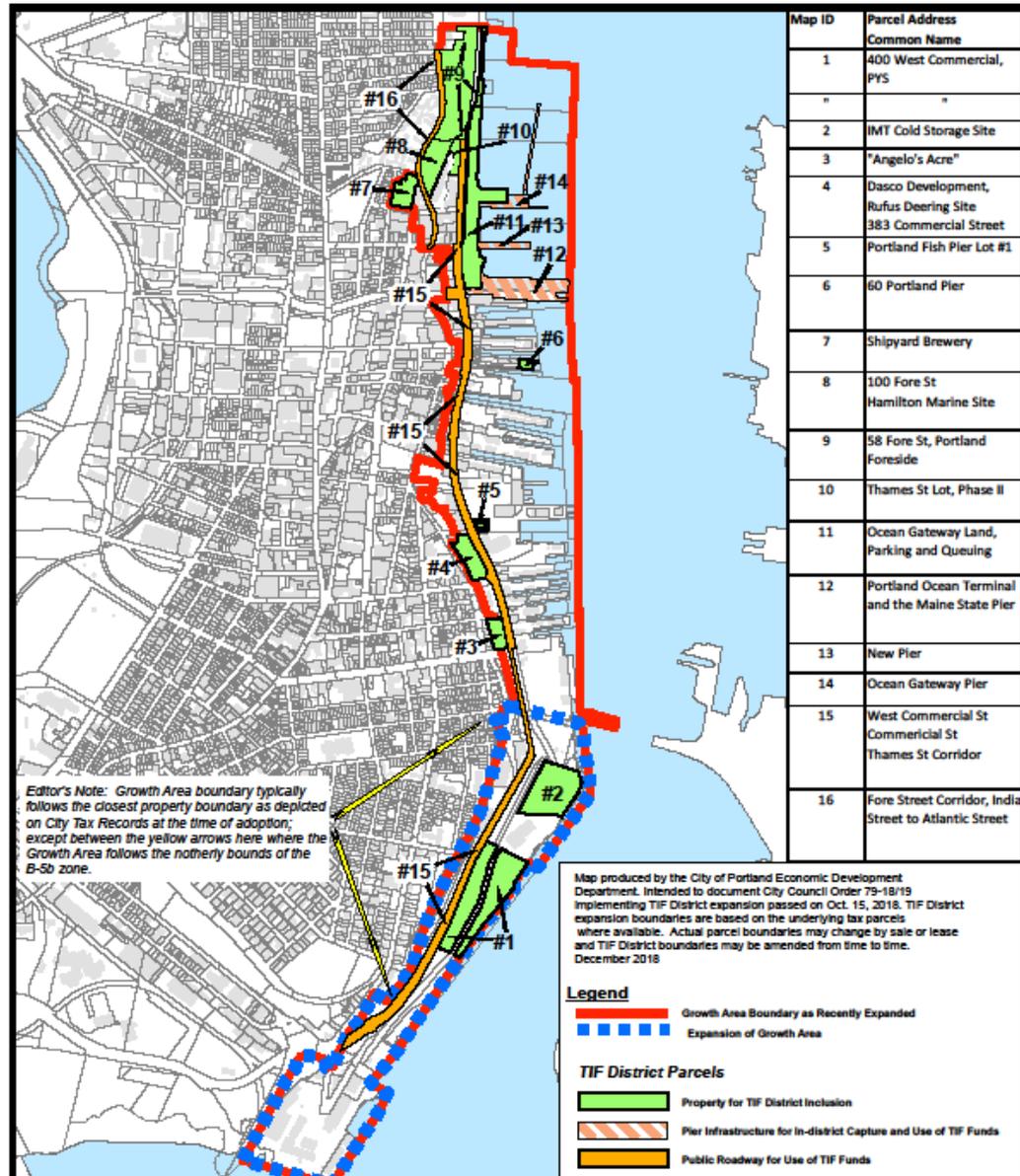
# Portland's Experience With TIFs

- Portland currently has 7 active Affordable Housing TIF Districts; 8 active Commercial TIF Districts with Credit Enhancement Agreements (CEA), including one CEA on Merrill's Wharf; and 3 area wide TIF Districts including:
  - - Bayside
  - - Downtown Transit
  - - Waterfront

