HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

DATE: **June 25, 2014 (Wednesday)**
TIME: **5:30-7:30 p.m.**
LOCATION: **Room 209, Second Floor**
Portland City Hall

<u>A G E N D A</u>

1. Review and accept Minutes of previous meeting held on May 28, 2014.

2. **Review and recommendation to staff to move forward with disposition process for tax-acquired property at 16 Fisherman's Cove, Cliff Island. Note: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session.** - See enclosed Memorandum from Greg Mitchell

3. **Review and Discussion to give guidance to staff** - Downtown/Transit-Oriented Development Tax Increment Financing District – See enclosed Memorandum from Greg Mitchell

4. **Executive Session:** Pursuant to 1 M.R.S.A. 405(6)(C) and (F) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to provide City staff direction regarding real estate negotiations associated with the Federated Companies midtown Project and their financial contribution toward the cost of Somerset Street reconstruction.

5. **2014 HCDC Work Plan for Review and Discussion** – See enclosed Memorandum from Jeff Levine, Greg Mitchell and Mary Davis

Public Comment will be accepted on action items.

Next Meeting: July 23, 2014 **Councilor Kevin Donoghue, Chair**

Housing & Community Development Committee

Minutes of May 28, 2014 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, May 28, 2014 at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Kevin Donoghue, and members Councilors Jon Hinck and Nicholas Mavodones. Committee member Councilor John Coyne joined the meeting soon after as noted in the Minutes. Also present was Mayor Michael Brennan and Councilor Ed Suslovic. City staff present included Housing & Community Development Division Director Mary Davis, Planning Division Director Alex Jaegerman, Economic Development Director Greg Mitchell, Island/Neighborhood Services Administrator Mike Murray, Senior Executive Assistant Lori Paulette, and Associate Corporation Counsel Lawrence Walden. City Manager Mark Rees and Planning and Urban Development Director Jeff Levine joined the meeting as noted in the Minutes.

Chair Donoghue said that items would be taken out of order as Mr. Levine had indicated to him that he would be joining the meeting around 6:00; therefore, the Downtown TOD/TIF District item would be delayed.

Item 1: Review and accept Minutes from previous meeting held on May 14, 2014.

On motion made and seconded, the Committee voted unanimously to accept the minutes as published.

Item 2: Review and vote to recommend to City Council lease at Portland Ocean Terminal with Portland Tugboat, LLC.

Mr. Mitchell said that Brian Fournier, of Portland Tugboat LLC, had previously planned to be in attendance but is caught up traffic and cannot be here. The proposed lease, negotiated under direction of this Committee, would combine two previous leases with Portland Tugboat – one lease for berthing, and the other for storage space and parking. He noted that Portland Tugboat has been at Portland Ocean Terminal for over ten years. Mr. Mitchell then reviewed the terms with the Committee, noting that total annual revenue is $81K+, with an annual 3% escalator, and the term is for five years from July 1, 2014 through June 30, 2019.

(Councilor Coyne joined the meeting at this time.)

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

Chair Donoghue asked Committee members if there were questions. There being none, a motion was then made and seconded to forward this item to the City Council with a recommendation that it authorize the City Manager to execute the lease in substantially the form as presented. A vote was then taken on the motion and it passed unanimously.

Item #5: Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide City staff guidance regarding the disposition process for a tax-acquired property on Cliff Island.

On motion made and seconded, the Committee voted unanimously at approximately 5:45 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to provide City staff guidance regarding the disposition process for a tax-acquired property on Cliff Island. At approximately 6:10 p.m., the Committee came out of executive session.

(City Manager Mark Rees joined the meeting during the executive session. Jeff Levine joined the meeting after the executive session.)

Item #3: Review and discussion to give guidance to staff – Downtown/Transit Oriented Development (DT/TOD) Tax Increment Financing (TIF) District.

Mr. Mitchell said that today's meeting would focus on geography – see map included in packet, financial information for DT TOD TIF uses/investments, and impact upon existing TIF districts.

Mr. Levine reviewed the geography with the Committee, noting that both Washington Avenue and State Street form side boundaries, and it is recommended that the line include properties abutting each side of those streets. Residential areas on the peninsula (Eastern and Western Proms) are not included, particularly for possible future affordable housing TIFs in those areas. The Parkside neighborhood is also not included, as there is no significant commercial component or infrastructure needs for the area.

Mr. Mitchell said that the Bayside TIF (BTIF) area also shows an expansion to align with the Bayside Vision. Regarding the DT TOD TIF area highlighted in tan, he noted that the gray area is the current Arts TIF District. Staff would be looking to shrink the Arts TIF district to just the Baxter Library building site, with the remaining area combined in the DT TOD TIF area.

Mr. Mitchell said that the map has the expanded BTIF marrying up to the DT TOD TIF area, and the DT TOD TIF area marrying up to the Waterfront TIF (WTIF) area.

Councilor Hinck asked about the Riverwalk TIF District, and Mr. Mitchell noted that staff is looking to shrink that district to include only the Ocean Gateway Garage property. Mr. Mitchell further noted that the staff will be bringing the Fore India Middle TIF District to the Committee/Council for termination, as this project did not come to fruition. Also, staff is looking at the Bay House TIF District, particularly condominium sales which would terminate this TIF District.

Chair Donoghue thanked staff for getting closer to the geography and highlighting areas of interest. The Committee would now turn its attention to financial projection revenue and investment options. Chair Donoghue noted that he contacted Metro Executive Director Greg Jordan to provide the Committee with future investments Metro is considering, who will provide the Committee with a summary today.

Mr. Mitchell referred the Committee to the chart (copy attached to these Minutes) in their packets which is estimating a valuation increase in the proposed DT TOD TIF district at $52 Million, which would bring in an estimated $1 Million in new property taxes. Of that $1 Million, annual proposed investments could include $100,000 yearly for Creative Portland; $250,000-$350,000 for existing staff salaries; $100,000-$150,000 for public infrastructure and equipment; and an unknown dollar amount at this time for transit. This estimate would use $450,000-$600,000 of the new $1 Million in taxes.

Mr. Rees noted that with the current Arts TIF District, and with any TIF District for that matter, if the property values do not increase or go down, the TIF revenue also does not increase or goes down – TIF obligations are based on municipal assessed values. This has been the case for the Arts TIF District the past couple of years, but he was able to provide the $100,000 to Creative Portland for FY14.

Mr. Mitchell said that for the proposed DT TOD TIF District Increased Assessed Value (IAV) being $52 Million, the renovated Eastland is a major component of that IAV.

Regarding DT TOD TIF revenues funding public infrastructure and equipment, Mr. Mitchell noted that the CIP is currently making its way through the Finance Committee and City Council, so this is still evolving and projects will be forthcoming to include for possible funding through the DT TOD TIF, which, among other projects, could include sidewalks. Other TIF revenues could be used for existing staff salaries, noting the UNUM TIF revenue (which TIF expires FYE15) currently funds the salaries of the Economic Development Department. This new DT TOD TIF could take over that funding. Other staff salaries the DT TOD TIF could support is portions of the City Manager's office and the Planning Department staff.

Regarding Transit investment options, Chair Donoghue said that the Hublink project is still a work in progress. He then asked Greg Jordan for his summary of potential investment options for transit.

Mr. Jordan of Metro gave the Committee members a handout (copy attached to these Minutes) of Metro's proposal to double the frequency on Congress Street. Currently, frequency during evening hours on Congress Street is 30 to 45 minutes, where this proposal is estimated to increase that frequency to every 15 to 20 minutes, making it easier to use bus transit and increasing ridership 15%. The gross cost is estimated at $400,000 supported by various revenue including an opportunity to partner with the Red Claws, Pirates Hockey – to generate revenue and ridership, as well as Metro requesting a range of $150,000-$200,000 from the proposed DT TOD TIF district.

Councilor Mavodones asked if these estimates included adding more busses and personnel, and Mr. Jordan indicated that it did.

Chair Donoghue noted the modest proposed public infrastructure and equipment investment at $100,000-$150,000, asking why it was not broader.

Mr. Rees said that staff is taking a conservative approach, particularly with the CIP still moving through the Finance Committee and ultimately City Council.

Councilor Mavodones asked if the $1 Million in new taxes estimated from the proposed DT TOD TIF has already been taken into consideration for the FY15 Budget just passed, and Mr.

Rees indicated that it had. Councilor Mavodones said he would be interested to see any impact if that $1 Million was used for DT TOD TIF projects versus for the FY15 budget.

Mr. Mitchell said that investing in these TIF items is a shift of funds that would otherwise be covered by the General Fund and that, in his experience, provides no adverse impact. In additional by sheltering this $52 Million IAV in a TIF District, the tax sheltering savings benefits is approximately 40% or $400,000+/yearly.

Councilor Mavodones suggested a future joint meeting with the Finance Committee. The Council would need to know the financial impact this year and future years, even if impact is positive. A document or table would be helpful for future budget process.

Councilor Suslovic thanked the Committee and staff for this work in progress. He just met with the Downeaster and connectivity is stressed, so he also liked Mr. Jordan's proposal. Councilor Suslovic noted changes in formulas for County Tax, State Aid for Education, and Municipal Revenue Sharing.

Mr. Mitchell said that his tax models have been recently updated based on the changes.

Councilor Suslovic then noted other transit areas, including the Forest Avenue Corridor and Morrill's Corner, suggesting future TOD TIF districts for these areas.

Councilor Mavodones said that for the Metro proposal, he would like to see their overall budget, including its various sources of revenue.

Chair Donoghue then opened the meeting for public comment. There being none, the public comment session closed.

Councilor Mavodones moved to the WTIF, particularly the public infrastructure and local dredge match items having no estimate of costs, asking if there were any ballpark estimates. Mr.

Mitchell said that he started working with Bill Needelman/Waterfront Coordinator and the City Manager on this, but concentrated efforts to date have been on the DT TOD TIF.

Regarding tax sheltering benefits, Chair Donoghue noted that the backup materials indicates that further discussions are needed with the Finance Director in order to provide analyses on impacts to General Fund. Mr. Rees concurred, particularly with the FY15 budget just passed. He will work with the Finance Director and Greg Mitchell to provide the Committee with further analyses.

Chair Donoghue said that an analysis of the savings from tax sheltering and how it can offset the cost of government would be interesting.

Councilor Hinck said that he would like to see a balance between the City Manager's budget concerns and the tax sheltering/savings.

Councilor Mavodones asked about possible seeing other community examples of a Downtown TOD/TIF and if there was more development because of it.

Chair Donoghue, noting no further questions/comments from the Committee, asked Mr. Mitchell if he had any further comments and direction for next steps.

Mr. Mitchell said that the Committee needs more support information on captured revenue and investment options; tax sheltering analyses are needed; obtain other community examples of Downtown TOD/TIF and resulting development, and impacts to General Fund; and what City TIF policy enables it to do.

Mr. Levine added that a Downtown Redevelopment Plan is needed by the State for any Downtown TOD TIF District, and he anticipates a draft outline for review the Committee when it takes this up on June 25, with some goals.

There being no further business to come before the Committee, the meeting then adjourned at 7:00.

Respectfully,

Lori Paulette

PORTLAND LARGE TIF DISTRICT 2014-2015 PROJECTED PROPERTY TAX REVENUE AND PROPOSED EXPENDITURES
5/22/2014

TIF District	2014-2015 Projected Municipal Valuation Increase	Estimated Annual Property Taxes	TIF Reserves	Proposed Investments	
Downtown/TOD	$52.0 million	$1.0 million	$0.00	$100,000	Creative Portland
				$100,000-$150,000	Public Infra. and Equipment
				$250,000-$350,000	Existing Staff Salaries
				*	Transit
				*$450,000-$600,000	Subtotal
Bayside	None	No change from previous year	$1.7 million	Public Infrastructure investments including Somerset Street Road Reconstruction	
Waterfront	$13 million	$260,000	$0.00	$100,000	Waterfront Coordinator
				*	Public Infrastructure
				*	Local Dredge Match
				*$100,000	Subtotal

* To be determined

Portland Downtown/Transit TIF
Proposed Use of TIF Revenue

CONCEPT – Congress Street "ART LINE"
Improve headways on Congress Street to every 15-20 minutes between Portland Transportation Center and the Eastern Promenade from 5:30 a.m. and 11:00 p.m.

BENEFITS

- 15 minute headways on the major section of Congress Street.
- Connections between Amtrak Downeaster, Portland Arts District, Old Port, and Eastern Promenade.
- Provide useable transit alternative for nights out on Congress Street.
- Promote walkability between Congress Street and Old Port.
- Ability to advertise Congress Street as a high frequency corridor on marketing materials.
- Ridership Boost - 15% over current Route 1 (Congress) boardings or about 25,000-30,000 boardings per year.

ESTIMATED OPERATING COSTS-REVENUE

Cost-Revenue Item	Amount	Notes
Annual Gross Cost:	$400,000	
Fare Revenue:	$60,000	Based on boardings and current fare recovery
Federal Operating Support:	$80,000	Grant support competitively awarded
Advertising:	$16,000	Current ad revenue is 4% of total agency revenue
Partnerships (Arts Community):	TBD	Explore cost sharing partnership
Partnerships (Sports/Entertainment Community):	TBD	Explore cost sharing partnership
Partnership (Amtrak Downeaster):	TBD	Explore cost sharing partnership
Portland Downtown/Transit TIF	$150,000-$250,000	Amount contingent on securing partnerships

Portland, Maine Yes. Life's good here.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

DATE: June 18, 2014

TO: Chair and Members of the Housing Community Development Committee

FROM: Greg Mitchell, Economic Development Director

RE: Tax-Acquired Property on Cliff Island – 16 Fisherman's Cove, 109B-F-39
- Recommendation Requested for Property Disposition Process through a Request for Proposals (RFP)

I. SUMMARY OF ISSUE

The Tax-Acquired Property Committee (TAPC) has been doing its diligence for forming a recommendation to this Committee regarding the future of 16 Fisherman's Cove on Cliff Island, which the City acquired through non-payment of taxes beginning with FY08 taxes.

This due diligence included a City Department wide survey, including District Councilor Donoghue and the Land Bank Commission, site visit, conditions assessment, and obtaining a Phase I Environmental Site Assessment. Regarding the results from the Department survey, this indicated that there is a longstanding interest on Cliff Island to create year round affordable island housing to sustain the community and to keep the fuel station an active fuel station, as there is no other fuel station on the island.

Also, Sustainable Cliff Island (SCI) representatives met with TAPC, and advised that it also would like to see the residence be a year-round affordable residence and the fuel station to continue in operation.

II. REASON FOR SUBMISSION

This is being submitted to the Committee for its approval for staff to issue an RFP for the sale of the 16 Fisherman's Cove property.

II. INTENDED RESULT

The intended result is for the residence to remain year round affordable island housing and to keep the fuel station in operation. There is a proposed 20-year Restriction Period for these uses built into the deed, as well as an opportunity for the City to extend the Restriction Period for the fuel station if this is in the best interests for the Cliff Island community.

In addition, the RFP highlights a goal that the City would consider, as part of the purchase consideration, a donation or trade of property on Cliff Island for use by Public Services for equipment and possible building. The estimated Public Services Department's need is for a minimum of 1 to 2 acres of buildable land.

Regarding the Phase I Environmental Site Assessment and its recommendations, the RFP indicates that the City is willing to explore partnerships to clean up the property. In addition, it indicates that the successful proposer would be eligible to apply to the City's Portland Development Corporation for loan funds for a Phase II environmental Site Assessment and/or cleanup/mitigation work.

IV. COUNCIL GOAL ADDRESSED

Develop Strategic Housing Investment Policies.

V. FINANCIAL IMPACT

To date, the total of back taxes, interest, and costs owed is $49K+, while the total assessed value of the property is currently $290,740, which should generate $5,643 yearly in property taxes.

VI. STAFF ANALYSIS AND RECOMMENDATION

TAPC's recommendation is to move forward with disposition of the property through the RFP process, under the direction of the HCDC, with the goals as stated in the RFP document – keeping the residential house for year-round affordable island housing, keeping the fuel station in operation, and that the City would consider 1 to 2 acres of buildable land as part of the purchase consideration for Public Services equipment storage.

All property owners on Cliff Island were sent a notice of this meeting, as well as other interested parties.

Attachments:

- Draft RFP Document

City of Portland, Maine

Finance Department

Request for Proposals for Sale of Tax-Acquired Property
Located at 16 Fisherman's Cove, Cliff Island
CBL: 109B-F-39.

NOTICE and SPECIFICATIONS

Sealed proposals for purchasing the Property located at 16 Fisherman's Cove, Cliff Island, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until **3:00 p.m., (give Proposers 60 days to respond) ______________________________** at which time they will be publicly opened. Proposals shall be submitted with the attached forms, and returned in sealed envelopes plainly marked on the outside "Sale of 16 Fisherman's Cove, Cliff Island." Each proposal must be accompanied by a proposal surety deposit equal to 10% of the consideration being proposed; if part of that consideration is land (see section II[3]), the fair market value of such land should be used in calculating this 10%. This may be in the form of a certified check, bank treasurer's check, bank cashier's check or money order. **Note: all checks must be in one of the above mentioned forms or the proposal will be rejected.**

Late, unsigned proposals or proposals submitted electronically shall not be accepted. All proposals shall be held open to acceptance for sixty days from opening. Proposals from individuals not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a person receive this Request from a source other than the City, please contact 207-874-8654 to ensure that you are listed as a recipient for this proposal.

All questions must be submitted in writing to the Purchasing Office. These may be mailed, hand delivered, faxed to (207) 874-8652 or e-mailed to mff@portlandmaine.gov and be received no later than five (5) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction, or change of this document will be made only by written addenda. Changes in any other manner will not be binding on the City and proposers should not rely on. Proposers should not have contact with any City staff with regard to this proposal unless to obtain general public information as specified in the document.

A site visit for all parties interested in submitting proposals will be held at the property **on Friday, _________________________, 2014 at 12:15p.m.** Attendance at this site visit of the property is a **mandatory requirement** of those submitting a proposal. If a potential proposer cannot attend this mandatory site visit, that proposer can send a designated representative.

All contact for information regarding the proposal must be addressed to the City of Portland Purchasing Office. Over the course of this proposal process, *proposal related contact* with City staff by a respondent or their agent, may be grounds for disqualification of the Proposer.

The disposal of this real estate shall be on the basis of a negotiated proposal, with the City of Portland reserving the right to refuse any and all proposals. *All proposers are advised that the property will be sold "as-is" and "where is", in its existing condition, with no warranties to be expressed or implied.* The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time. The City will not be responsible for any broker's commission. The property will be conveyed by quitclaim deed (see Attachment #6).

16 Fisherman's Cove, 109B-F-39

I. GENERAL INFORMATION

Site Information:

1) Location: 16 Fisherman's Cove, Cliff Island, as identified in the City of Portland Assessor's records as lot CBL 109B-F-39, in an I-B Zone. (See Attachment 1.)