# Portland Peninsula TIF Map



# Waterfront TIF District



*Editor's Note: Growth Area boundary typically follows the closest property boundary as depicted on City Tax Records at the time of adoption, except between the yellow arrows here where the Growth Area follows the notherly bounds of the B-50 zone.*

Map produced by the City of Portland Economic Development Department. Intended to document City Council Order 79-18/19 implementing TIF District expansion passed on Oct. 15, 2018. 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. December 2018





# Waterfront TIF District Allowable Uses

- Pier and Wharf Structural Repair
- Street Studies and Improvements
- Pedestrian and Multi-Modal Circulation
- New Publicly-Owned pier
- Surface and Structured Parking
- Utilities Infrastructure
- City Staff Salaries
- Environmental Improvements, Including Sea Level Adaptation and Infrastructure Improvements
- Dredging of Commercial Vessel Berthing
- Dredge Sediment Disposal and CAD Cell Development
- Workforce Training Fund
- Professional Services Costs
- Credit Enhancement Agreements
- Local Match for Ocean Gateway Project



## Past (Tax Years 4-1-2002 to 4-1-2018) City Uses of Waterfront TIF District Revenue

- City Staff Salary and Fringe Benefits
- Local Match for Ocean Gateway Project
- Professional Services Costs
- Waterfront Credit Enhancement Agreement  
(Merrill's Wharf Redevelopment through 4-1-2027)
- Past Average Annual Financial Allocation: \$600,000

# Waterfront TIF District Property Tax Revenue Projections (4-1-2019 – 4-1-2031)

Tax Year	TIF Capture Rev Est. (Millions)
2019	\$1.4
2020	\$2.0
2021	\$2.5
2022	\$5.0
2023	\$5.1
2024	\$5.8
2025	\$5.9
2026	\$6.0
2027	\$6.3
2028	\$6.5
2029	\$7.4
2030	\$7.7
2031	\$7.9

## Notes:

1. Estimates include new development value from projects under construction and planned.
2. Annual mil rate increase of \$2%.
3. Annual property valuation increase of 1%.
4. City-wide revaluation will impact these revenue projections.

# Union Wharf – TIF Case Study

NOTE: No CEA Agreement in Place.

- Original Assessed Value (base value): \$616,430
- City Total Assessed Value at Build Out: \$3.58 Million
  - - Less OAV of \$616,430
  - - Equals Increased Assessed Value of \$2,963,570
- Annual Average Property Tax Revenue from Capture of Increased Assessed Value (IAV) over OAV: 100% - \$76,342; 65% - \$49,622
- Total Property Tax Revenue from Capture of IAV Over Remaining TIF Term (FY2019 through FY2032): 100% - \$1,068,784; 65% - \$694,710



# Questions?

**Gregory A. Mitchell, Director**

Economic Development/City of Portland

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Portland, ME 04101

**207-874-8683**

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Portland, Maine



Yes. Life's good here.

Economic Development Department  
Gregory A. Mitchell, Director

## Revolving Loan Program

The City's Revolving Loan Program (RLP) provides commercial loans to Portland businesses to facilitate economic growth and job creation. Loans are made to all types and sizes of businesses, from the smallest establishment to the largest corporation. They range from as much as \$250,000 to as little as a few thousand dollars.

Businesses are encouraged to establish relationships with banks and credit unions, and to access conventional financing whenever possible. The City's RLP is here to assist when there's a financing gap or when businesses are not able to access conventional financing. Most RLP loans are provided as **gap financing** in which the City's lending board, the Portland Development Corporation (PDC), partners with a lead lender (generally banks, credit unions and other community lenders). For start-ups and even existing businesses that cannot obtain conventional financing, **loan assistance** may be available, particularly through micro loans.