2) General Dimensions: The lot is approximately 19,568 square feet with a single-family residential structure, fuel station, and ancillary structure.

3) Current Use: Vacant – previously a single-family use and fuel station, both have their own electrical service.

    (a) Regarding the fuel station, to continue this use, the purchaser would need to get the property in compliance with all applicable local, state, and federal regulations, including, but not limited to the Maine Department of Environmental Protection Spill Prevention Control and Countermeasure (SPCC) Program and obtain any permits required by the State Fire Marshall.

        (i) The City has been informed that there currently exists two 2,000 gallon fuel tanks and one 500 gallon fuel tank on the property.

        (ii) Given the proximity to the shoreline, it is recommended that the owner/operator of this facility have an SPCC Plan in place, even if the facility does not meet the thresholds established in the regulations (i.e., required for any facility with more than 1,320 gallons of aboveground oil storage capacity). The costs associated with spill mitigation and potential fines far exceed the cost of spill preparedness.

    (b) The property has an overboard discharge permit, with shared primary treatment for the residence and fuel station. The City has been informed that by March 1, 2015, the property's sewerage disposal system must have secondary treatment. There currently is an easement allowing an abutter to share in the use of the existing disposal system.

4) Environmental: The City has received a Phase I Environmental Site Assessment, which Executive Summary is Attachment 2 of this RFP. The City is willing to explore partnerships to clean up the property. Successful proposer will be expected to indemnify the City for these risks at closing.

   (a) The Purchaser would be eligible to apply to the City's Portland Development Corporation for loan funds for a Phase II Environmental Site Assessment and/or cleanup/mitigation work.

5) The property is in a FEMA Special Hazard Flood Zone. As such, a property owner needs to be aware that Special Hazard flood insurance may need to be purchased on existing buildings.

6) See Attachment 3 for condition of property as assessed by City staff.

7) A draft Purchase and Sale Agreement is attached as Attachment 4, to be entered into with the award recipient. Note that this is a draft Purchase and Sale Agreement that will be further negotiated with the successful proposer.

8) Proposers are urged to investigate water sources and utility connection requirements with the Department of Public Services and street build out requirements with the City's Planning Office, as well as research regulations regarding an operating fuel station as noted in #3 above.

> Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal. The City's Zoning Administrator can be contacted at (207) 874-8695. The City's Planning Office can be contacted at (207) 874-8719.

II. CITY GOALS

The City's primary goals for the reuse of the property are:

1. The reuse of the property for affordable, year round island housing – i.e., affordable to a household earning 120% or less of U.S. Department of Housing and Urban Development moderate-income figure for metropolitan Cumberland County Maine – which 120% is now $97,760 for a family of four.

   a. The proposer may be eligible to apply for City loan funds available for renovation through the Housing and Neighborhood Services Division - (207) 874-8246.

2. Keep the fuel station a running fuel station for Cliff Island. The City is contemplating a 20 year minimum term for this use, and reserves the opportunity through negotiations pursuant to sale of the property to provide a mechanism for extension of this use for additional time spans.

3. The City would consider, as part of the purchase consideration, land on Cliff Island for use by Public Services for its equipment and administration – a minimum of 1 to 2 acres of buildable land.

III. CONDITION UPON SALE OF PROPERTY

The deed to the purchaser (see Attachment 5) will contain the provision substantially as follows:

"The property will be used for (a) an affordable, year round island housing residence as noted in 'City Goals' above, and, (b) a running fuel station for island vehicles at a minimum for a 20-year term. Regarding the fuel station, the City also reserves the opportunity through negotiations to provide a mechanism for extension of this use for additional time spans."

IV. EVALUATION OF PROPOSALS

A. Proposed use(s) meet all the City Goals identified above.	**65 Points**
B. Total price offered for property.	**35 Points**

V. SALE INFORMATION

After proposals are opened, City staff will make a recommendation to the City Council's Housing and Community Development Committee (HCDC) on award of proposal, which Committee then makes its recommendation to the City Council. It is anticipated that the HCDC could review this at its meeting on Wednesday, ______________, at 5:30 p.m.

Council Action: Contract for the sale of the property will be executed only after review and final approval of the City Council.

Deed: At closing, the City shall convey the described real estate by quitclaim deed.

VI. OTHER INFORMATION

Confidentiality: Proposals received by the City shall become a matter of public record, subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B.

VII. LEGAL REQUIREMENTS

The contract for the sale of the property will be executed only after review and final approval by the City Council. At closing, the City shall convey the described real estate by quitclaim deed.

VIII. RESERVATION of RIGHTS

The City of Portland reserves the right, at its sole discretion, to award as well as reject any and all proposals for the tax-acquired property, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City may extend deadlines and timeframes, as needed.

The City reserves the right to substantiate any proposer's qualifications, capability to perform, availability, past performance records, and to verify that the proposer is current in its financial obligations to the City.

The City of Portland, Maine, reserves the right to waive any informalities in proposals, to accept any proposal or portion thereof, and, to reject any and all proposals, as well as negotiate with the successful proposer should it be in the best in the best interest of the City to do so for a final purchase and sale agreement and ultimate sale of the property.

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Proposers who are delinquent in their financial obligations to the City must do one of the following: bring the obligation current, negotiate a payment plan with the City's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful proposer.

___________, 2014 Matthew F. Fitzgerald
Purchasing Manager

Attachments:

#1 City Assessor Information, Map # *CBL* 109B-F-039, and Picture.
#2 Phase I Environmental Site Assessment Executive Summary
#3 Condition Assessment by City staff
#4 Draft Purchase and Sale Agreement
#5 Draft Quitclaim Deed

PROPOSAL

THIS PAGE MUST BE INCLUDED

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for proposals, and that their proposal is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this proposal or in any portion of the profits that may be derived therefrom, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City employee who would be paid to perform services under this proposal. An example of indirect interest would be a City employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

TOTAL PROPOSAL FOR PROPERTY:

Cash Value: $__________________________*

Land Fair Market Value for Public Services: $__________________

Enclosed is a proposal surety of $____________________________ equal to 10% of the amount being proposed (cash + land fair market value).

The proposer acknowledges the receipt of Addenda numbered ___________________________
(If Applicable)

COMPANY NAME: ____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE:______________________________ DATE: _______________
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: ____

ADDRESS:____

____

TELEPHONE: ______________________________ FAX: ______________________________

E-MAIL: ___________________________ FEDERAL TAX ID NUMBER: _______________

SALES TAX EXEMPTION NUMBER: ____

NOTE: All proposals must bear the handwritten signature of a duly authorized member or employee of the organization making the proposal. This sheet must be signed and returned with the proposal package.

Interested Parties to received notice of RFP, in addition to Cliff Island property owners:

Maia Additon
Madditon1@maine.rr.com

Brian Joyce
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Dave Schroder
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Nancy Laframboise
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Jeremy Benn, Joe Flynn Real Estate
Jeremy@joeflynnrealestate.com

Sustainable Cliff Island
c/o Roger Berle
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Aaron Additon
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Westbrook, ME 04092

David DiPietro
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Derek Smith
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Karen Snyder
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ATTACHMENT 1

Assessor's Office | 389 Congress Street | Portland, Maine 04101 | Room 115 | (207) 874-8486

City Home Departments City Council E-Services Calendar Jobs

This page contains a detailed description of the Parcel ID you selected. Press the **New Search** button at the bottom of the screen to submit a new query.

Current Owner Information:

CBL	109B F039001
Land Use Type Verify legal use with Inspections Division	RETAIL & PERSONAL SERVICE
Property Location	16 FISHERMAN'S COVE
Owner Information	KESSINGER HOLLY & BRUCE RIETH 12 PREBLE ST # 2 GORHAM ME 04038
Book and Page	21688/148
Legal Description	109B-F-39 FISHERMAN'S COVE 6-18 CLIFF ISLAND 19568 SF
Acres	0.4492

Services

Applications

Doing Business

Maps

Tax Relief

Tax Roll

Q & A

browse city services a-z

browse facts and links a-z

Best viewed at 800x600, with Internet Explorer

Current Assessed Valuation:

TAX ACCT NO.	15698
LAND VALUE	$232,800.00
BUILDING VALUE	$57,940.00
NET TAXABLE - REAL ESTATE	$290,740.00
TAX AMOUNT	$5,643.26

OWNER OF RECORD AS OF APRIL 2013
KESSINGER HOLLY &
BRUCE RIETH
91 TURKEY LN
WEST BUXTON ME 04093

Any information concerning tax payments should be directed to the Treasury office at 874-8490 or e-mailed.

Building Information:

Building 1

Year Built	1950
Style/Structure Type	CONVENIENCE STORE
# Units	1
Building Num/Name	1 - SM STORE
Square Feet	392

View Sketch View Map View Picture

Building 3

Year Built	1910
Style/Structure Type	OLD STYLE
# Stories	1
# Units	1
Bedrooms	2
Full Baths	1
Half Baths	1
Total Rooms	4
Attic	FULL FIN./WH
Basement	FULL
Square Feet	1039

View Sketch View Map View Picture

Exterior/Interior Information:

Building 1

Levels	01/01
Size	392
Use	MULTI-USE SALES
Height	8
Walls	FRAME
Heating	NONE
A/C	NONE

Outbuildings/Yard Improvements:

	Building 1
Year Built	1910
Structure	BOAT DOCK WD
Size	1X450
Units	1
Grade	C
Condition	3

	Building 2
Year Built	1910
Structure	SHED-FRAME
Size	1X180
Units	1
Grade	C
Condition	2

Sales Information:

Sale Date	Type	Price	Book/Page
8/20/2004	LAND + BUILDING	$0.00	21688/148
8/19/1986	LAND + BUILDING	$0.00	7335/253

New Search!