Loans from the City's RLP can help to **fund a wide range of activities**. These include building construction and renovations, leasehold improvements, machinery and equipment purchase, working capital, purchase of an existing business, refinancing (if the project also includes a business expansion component at least 25% over the debt amount to be refinanced), acquisition of fishing vessels and marine related machinery and equipment, and acquisition of real estate.

Fixed **interest rates** are determined by the PDC, the City's lending board, on a case-by-case basis based upon a variety of considerations, such as anticipated job creation and retention, collateral, level of risk, credit worthiness, etc. Generally, interest rates are a point or two above the rates offered by the banking community.

**An overview of each of the loan programs** within the City's RLP follows:

### 60/30/10 Portland Business Program:

- Loan of \$50,000 to \$200,000;
- 60% lead lender (with possible guarantee from SBA or FAME), 30% City, 10% equity from borrower;
- Flexible terms up to 20 years with a 10-year balloon;
- Especially useful for projects between \$250,000 and \$500,000 for which the SBA 504 may not be cost effective;
- May be used for working capital
- No prepayment penalties.

### **Micro Business Loan Program and Creative Economy Loan Program**

- Loans up to \$50,000;
- Maximum loan term up to 7 years;
- Prefer minimum private investment to Micro Loan dollar ratio of 1:3 (for example, \$30,000 project: \$22,250 Micro Loan, \$7,500 borrower).

### **Real Estate Development Loan Program**

- Loans up to \$200,000;
- Can be used to finance non-owner occupied real estate;
- Minimum private investment to RLP ratio of 1:1, including minimum 10% equity investment from borrower;
- Maximum loan term of 30 years with 10-year balloon,
- Cannot be used for refinancing.

### **Regional Economic Development Loan Program (FAME)**

- Loans up to \$250,000;
- Maximum loan term of 20 years with 10-year balloon;
- Maximum loan amount relative to project cost is as follows:
- Loans of \$50,000 - \$100,000 may not exceed ½ of the net new funds being provided;
- Loans over \$100,000 may not exceed 1/3 of the net new funds being provided.

### **Brownfields Cleanup Revolving Loan Fund**

- Loans generally not to exceed \$200,000;
- Maximum loan term of 5 years;
- Funding for remediation/cleanup;
- Competitive interest rates in the 3 to 3.5% range.

(Funding is also available to cover the cost of Phase I and Phase II Environmental Site Assessments.)

Applying to the City's RLP requires the same materials that a bank would request, for example, historical financials, projections, tax returns and personal financial statements, along with business plans when the applicant is a new business. Applications can be accessed on line at <https://www.portlandmaine.gov/DocumentCenter/View/1556/Loan-Application?bidId=>

Please contact the City's Business Programs Manager, Nelle Hanig, with any questions or to discuss a possible loan (756-8019 or [nrh@portlandmaine.gov](mailto:nrh@portlandmaine.gov)).

Portland, Maine



Yes. Life's good here.

Economic Development Department  
Gregory A. Mitchell, Director

## **Portland Business Assistance Program for Job Creation**

### **Program Description**

The City of Portland's Business Assistance Program for Job Creation (BAP) provides grants up to \$20,000 to new and expanding Portland businesses for the creation of net new, permanent full-time jobs for low/moderate income individuals. [Program funds are depleted at this time but additional funding is anticipated in July 2019.]

### **Program Objectives**

- Job creation for low/moderate income individuals;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit;
- Enhance the health and vitality of the Portland economy.

### **Program Requirements/Eligibility**

- Create one (1) full-time job (at least 1,750 hours/year \*) for every \$10,000 of grant funding;
- Applicant business location fits any of the following: In a low income area of the City; Within walking distance to one or more of these areas; or, Easily accessible from these areas via public transportation;
- Net new job(s) created with the help of the grant is marketed to low/moderate income\*\* individuals, resulting in at least 51% of these jobs going to this population. (For example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income individuals);
- Job(s) is created within nine (9) months of signing a grant agreement;
- Wage paid to new hire(s) exceeds Portland's minimum wage .