X = 16 Fisherman's Cove, Cliff Island/109B-F-39

Assessor Picture on File for 16 Fisherman's Cove, Cliff Island, 109B-F-39 (3/2014)

EXECUTIVE SUMMARY

Credere Associates, LLC (Credere) has performed a Phase I Environmental Site Assessment (ESA) of the Cliff Island Fueling Station and Residence located at 16 Fisherman's Cove on Cliff Island in the City of Portland, Cumberland County, Maine (the Site). This Phase I ESA was completed in conformance with the ASTM International (ASTM) Standard Practice E 1527-13 for Phase I ESAs, which meets the requirements of the U.S. Environmental Protection Agency (EPA) Standards and Practices for All Appropriate Inquiries (AAI); Final Rule (40 CFR Part 312).

Credere was retained by the City of Portland to prepare this Phase I ESA for the purpose of identifying recognized environmental conditions (RECs) as defined by the ASTM E 1527-13 standard that may impact the Site's environmental condition.

The 0.45-acre Site is located on the southeast side of Cliff Island on the northwest bay of Fisherman's Cove. The Site consists of a 1.5-story 1,039-square foot residence, a dock, and shed, which were constructed in 1910. The Site was used for strictly residential purposes until 1950 when a 392-square foot former convenience store and presumably fueling operations were constructed. The Site operated as a convenience store and fueling station until approximately 2003. The store has been vacant since that time with only biweekly use to supply fuel to islanders. The residence continued seasonal use and upkeep until approximately 2011.

The residence consists of a three-season porch, dining room, sitting room, bathroom, and kitchen on the first floor, and two small bedrooms on the second floor. A crawl space is located beneath the residence, which reveals construction upon exposed bedrock. A 55-gallon drum of kerosene, an oil pan, and a half drum were located within the crawl space. The bedrock appeared significantly discolored or stained; however, it could not be confirmed if it was petroleum staining or just an organic residue.

The docks were intact; however, according to the Code Enforcement Officer who accompanied Credere during the Site reconnaissance, the planks were unstable and at the end of their useful life.

The shed is located northwest of the residence and contained an old stove, an unlabeled rusted 55-gallon drum, several open 5-gallon buckets of oil, a portable compressor, former gas pump hoses, tires, doors, and other materials.

The fueling station has three aboveground storage tanks (ASTs): one 2,000-gallon active gasoline AST, one 2,000-gallon empty AST, and one 500-gallon active diesel AST. The ASTs are single-walled bare steel tanks without secondary containment. The associated single-walled steel piping runs above the ground, unprotected along the southeast side of the convenience store to a fuel dispenser located west of the Site building. Two out-of-service fuel pumps without secondary containment are also present in this location. The area surrounding the pumps contains heavily stained sand, and a moderate petroleum odor can be detected in the area.

The interior of the store contained four 5-gallon cans of methanol, approximately 10 gas cans with varying quantities of gasoline, two open 5-gallon buckets of oil, and several household size containers of solvents, motor oil, cleaners, and other hazardous materials. A strong petroleum odor could be detected in the building and minor staining was observed throughout the floor. A large black stain was observed on a shelf within the shed; however, it was likely a dark wood stain spill as apparent staining of drift wood was taking place in the structure.

In general, the remainder of the Site contained debris including two scrap ASTs, piping, yard waste, and boats. Possible hazardous building materials and conditions conducive to mold growth were observed at the Site.

Based on review of historical sources, environmental databases, interviews, User provided information, Site reconnaissance, and judgment by the Environmental Professional; the following RECs were identified in connection with the Site:

- REC #1 – Use of the Site as an island fueling station with evidence of a release
- REC #2 – Accumulated petroleum and hazardous material products throughout the Site
- REC #3 – Possible release and threat of release from kerosene drum in the crawl space under the residence

The following *de minimis* condition (DMC) was identified as it does not present a threat to human health or the environment and generally would not be the subject of an enforcement action of brought to the attention of appropriate government agencies:

- DMC #1 – Two scrap ASTs at the Site

The following was identified as an environmental finding, which warrants the opinion of the Environmental Professional but does not meet the definition of a REC, historical REC, controlled REC, or DMC.

- Environmental Finding #1 – Suspect hazardous building materials in/on the Site buildings

Based on the RECs, DMC, and environmental finding identified during this Phase I ESA, Credere recommends the following:

- Immediate removal of oil and hazardous material waste products throughout the Site
- Immediate stabilization and removal of possibly leaking kerosene drum in crawl space
- Removal of debris (scrap ASTs, boats, propane tanks, piping, old appliances, etc.) throughout the Site
- A Phase II investigation to assess the potential for petroleum contamination at the Site
- Sampling of the onsite well to assess impacts associated with the long history of Site use as a fueling station
- Inspection and modernization of the fueling system by a Maine Certified Tank Installer, to prevent future release or threat of release of petroleum at the Site
- A Hazardous Building Material Survey (HBMS) to assess for asbestos-containing materials (ACMs), lead-based paint (LBP), and polychlorinated biphenyl (PCB)-containing building materials
- If the residence is planned to be re-occupied, conduct a mold assessment due to the observed water damage and moist crawl space

Assessment of Tax acquired Property – 16 Fisherman's Cove Road, Cliff Island

Overview: The above stated property, out buildings and dock was assessed for its conditions on Wednesday May 21. 2014. The property consists of a small waterfront home, two outbuildings and a dock located on Cliff Island. The waterfront consists of ledge and rock (no beach). The entire lot size is less than ½ acre in size. The use of the property was a residential home, convenience store and fuel depot. It is currently zoned 1B. There are at least three fuel tanks on site. One of which is still in use.

Building #1: Is one story wood frame structure with a dock built in 1950 that was used as a convenient store. An annex was added sometime after that date. The two buildings combine for approximately 392 square feet. The original building was built on wood supports, directly on the ledge and appears to be close to the end of their life span. The structure itself appears to be in good condition. The shingles on the outside walls are weathered and in need of replacing. The annex consists of wood frame structure and rests on a poured concrete slab foundation. It also appears to be structurally sound. Electrical service is 100 amp breakers.

The dock is a wood structure with supporting piers. The support system appears to be in good shape, although I could only view it from a distance. However, the decking is unsafe to walk on and is missing in many places.

Building #2: Is the main residential building, city records indicate it was built in 1910. It's a wood frame "old style" home and is structurally sound. Internally, the home is dated and in need of work, the three season porch roof leaks and many of the ceilings throughout the home are in bad shape. The first floor consists of an entry way hall, kitchen, dining room, living room and full bath. The second floor consists of two bedrooms, one which has a small dormered space. It's not known if there is any insulation in the walls. The roof shingles are in bad shape and most likely at the end of their life span. The dwelling is supported by wood posts that rest on poured concrete blocks. The basement is accessible by an outside door and would be considered a crawl space. There is considerable amount of ledge under the building. The basement is approximately 6 feet high on one side and as low as 3 feet on the other. Electrical is 100 amp breakers. The outside walls are covered with white vinyl siding and are in good shape.

The water supply is from two wells. One which is dug and the other drilled. The water supply has been off for about five years so it is unknown if the plumbing and wells are still operational. There is a septic system and leach field, but it's unknown if they are still operational and their age is unknown. The dwelling does have overboard discharge.

Building #3: Is a wood frame two story shed type structure that is approximately 180 square feet. It appears to be structurally sound and is supported by concrete piers. The wood clapboards are missing on the rear of the building and will need coverage. There is no electrical or plumbing to the structure.

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT for the purchase and sale of real estate made this ______ day of ______________, 2014 by and between the **CITY OF PORTLAND**, a body politic and corporate located in Cumberland County, Maine, (hereinafter referred to as "**CITY**"), and ________________________, with a mailing address of ___________________________ Portland, Maine, (hereinafter referred to as "**BUYER**").

W I T N E S S E T H:

WHEREAS, **CITY** is the owner of certain land located 16 Fisherman's Cove, on Cliff Island, in Portland, Maine, which described in the quitclaim deed attached hereto as Exhibit A, and incorporated herein (the "Premises"); and

WHEREAS, the **BUYER** desires to purchase the Premises;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties, intending to be legally bound, hereby agree as follows:

1. SALE

CITY agrees to sell to **BUYER** the Premises, and **BUYER** agrees to buy the Premises and accept the deed to the same, for the consideration set forth here.

2. CONSIDERATION

The consideration for the Premises shall be ________________ Thousand Dollars ($_________,000.00).

3. TITLE

Title to the Premises shall be conveyed by Quitclaim Deed as shown in Exhibit 1.

4. CONTINGENCIES

This Purchase and Sale Agreement is further subject to only the following contingency:

Approval of this Purchase and Sale Agreement by the Portland City Council.

5. CLOSING

The closing shall be held at City Hall, within thirty (30) days after approval of the Portland City Council, at a time agreeable to the parties.

6. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.

7. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maine.

8. NOTICE

Any notice required or permitted under this Agreement shall be deemed sufficient if mailed with first class postage affixed or delivered in person to:

FOR THE CITY: City of Portland
ATTN: CITY MANAGER
389 Congress Street
Portland, ME 04101

FOR BUYER: ___________________
____
Portland, Maine 0410_

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first written above.

CITY OF PORTLAND

_________________________	_______________________________
WITNESS	Mark H. Rees City Manager
_________________________	_______________________________
WITNESS	*(insert printed name)* **Buyer**
Approved as to Form:	Approved as to Funds:
	_______________________________
Corporation Counsel's Office	Finance Director

O:\OFFICE\LARRY\TAPC\fishermans cove cliff\PandS for sale of fishermans cove cliff.doc

MUNICIPAL
QUITCLAIM DEED

KNOW ALL PERSONS BY THESE PRESENTS, THAT **CITY OF PORTLAND**, a municipal corporation with a mailing address of 389 Congress Street, Portland, Maine (the "City") for consideration paid, releases, and quitclaims without covenant, to **_______________ __________________________,** with a mailing address of ____________________________, Portland, ME 04____, the real property in the City of Portland, County of Cumberland, State of Maine, particularly described in EXHIBIT A attached hereto and hereby made a part hereof.

The property herein conveyed is subject to the terms, restrictions and conditions in Exhibits A, B, C and D attached hereto and hereby made a part hereof.

IN WITNESS WHEREOF, Ellen L. Sanborn, Finance Director of the City of Portland, has hereunto executed this instrument on this __ day of _______________, 2013.

WITNESS	**CITY OF PORTLAND**
______________________________	By:_____________________ Ellen L. Sanborn, Finance Director

STATE OF MAINE
CUMBERLAND, ss. _______________ ___ 2013

Personally appeared the above-named Ellen L. Sanborn, Finance Director of the City of Portland, Maine, and acknowledged the foregoing, instrument to be her free act and deed and the free act and deed of said City of Portland.

Before me,

____
Notary Public/Attorney-at-Law, Bar #______

____
Print Name

Approved as to form:

____
Corporation Counsel's Office

O:\OFFICE\LARRY\TAPC\fishermans cove cliff\Deed from City.doc

EXHIBIT A

109-F-39
16 Fisherman's Cove, Cliff Island
Liened by the City of Portland in
2008 and every year since then

A certain lot or parcel of land, with buildings thereon situated on the southeasterly side of Cliff Island in Casco Bay, in Portland, Cumberland County, Maine, bound and described as follows:

Beginning at a point in the westerly sideline of land formerly of Hannah C. Small, sixty (60) feet southeasterly from the "City Street", so-called; thence southwesterly parallel with said street, sixty-three (63) feet to land conveyed by Luch A. Small to George E. Nickerson; thence southeasterly along said Nickerson land to the seashore; thence northeasterly along said shore to land formerly of Hannah C. Small; thence northwesterly along the westerly line of land formerly of Hannah C. Small to the point of beginning; together with a right of way from the northwesterly corner of the land hereby conveyed to the "City Street" so-called, over a strip of land now or formerly of Lucy A. Small lying between lands conveyed to George E. Nickerson and Mary E. Hammond.

Also adjacent lot or parcel of land situated on the southeasterly side of Cliff Island, in Casco Bay, in Portland, Cumberland County, Maine, bounded and described as follows:

Beginning at the most northerly corner of the before described lot of land, and at a point sixty (60) feet southeasterly from the "City Street" so-called; thence northeasterly along the line of land conveyed by Hannah C. Small to Mary G. Hammond, fifty-three (53) feet to a point; thence southeasterly parallel with the northeasterly line of the before described lot of land to the seashore; thence southwesterly and southerly along the shore to the before described lot of land; thence northwesterly along the northeasterly sideline of the before described lot of land, to the point of beginning.

Subject to any encroachment that may exist now or may have existed before, caused by a wooden workshop building on the boundary of the property herein conveyed, but only to the extent that such encroachment is valid and enforceable.

Together with the buildings and improvements, including the wharf now situated on said premises, and the shore and flats abutting or appurtenant to the property herein conveyed, including all riparian rights, littoral rights and rights of fishery.

Also subject to the easement conveyed by Suzanne H. Rieth to Muriel S. Anderson by deed dated January 19, 1990 and recorded in the Cumberland County Registry of Deeds in Book 9065, Page 262.

Meaning and intending to convey, and hereby conveying, the same property as described in the tax lien certificate recorded on June 17, 2008, in the Cumberland County Registry of Deeds in Book 26133, Page 234. Title reference is made to the Affidavit of Linda McLeod dated April 11, 2014, recorded in said Registry in Book ________, Page ______.

Title reference is also made to the Personal Representative's Deed of Distribution from Bruce McAfee, Personal Representative of the Estate of Suzanne H. Rieth, (see Cumberland County Probate Docket No. 2003-141 to Holy Kessinger and Bruce Rieth, dated April 20, 2004, and recorded in said Registry in Book 21688, Page 1483.

EXHIBIT B

Residential Restrictions

1. The covenants and restrictions on the Grantee set forth herein are intended to be and shall be considered covenants which run with the real estate described in Exhibit A attached hereto and shall bind all subsequent owners of the real estate described in Exhibit A attached hereto, except to the extent provided herein, but only during the Restriction Period.

2. The covenants of the Grantee set forth herein are enforceable by City as a contract except to the extent provided herein.

3. The covenants of the Grantee set forth herein shall survive a sale, transfer, or other disposition of the Premises by the Grantee, foreclosure or transfer of title in lieu of foreclosure, or the repayment of the loan, except to the extent provided herein.

4. The term "Restriction Period" as used herein shall mean the period beginning on the date of the deed from the City of Portland to which this Exhibit is attached, and terminating on a date twenty (20) calendar years thereafter.

5. The Grantee agrees to comply with these restrictions throughout the Restriction Period.

6. The Grantee hereby covenants and represents to City as follows:

   a. The Premises shall consist of the land described in Exhibit A together with a residential building and structures and facilities functionally related and subordinated thereto; and a commercial building and structures and facilities functionally related and subordinated thereto.

   b. If the residential building on the Premises is rented, leased or otherwise used by a non-owner:

      i. The total housing costs including rent and utilities of tenants occupying the rent restricted unit in Premises as of the date of these restrictions may not increase for twelve months beginning on the date of these restrictions.

      ii. The Grantee shall maintain all of the units included in the Premises rented or available for rental on a continuous basis to members of the general public throughout the Restriction Period; unless they are used by the Grantee. Rentals shall not generally be for less than six months, but with customary rights of termination.

iii. Throughout the Restriction Period, the residential unit on the Premises must be occupied by individuals or families with households at or below 120% of area median income, but subject to the terms conditions stated herein, including (b)(vi) below.

iv. Income and area median income shall be as determined by the United States Department of Housing and Urban Premises and income limits shall be adjusted for family size.

v. At least annually, City shall determine whether the income, based on the current income, of the tenants residing in the Premises exceeds the applicable income limits as described in this Section 6 (the "Determination"). The Grantee shall furnish to City such information as City shall require, including certification of occupancy and tenant income, in order to assure that the covenants set forth herein are being fully satisfied.

vi. A unit occupied by a tenant who, at the commencement of occupancy, met the applicable income limitations shall continue to be treated as occupied by a qualified tenant until the tenant's income exceeds one hundred fifty percent (150%) of the area median income, adjusted for family size, at the time of the most recent Determination. After such Determination, but before the next Determination, such tenant shall voluntarily or by eviction if necessary depart the Premises.

vii. Grantee agrees to furnish to City such information as City may require in form acceptable to City, including without limitation certifications and/or verification of occupancy and tenant income certifications to determine Grantee's compliance with the covenants set forth herein.

viii. Grantee shall maintain and keep current all records concerning the Premises, including, but not limited to, records related to compliance with the covenants contained in these restrictions, until the expiration of the Restriction Period. Upon reasonable notice, City may audit and examine these records, and may inspect the buildings and grounds at the Premises.

ix. Grantee shall use tenant lease forms acceptable to City, or, if there are no written leases, written and signed certifications by tenants to determine whether tenants meet the applicable income limits. Such leases or certifications shall contain clauses wherein each tenant certifies as to the accuracy of statements made relating to income and agrees that family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, that the tenant will comply with all requests for information with respect thereto from the Grantee or City, and that failure to provide accurate information or refusal to comply with a request for information shall be deemed a violation of the tenancy.

7. Grantee agrees that it will cause the residential portion of the Premises to be kept in reasonable repair, and shall see that all reasonably necessary repairs are made.

8. Grantee agrees that it shall pay real estate taxes, as assessed by City, on Premises. In the event that ownership of the Premises or a portion thereof becomes tax exempt, either by transfer, conversion or otherwise, an amount shall be paid annually to City, equal to the amount that would have been assessed as real estate taxes had the Premises or a portion thereof remained taxable. Grantee shall notify any party to whom it transfers any of its interest in the Premises of this requirement.

9. Grantee covenants and agrees to take such action as City deems necessary to comply with the covenants herein or to correct or cure any failure of the Grantee to comply with the covenants herein, including, without limitation, the eviction of any tenant in accordance with applicable law. In the event the Grantee fails to comply with the covenants set forth herein, and fails to cure such non-compliance within any applicable cure period, City shall be able to maintain an action in law or in equity against the Grantee to require the Grantee (through injunctive relief or specific performance) to comply with the provisions and covenants set forth herein and to immediately cure any failure to comply with the covenants set forth herein by the Grantee.

10. Grantee shall indemnify and hold City and its agents harmless from and against any and all claims, demands, liability, loss, cost or expense (including, but not limited to attorney's fees and other costs of litigation) which may be incurred by City arising out of or in any way related to the Grantee's breach of any of its obligations under these restrictions as a result of such breach. The obligations survive the termination or expiration of these restrictions as necessary to effect its provisions.