### **Financing Terms**

- Maximum grant: \$20,000 per business.
- Required Private Match: Equal to or greater than grant amount.
- Private Match Sources: Private investment match includes at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Commercial Loan Program, if conventional financing is not available. For existing businesses, the 50% equity can include private investment made within the past 12 months.

### **Application Review Criteria/Preferences:**

Criteria/Preferences(listed in no particular order):

- Career Potential
  - Job training for new hire(s) in a marketable skill;
  - Potential for job advancement within the company or elsewhere.
- Employer
  - Demonstrated need for grant funds to create job(s);
  - Private match exceeds grant amount requested;

- Number of net new jobs exceeds one (1) per \$10,000 of grant funding.
- Compensation and Benefits
  - Quality of compensation and benefits package (for example, wages, health, vacation, sick leave);

**Eligible Funding Activities**

1. Equipment and machinery;
2. Permanent working capital, (e.g., inventory, furniture and fixtures, relocation expense);
3. Working capital expenses (e.g., rent, utilities, salaries, insurance);
4. Up to \$1,000 for business consulting services (e.g., accounting, marketing, software training, legal assistance);
5. Leasehold improvements, renovation, reconstruction, or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons. (Construction projects must comply with Davis Bacon federal labor standards.)

**Ineligible Activities**

- a. Refinance existing debt;
- b. Down payment for other financing;
- c. Use of grant funds for activities, (e.g., purchases of equipment and supplies), commenced or completed prior to program funding approval and prior to signing a grant agreement.

**Basic Program Qualifications**

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City, and property must be free of all City liens and encumbrances.

**Application and Approval Process**

The City's Economic Development Department is responsible for administration of the Business Assistance Program for Job Creation, with guidance from the Housing and Community Development Division. Eligible applications are analyzed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review. The PDC has final decision-making authority in approving applicants for grant awards.

**Further information and applications can be downloaded at**

**<http://www.portlandmaine.gov/556/Business-Assistance-Program-for-Job-Crea>**

**or contact Nelle Hanig at nrh@portlandmaine.gov or 207-756-8019,**

KNOW ALL MEN BY THESE PRESENTS

That, the STATE OF MAINE, acting by and through its Governor, on recommendation of the Commissioner of the Department of Transportation, under and pursuant to the provisions of 23 M.R.S.A. Section 4206, in consideration of One Dollar (\$1.00) and other valuable considerations paid by the CITY OF PORTLAND, a Municipal Corporation located at Portland, County of Cumberland and State of Maine, the receipt whereof it does hereby acknowledge, does hereby remise, release, bargain, sell and convey and quit-claim unto the said CITY OF PORTLAND, its right, title and interest in and to a certain lot or parcel of land situated on the southeasterly side of Commercial Street, in Portland, County of Cumberland and State of Maine, bounded and described as follows, for as long as said lot or parcel is operated as a public fish pier for the purpose of landing or processing shellfish, finfish or other natural products of the sea or for other activities directly related to the purpose of landing or processing shellfish, finfish or natural products of the sea including fueling, loading or selling these products, to wit:

Beginning at a point in the southeasterly side line of Commercial Street in said Portland, at the northwesterly corner of land now owned by Armour and Company as described in a deed from Franklin Real Estate Company to said Armour and Company, dated April 26, 1918 and recorded in the Cumberland County Registry of Deeds in Book 1008, Page 120; said point also being the same point described in a deed from Proprietors of Union Wharf to Armour and Company dated March 1981 and to be recorded in the Cumberland County Registry of Deeds.