11. Grantee covenants that if a lien for the performance of work or the furnishing of labor or materials is filed against the Property, Grantee shall cause it to be satisfied, discharged or bonded within a period of sixty (60) days after the date of filing of such lien.

12. These restrictions may be amended or modified in whole or in part only by written agreement of Grantee and City clearly expressing the intent to modify these restrictions.

13. The validity of any clause, part or provision of these restrictions shall not effect the validity of the remaining portions of thereof.

14. These restrictions shall be binding upon Grantee's respective heirs, personal representatives, executors, administrators, successors and assigns and shall inure to the benefit of and be enforceable by City, its successors, transferees and assigns.

EXHIBIT C

Commercial Restrictions

1. The purpose of these restrictions is to ensure the continued availability of vehicular and marine fuel products, which have been sold from a portion of the Premises for many years, and by doing so, to make life on Cliff Island more easily viable.

2. The covenants and restrictions on the Grantee set forth herein are intended to be and shall be considered covenants which run with the real estate described in Exhibit A attached hereto and shall bind all subsequent owners of the real estate described in Exhibit A attached hereto, except to the extent provided herein, but only during the Restriction Period.

3. The covenants of the Grantee set forth herein are enforceable by City as a contract except to the extent provided herein.

4. The covenants of the Grantee set forth herein shall survive a sale, transfer, or other disposition of the Premises by the Grantee, foreclosure or transfer of title in lieu of foreclosure, or the repayment of the loan, except to the extent provided herein.

5. The term "Restriction Period" as used herein shall mean the period beginning on the date of the deed from the City of Portland to which this Exhibit is attached, and terminating on a date twenty (20) calendar years thereafter. The City reserves the right to extend this Restriction Period.

6. The Grantee agrees to comply with these restrictions throughout the Restriction Period.

7. The Grantee hereby covenants and represents to City as follows:

   a. The Premises shall consist of the land described in Exhibit A together with a residential building and structures and facilities functionally related and subordinated thereto; and a commercial building and structures and facilities functionally related and subordinated thereto.

   b. The existing commercial portion of the Premises, including the commercial building and structures and facilities functionally related and subordinated thereto, shall continue to be used only for commercial purposes, including but not limited to the sale of petroleum based fuel for vehicles and boats.

8. Grantee shall maintain and keep current all records concerning the Premises, including, but not limited to, records related to compliance with the covenants contained in these

restrictions, until the expiration of the Restriction Period. Upon reasonable notice, City may audit and examine these records, and may inspect the buildings and grounds at the Premises.

9. Grantee agrees that it will cause the commercial portion of the Premises to be kept in reasonable repair, and shall see that all reasonably necessary repairs are made; and that the Premises are brought into compliance with applicable laws and ordinances.

10. Grantee agrees that it shall pay real estate taxes, as assessed by City, on Premises. In the event that ownership of the Premises or a portion thereof becomes tax exempt, either by transfer, conversion or otherwise, an amount shall be paid annually to City, equal to the amount that would have been assessed as real estate taxes had the Premises or a portion thereof remained taxable. Grantee shall notify any party to whom it transfers any of its interest in the Premises of this requirement.

11. Grantee shall indemnify and hold City and its agents harmless from and against any and all claims, demands, liability, loss, cost or expense (including, but not limited to attorney's fees and other costs of litigation) which may be incurred by City arising out of or in any way related to the Grantee's breach of any of its obligations under these restrictions as a result of such breach. The obligations survive the termination or expiration of these restrictions as necessary to effect its provisions.

12. Grantee covenants that if a lien for the performance of work or the furnishing of labor or materials is filed against the Property, Grantee shall cause it to be satisfied, discharged or bonded within a period of sixty (60) days after the date of filing of such lien.

13. The City shall have the right and option to purchase either (its its election) the Property, or the portion of the Property used for commercial purposes, during the later of the last full year of the Restriction Period, or the calendar year 2034. The purchase price shall be the value of of the real property, buildings, improvements and commercial fixtures related thereto, as determined by the assessor for the City of Portland. Additional terms of this option are set out in Exhibit D, attached hereto. The parties hereto hereby agree that this right and option to purchase, and the City's rights in the Property thereby created, are immediately fully vested and are hereby deemed to be fully vested in any event, not contingent, and shall, by agreement, not be subject to the Rule Against Perpetuities, or any statutory enactment thereof, or similar law.

14. These restrictions may be amended or modified in whole or in part only by written agreement of Grantee and City clearly expressing the intent to modify these restrictions.

15. The validity of any clause, part or provision of these restrictions shall not effect the validity of the remaining portions of thereof.

16. These restrictions shall be binding upon Grantee's respective heirs, personal representatives, executors, administrators, successors and assigns and shall inure to the benefit of and be enforceable by City, its successors, transferees and assigns.

EXHIBIT D

1. City, its successors or assigns, may exercise this Option only by giving written notice (hereinafter referred to as the Notice) within the Option Period, in any of the following manners: (a) by letter of City addressed and posted in the U.S. Mail by certified or registered mail, return receipt requested, addressed to the then owner of the Property (as indicated in the records of the Assessor for the City of Portland, 16 Fisherman's Cove, Cliff Island 04019, (b) by letter of any attorney-at-law purporting to act for City or for any such assignee addressed to Grantee or its successors or assigns, in the manner aforesaid. Notice shall be effective when posted in accordance with the foregoing sentence. Notice is to be accompanied by a payment to Grantee or its successors or assigns of the Earnest Money in the amount of One Thousand Dollars ($1,000.00). City shall indicate in said Notice the date, time and place for closing, which shall be held not less than ten (10) nor more than sixty (60) days after the giving of such Notice.

2. If City, its attorney, successors or assigns, exercise this Option to purchase the Premises, then in consideration of the terms, covenants and conditions contained herein, the parties mutually agree as follows:

a. Upon the giving of the above-mentioned Notice of election to purchase by City, its successors or assigns, together with the Earnest Money, Grantor shall thereby be bound to sell and City shall thereby be bound to purchase the Premises upon the terms and conditions set forth herein. Grantee or its successors or assigns shall convey the Premises by a good and sufficient warranty deed granting marketable title thereto, free and clear of all encumbrances and defects in title except for utility easements of record servicing the Premises. The closing shall be held at the date, time and place set forth in said Notice, or at such reasonable date thereafter as may be required to clear any encumbrance and defects in title, and Grantee or its successors or assigns shall then and there deliver the deed to City, its successors or assigns, upon tender of the balance of the purchase price by certified check, cashier's check, or cash. The balance to be tendered to Grantee or its successors or assigns shall be the Purchase Price, less all Earnest Money and Option Consideration.

b. If counsel for City, or its successors or assigns, shall be of the opinion, given in good faith, that the title to said Premises is defective or is otherwise not free and clear of all encumbrances or that the title is not marketable, then City, its successors or assigns, shall have the right, provided it or they shall have exercised this Option, to extend the time for conveyance of the Premises, during which time Grantee or its successors or assigns shall make every effort to remove such defects at its own expense, to the satisfaction of counsel of City, its successors or assigns. If record title proves defective and Grantee or its successors or assigns shall fail to remove such defect within a reasonable time after notice from City of the nature of the defect, City may, at its election, (a) cure any such defect and deduct the cost thereof from the Purchase Price at closing, or

(b) elect to close notwithstanding any such defect, or (c) terminate this Option by written notice to Grantee or its successors or assigns, whereupon all Earnest Money and Option Consideration paid by City to Grantee or its successors or assigns shall immediately be returned to City and thereafter the parties shall be relieved of all obligations.

c. If all obligations of this agreement have been performed, excepting that City does not complete the purchase, Grantee or its successors or assigns shall retain the Earnest Money as full liquidated damages, and without recourse to any other remedies.

d. Grantee or its successors or assigns hereby agrees that the description in the warranty deed to be delivered at closing shall, at the option of City, utilize a description determined by City's survey of the Premises.

e. Full possession of the Premises, free of all encumbrances except as aforesaid, is to be delivered to City at closing, with the Premises to be in the reasonably functional condition, reasonable wear and tear excepted.

f. Real estate taxes shall be prorated as of the time of the passing of title. Real estate transfer taxes, if any, arising in connection with the conveyance of the Premises shall be paid by City and/or Grantee or its successors or assigns in accordance with the custom of the locality where the Premises are situated.

g. Upon the giving of the above-mentioned Notice of election to purchase by City, its successors or assigns, together with the Earnest Money, Grantor shall thereby be bound to sell and City shall thereby be bound to purchase the Premises upon the terms and conditions set forth herein. Grantee or its successors or assigns shall convey the Premises by a good and sufficient warranty deed granting marketable title thereto, free and clear of all encumbrances and defects in title except for utility easements of record servicing the Premises. The closing shall be held at the date, time and place set forth in said Notice, or at such reasonable date thereafter as may be required to clear any encumbrance and defects in title, and Grantee or its successors or assigns shall then and there deliver the deed to City, its successors or assigns, upon tender of the balance of the purchase price by certified check, cashier's check, or cash. The balance to be tendered to Grantee or its successors or assigns shall be the Purchase Price, less all Earnest Money and Option Consideration.

h. If counsel for City, or its successors or assigns, shall be of the opinion, given in good faith, that the title to said Premises is defective or is otherwise not free and clear of all encumbrances or that the title is not marketable, then City, its successors or assigns, shall have the right, provided it or they shall have exercised this Option, to extend the time for conveyance of the Premises, during which time Grantee or its successors or assigns shall make every effort to remove such defects at its own expense, to the satisfaction of counsel of City, its successors or assigns. If record title proves defective and Grantee or its successors or assigns shall fail to remove such defect within a reasonable time after notice from City of the nature of the defect, City may, at its election, (a) cure any such defect and deduct the cost thereof from the Purchase Price at closing, or (b) elect to close notwithstanding any such defect, or (c) terminate this Option by written notice to Grantee or its successors or assigns, whereupon all Earnest Money and Option Consideratiom paid by City shall be immediately returned to City and thereafter the parties shall be relieved of all obligations.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: June 20, 2014

SUBJECT: **Proposed Combination Downtown/Transit Oriented Development/ Arts TIF District**

This memorandum provides updated information to support continued policy discussion related to establishing a Downtown (DT)/ Transit Oriented Development (TOD)/Arts Tax Increment Financing District.

Updated information includes the following for discussion and direction:

Draft City of Portland Downtown Infrastructure Plan Outline, Including Map

Enclosed is a Draft City of Portland Downtown Infrastructure Plan Outline prepared by City Planning staff to support the establishment of the proposed combination TIF district. Please note that this draft document is a work in progress and is presented to receive feedback and direction from the HCDC. Having a plan in place is a State TIF law requirement to establish a combination TIF district.

Property Tax Revenue Projections and Tax Shelter Estimates

The updated increased municipal assessed valuation in the 2014/2015 City budget, per the City Assessor, for the proposed DT/TOD/Arts TIF District area is $50 million. At a previous meeting, I had reported this preliminary value to be $52 million.

Property tax revenue and tax shelter estimates for the proposed DT/TOD/Arts TIF District with a one hundred percent captured value of $50 million will generate $1 million annually in tax revenue. See attached spreadsheet with estimates for a thirty-year period which is the maximum length of time to establish a TIF district under state law.

Also, the tax shelter estimates associated with capturing this amount of valuation show an annual savings of over $400,000 based upon establishing a TIF district to direct use of this new tax revenue.

The provided property tax projections and tax shelter estimates represent a conservative approach to predicting the future amount of tax property generated over a thirty year period to provide a predictable source of funds to finance investments in future public infrastructure, City staff salaries, new transit capital/operational expenses or economic development programs. It is recognized that there will be annual adjustments both up and down to municipal property values.

Historic Downtown Public Infrastructure Investment

The collection of this information is a work in process. I will update the Committee at the June 25th meeting regarding the status of this information.

Recommended Public Infrastructure, Staff Salaries, Transit Services and Economic Development Programs Investment

This work is in process. I will update the Committee at the June 25th meeting regarding the status of this information.

City Fiscal Impact Analysis

This work is in process, as well, working with the City Finance Director. I will update the Committee at the June 25th meeting regarding the status of this information.

Other Community DT/Transit/Arts TIF District Examples

The HCDC had asked staff to obtain other community TIF district examples. A few community examples obtained by staff under review include:

Topsham DT TOD TIF - 100% capture - 30 years - FY2015 through FY2044.

South Portland TOD TIF - 25% capture for 30 years - FY2011 through FY2040

Bangor Downtown TIF - 100% capture for 20 years - FY2007 through FY2026

Wilton Downtown TIF - 100% capture for 30 years - FY2015 through FY2044

Hallowell Downtown and Arts TIF District - 100% capture for 30 years - FY2015 through FY44

City TIF Policy

The City TIF Policy is attached for your information.

I look forward to continuing this discussion with you to obtain policy direction related to next steps.

Attachments:

1. Draft City of Portland Downtown Infrastructure Plan Outline
2. Spreadsheets with estimated DT TOD TIF Revenue and Tax Sheltering Savings
3. Current City TIF Policy

CITY OF PORTLAND DOWNTOWN INFRASTRUCTURE PLAN

TABLE OF CONTENTS

INTRODUCTION

The purpose of this Downtown Infrastructure Plan is to provide a synopsis of the myriad policy goals and slated projects targeted towards improving the built environment of Portland's downtown, specifically the area of the peninsula encompassed by the Downtown TIF (Figure 1). As the largest city in the State of Maine, Portland's downtown is vitally important to the city, the region and the state as an economic engine and cultural hub. The City is constantly evolving and adapting to new realities, making every effort to plan for a healthy, sustainable, economically robust and innovative downtown to engage residents and visitors alike.

In any given year Portland is involved in myriad planning and public engagement initiatives focused on its downtown. These initiatives are carried out across multiple departments, including Planning and Urban Development, Economic Development and Public Services, and in conjunction with regional agencies. There are consequently many planning documents pertaining to planning for the many facets of downtown. This document does not seek to replicate or summarize all of those initiatives, but to summarize the investment implications of fulfilling those goals approved or underway.

DOWNTOWN INFRASTRUCTURE PLAN GEOGRAPHY

The Downtown TIF, at approximately xx acres, is bounded to Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF districts to the north and south.

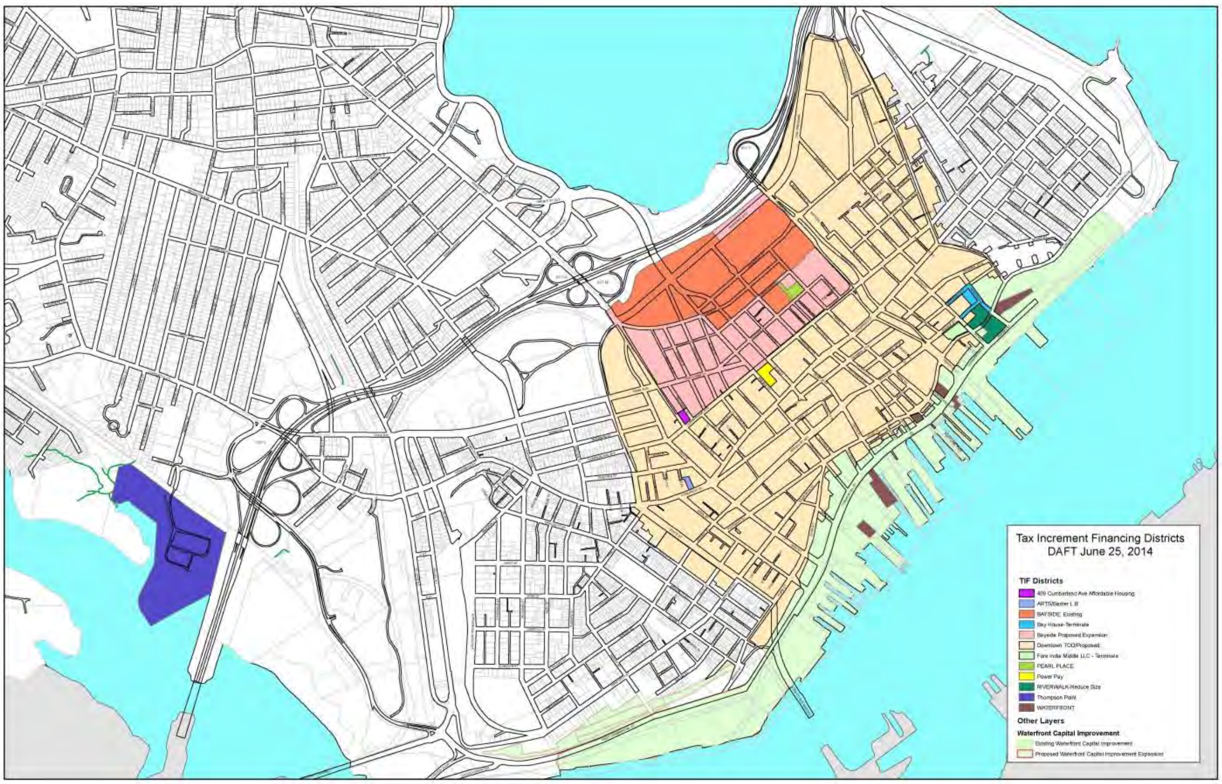

Figure 1, Portland TIF Districts – Downtown TIF in tan.

DOWNTOWN PAST & FUTURE

Urban Renewal Background

Economic and Demographic Trends

Looking Ahead

PLAN PURPOSE

This plan lays out the various infrastructure investments needed to support a successful urban environment, consolidating recommended infrastructure-related investments from the existing Comprehensive Plan, ongoing maintenance, scheduled investments, and current policy initiatives. In the context of downtown redevelopment and this study, the term "infrastructure" is used to mean the services and capital investments required to support a successful urban environment.

DOWNTOWN INVESTMENT FOCUS AREAS

Creative Economy

Portland's Arts District is a critical factor in the quality of Portland's downtown urban environment, its community life and its economic life. It seeks to support the continued presence of artists and art institutions and events. The Arts District is centered on the downtown portion of Congress Street. Maintaining a supportive environment for the Arts District requires ongoing physical and operational investments to keep it a compelling, accessible destination.

Currently its own TIF District, its needs are being consolidated into the Downtown TIF. In FY14, revenues from the Arts TIF District supported Creative Portland for $100,000, and the Baxter Library Development for $30,700.

Public Transit

Traffic Flow

Bicycle & Pedestrian

Streetscape and Public Space

Below Grade Infrastructure

- Stormwater and green infrastructure
- High Speed Internet

Wayfinding

Lighting

ANTICIPATED COSTS

CURRENT PLANNING INITIATIVES

Congress Street Bus Priority Corridor

The 2012, the City of Portland with GPCOG and PACTS, carried out a FTA-funded study to consider a portion of Congress Street as a "Bus Priority Corridor." The Congress Street Bus Priority Corridor concept was recommended by the 2009 Peninsula Transit Study, an approved component of the City's Comprehensive Plan. The study area extends along Congress Street from Franklin Street to State Street. The final results and recommendations of this process are limited to a set of infrastructure improvements to the Congress Street corridor within the study area, specifically including the following in the TIF area: traffic signal removal and pedestrian crossing enhancements; traffic signal coordination and modification between State and Pearl Streets; Signage improvements, including mast arm installations; consolidated and improved bus stops between State and Franklin Streets with new shelters at five key locations; and revised curb lines and pavement markings to facilitate improvements noted above.