Thence S. 34°-47'-00" E. along said Armour and Company Land one hundred four and sixty-three hundredths (104.63) feet to a point;

Thence N. 55°-03'-00" E. fifty and three tenths (50.3) feet to the southerly line of land now or heretofore of Robert J. Levine, Trustee of Levine Real Estate Trust, as described in a deed to said Trust from Poultry Processing, Inc., dated September 30, 1930, and

Recorded in the Cumberland County Registry of Deeds, Book 4673, Page 2;

Thence S.  $34^{\circ}-57'-00''$  E. four hundred six and forty-seven hundredths (406.47) feet along the southwesterly line of land now or formerly of Robert J. Levine, Trustee of Levine Real Estate Trust and said line extended to a point, said point being twenty-five (25) feet southeasterly of the five story brick building on said Real Estate Trust Property;

Thence N.  $55^{\circ}-03'-00''$  E. one hundred forty-five and four hundredths (145.04) feet along the line described in a conveyance to said Robert J. Levine, Trustee of Levine Real Estate Trust to a point, said point being on a line established by extending the southwesterly line of land of the Proprietors of Union Wharf (Union Wharf Property) southeasterly;

Thence continuing on said line extended on a course of S.  $35^{\circ}-29'-00''$  E. seven hundred eleven and forty-nine hundredths (711.49) feet to the Harbor Commissioners Line in Portland Harbour;

Thence S.  $42^{\circ}-00'-00''$  W. along the Harbor Commissioners Line about three hundred sixty-six (366) feet to the northeasterly edge of Browns Wharf, so-called;

Thence southeasterly along the northeasterly edge of said Browns Wharf, said line being about right angles to last described line, about one hundred eleven (111) feet to the southeasterly end of said Wharf;

Thence southwesterly along the southeasterly end of said Browns Wharf about one hundred sixty-seven (167) feet to the southwesterly edge of said Wharf;

Thence northwesterly along the southwesterly edge of said Browns Wharf about one hundred seven (107) feet to a point in the Harbor Commissioners Line;

Thence S.  $42^{\circ}-00'-00''$  W. about one hundred forty-three (143) feet to a point, said point being on a line being the extension of the northeasterly line of the United States Government (occupied by the U.S. Naval Reserve) in a southeasterly direction;

Thence N.  $47^{\circ}-46'-00''$  W. along said extended line and the northeasterly line of land of the said United States Government, ten hundred twenty-three and fifty-two hundredths (1023.52) feet to a point in the southeasterly line of Commercial Street;

Thence N.  $17^{\circ}-06'-30''$  E. thirty-five and fifteen hundredths (35.15) feet along the southeasterly line of Commercial Street;

Thence N. 21°-52'-00" E. two hundred ninety-nine and ten hundredths (299.10) feet along the southeasterly line of Commercial Street;

Thence N. 25°-22'-00" E. one hundred eighty-four and twenty-four hundredths (184.24) feet along the southeasterly line of Commercial Street;

Thence N. 27°-51'-00" E. one hundred sixteen and sixty-four hundredths (116.64) feet along the southeasterly line of Commercial Street;

Thence N. 31°-07'-00" E. forty-six and forty-six hundredths (46.46) feet along the southeasterly line of Commercial Street;

Thence N. 36°-49'-00" E. thirty-nine and ninety-eight hundredths (39.98) feet along the southeasterly line of Commercial Street;

Thence N. 40°-22'-00" E. fifty-five and thirty-seven hundredths (55.37) feet along the southeasterly line of Commercial Street to the point of beginning.

The herein described parcel of land contains about 14.578 acres and was acquired by Notice of Taking, Proprietors of Union Wharf, et al, to State of Maine, recorded April 1, 1981 in the Cumberland County Registry of Deeds in Book 4759, Page 119.

This conveyance is subject to the rights of Portland Water District as acquired by deed of the State of Maine dated March 30, 1983 and recorded in the Cumberland County Registry of Deeds in Book 6142, Page 57.

Being a certain lot or parcel of land as shown on the Department of Transportation Property Map for Portland Fish Pier dated January 1981, on file in the Office of the Maine Department of Transportation at Augusta, File No. 3-290 and recorded in the Cumberland County Registry of Deeds in Plan Book 137, Page 34.

This deed does not convey the rights held by the State, including rights the State holds in trust for the public, in the submerged and intertidal lands within the boundaries of the above described lot or parcel of land.

The right, title and interest conveyed by this deed shall automatically revert to the State, without the necessity of re-entry or notice, should and when the lot or parcel is no longer used or operated as a public fish pier for the purpose of landing or processing shellfish, finfish or other natural products of the sea or for other activities directly related to the purpose of landing or processing shellfish, finfish or other natural products of the sea, including fueling, loading or selling these products.

TO HAVE AND TO HOLD the same, together with all the privileges and appurtenances thereunto belonging to the said CITY OF PORTLAND.

IN WITNESS WHEREOF, I, Joseph E. Brennan, Governor of the State of Maine, have caused the name and great seal of the State of Maine to be hereto affixed this ninth day of September, in the year of our Lord one thousand nine hundred and eighty-three.

STATE OF MAINE

By Joseph E. Brennan Governor



Affixed By [Signature]  
Deputy Secretary of State

STATE OF MAINE )  
COUNTY OF KENNEBEC).ss.

September 9, 1983

Personally appeared the above named Joseph E. Brennan, Governor of the State of Maine and acknowledged the above instrument to be his free act and deed in his said capacity and the free act and deed of the State of Maine.

Before me, [Signature]  
Notary Public.  
Attorney-At-Law

**Summary Table of Zoning Issues, Approaches, and Status** *DRAFT 3-14-19*

Zoning Issue	Approaches Under Consideration	Status	Next Steps
<b>Contract/Conditional Rezoning</b>	Eliminate option for site specific zoning within the WCZ	<b>Resolved.</b> The WWG will likely not have complete agreement on elimination of the tool	Staff to recommend to Planning Board
<b>Non-marine Use Overlay Zone</b>	Revise line to 125 ft offset from Commercial St with 300 ft at Long Wharf	<b>Nearly Resolved.</b> The WWG will likely not have complete agreement. Fish Pier and Long Wharf unresolved.	Staff ready to recommend to Planning Board
<b>55% first floor and open area Marine Use Requirement</b>	Separate open areas from first floor.	<b>Under discussion.</b> Percentages discussed by WWG on 3-7-19. Several WWG members expressed support for the status quo	WWG discussion
	Lobstering group suggests 70/30 split for open areas		
	Require marine use occupancy as a condition for non-marine occupancy		
<b>First floors marketed to marine use as a condition for non-marine use occupancy</b>	Eliminate the requirement, subject to agreement that the Marine/N-M use split has been adequately addressed	<b>General agreement, needs confirmation at future meeting</b>	Staff ready to recommend elimination to Planning Board
	Strengthen the requirement	Not much support	
<b>Marine Use Inventory</b>	Replace with annual report of "significant development." Add periodic broad "assessment of the marine economy"	<b>General agreement, needs confirmation at future meeting</b>	Staff ready to recommend to Planning Board
<b>Parking</b>	Some issues to be covered with the Performance Standards	<b>Not yet discussed</b>	Needs a dedicated meeting
<b>Permitted Uses</b>	Restricting some uses from areas subject to marine use requirements (outside of more permissive Overlay areas)	<b>Not yet discussed</b>	WWG discussion
<b>Performance Standards</b>	Combine NM parking, functional utility, and Marine/N-M compatibility standards under a single standard. Create a submission requirement for an "access management plan"	<b>Not yet discussed</b>	WWG discussion
	Suggestion to limit pier edge occupancy by Non-Marine uses		
<b>Lot Coverage, Building size</b>	Suggestion to limit both	<b>Not yet discussed</b>	WWG discussion
<b>Enforcement</b>	Likely, no ordinance changes, but will explore better reporting and education	<b>Not yet discussed</b>	WWG discussion
Non-zoning issues to be addressed separately			