Congress Square Redesign

On August 2, 2013, the City of Portland launched a visioning process for the redesign of Congress Square. The goal of this process is to create a shared vision for Congress Square as an urban open space and focuses on the activities and uses that might happen throughout the spaces within the square. Congress Square includes the intersection of High and Congress Streets, Congress Square Plaza, the public spaces in front of the Portland Museum of Art and the H. H. Hay building, and surrounding sidewalks and traffic islands.

India Street Sustainable Neighborhood Plan

The purpose of the India Street Sustainable Neighborhood Plan is to create a policy and infrastructure masterplan to guide land use, capital investments, and strategic initiatives through the next phase of the area's development as a *downtown adjacent* neighborhood. Planning for this area is ongoing, with streetscape, green infrastructure and utility recommendations emerging.

Street - Free Street Area Streetscape Plan

Spring Street is are at the center of the Portland Downtown District and acts as a critical transportation and development corridor between Franklin Arterial and High Street – linking the Old Port with the Arts District and the East End with the West End. The connective nature of this area means it is of great importance to the functionality and amicability of Portland. It is also home of the Cumberland County Civic Center, Portland Museum of Art, the University of Maine Health, as well as numerous businesses that supply vibrancy to Portland's Downtown District. This portion of Spring Street was constructed as an arterial in the 1970s as a part of the Victor Gruen Patterns for Progress Downtown renewal plan for a set of "ring roads," a plan that was never carried to completion. This project seeks to reintegrate Spring

Street into the fabric of the city by transforming it into a complete street that better connects with the districts around it.

Franklin Street Corridor Feasibility Study
Starting as a citizen-led planning effort, the Reclaiming Franklin Street study developed three concept level plans for transitioning Franklin Street from an Urban Renewal era highway into a multi-modal urban mixed use corridor. The concepts retained the arterial function of the street, but add cross street connectivity, bicycle and pedestrian infrastructure, and improved access to adjacent properties in a less land consumptive right of way. Since these initial efforts, the City has partnered with PACTS and MaineDOT to establish a preferred alternative for design from the concept drawings. This effort is currently underway.

Portland Transportation Hub Link Study
The City of Portland, in conjunction with PACTS, METRO, and the GPCOG is seeking to create a phased operational plan for improved transit services linking established Portland transportation hubs. It calls for feasibility analysis of several major route alternatives, each with downtown route and stop implications.

State and High Streets Two Way Conversion Study
This study was funded by the City for the purpose of improving transportation in a portion of the city core. A large proportion of the infrastructure within this area is in need of an upgrade, so before making any financial investment, the study will assess what kind of changes could make the area more functional for all transportation modes – pedestrians, bicycles, transit and other vehicles.

RELATED PLANS AND DOCUMENTS

The following is a listing of policy documents with significant downtown infrastructure implications for some or all of the Focus Areas above. Not included in this list are the many projects underway and anticipated, whether slated capital improvements or ongoing maintenance of the existing public realm. A listing and map of Department of Public Services projects planned for implementation in 2014 and 2015 is included as *Appendix 1*, and a list of Recommended Capital Projects for the same time period is included as *Appendix 2*.

Comprehensive Plan Elements

Downtown Vision (1991)
The 1991 Downtown Vision set a framework for downtown, including recommendations for parking, open space, lighting, economic development and the arts. Some of it has been implemented, some superseded by subsequent studies, but it remains broad in its reach for what a thriving downtown requires.

A Plan for Portland's Arts District (1995)

This Plan's goal was to implement art-related portions of the Downtown Vision Plan, to make recommendations on how to best support development of Portland's arts economy, and to guide the planning process for what was then Portland's emerging downtown arts district. It is inseparable from the overall needs of downtown, emphasizing the importance of pedestrian connections, parking and transit strategy, a downtown Arts District designation, and the importance of the economic health of arts institutions and the role of the arts in the downtown economy.

Portland Downtown Traffic & Streetscape Study (1999)
The project study area is focused on Congress Street between State Street and Franklin Street, and makes recommendations regarding on-street parking, crafting a pedestrian-friendly streetscape that includes sidewalks, intersections, public parks and plazas, street trees, street furniture and bicycle parking, among others.

Portland's Comprehensive Plan Volume 1 & 2 (2002 & 2005)
These two volumes are the overarching documents that broadly address policy goals as well as inventory and analysis of existing conditions. They touch on many long term infrastructure needs of the city, including transportation, economic development, population and housing, and other areas critical to planning to accommodate future growth. These two volumes remain valuable, foundational documents that support the more in depth policy documents adopted by reference as part of the Comprehensive Plan.

City of Portland Wayfinding System Study (2008)
The Portland Wayfinding System Plan created a set of criteria and graphic conventions for vehicular and pedestrian wayfinding city-wide. The Plan additionally established wayfinding districts and pedestrian signage for the Old Port, Government, Waterfront and Arts Districts. Pedestrian signage for these districts has been installed. In 2013 the City completed, in conjunction with Portland Area Comprehensive Transportation System (PACTS), a Portland Peninsula Vehicular Wayfinding Plan, including bicycle wayfinding, that has not yet been implemented.

Connecting Libbytown Trail Plan (2009)
The Connecting Libbytown plan envisions improved pedestrian and bicycle linkage between the Fore River Parkway and the Portland Transportation Center to Deering Oaks and the planned extension of the Bayside Trail. In addition to providing quality of life amenities for the Libbytown neighborhood, the plan's implementation will close gaps in completing a circapeninsular trail network. Though Libbytown itself is not in the TIF, the connections this plan identifies overlap with the Downtown TIF boundaries.

Portland Peninsula Transit Study (2008)
The Peninsula Transit Study was approved in 2009 with the expressed goal of reducing the number of single occupancy vehicle trips to and from the Portland Peninsula. Using an integrated approach of policy, land use, and infrastructure innovations, the Transit Study includes an action plan for phased implementation.

Pedestrian and Bicycle Chapter of the City of Portland Comprehensive Plan (2012)
This most recent addition to Portland's Comprehensive Plan includes a map of planned citywide bike routes, standards for streets and sidewalks, recommended intersection and sidewalk improvements and

prioritized list of infrastructure improvements, in addition to performance standards and bike/ped education and promotion proposals.

CONCLUSION

City of Portland - TIF Model
6/20/2014

Exhibit C: City of Portland- DT/TOD TIF Projection Table/100% Capture to Munic. Project Account									
TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2015	$50,000,000	100.00%	$50,000,000	20.00	$1,000,110	$0	$1,000,110	$0
2	2016	$50,000,000	100.00%	$50,000,000	20.40	$1,020,112	$0	$1,020,112	$0
3	2017	$50,000,000	100.00%	$50,000,000	20.81	$1,040,514	$0	$1,040,514	$0
4	2018	$50,000,000	100.00%	$50,000,000	21.23	$1,061,325	$0	$1,061,325	$0
5	2019	$50,000,000	100.00%	$50,000,000	21.65	$1,082,551	$0	$1,082,551	$0
6	2020	$50,000,000	100.00%	$50,000,000	22.08	$1,104,202	$0	$1,104,202	$0
7	2021	$50,000,000	100.00%	$50,000,000	22.53	$1,126,286	$0	$1,126,286	$0
8	2022	$50,000,000	100.00%	$50,000,000	22.98	$1,148,812	$0	$1,148,812	$0
9	2023	$50,000,000	100.00%	$50,000,000	23.44	$1,171,788	$0	$1,171,788	$0
10	2024	$50,000,000	100.00%	$50,000,000	23.90	$1,195,224	$0	$1,195,224	$0
11	2025	$50,000,000	100.00%	$50,000,000	24.38	$1,219,129	$0	$1,219,129	$0
12	2026	$50,000,000	100.00%	$50,000,000	24.87	$1,243,511	$0	$1,243,511	$0
13	2027	$50,000,000	100.00%	$50,000,000	25.37	$1,268,381	$0	$1,268,381	$0
14	2028	$50,000,000	100.00%	$50,000,000	25.87	$1,293,749	$0	$1,293,749	$0
15	2029	$50,000,000	100.00%	$50,000,000	26.39	$1,319,624	$0	$1,319,624	$0
16	2030	$50,000,000	100.00%	$50,000,000	26.92	$1,346,016	$0	$1,346,016	$0
17	2031	$50,000,000	100.00%	$50,000,000	27.46	$1,372,937	$0	$1,372,937	$0
18	2032	$50,000,000	100.00%	$50,000,000	28.01	$1,400,395	$0	$1,400,395	$0
19	2033	$50,000,000	100.00%	$50,000,000	28.57	$1,428,403	$0	$1,428,403	$0
20	2034	$50,000,000	100.00%	$50,000,000	29.14	$1,456,971	$0	$1,456,971	$0
21	2035	$50,000,000	100.00%	$50,000,000	29.72	$1,486,111	$0	$1,486,111	$0
22	2036	$50,000,000	100.00%	$50,000,000	30.32	$1,515,833	$0	$1,515,833	$0
23	2037	$50,000,000	100.00%	$50,000,000	30.92	$1,546,150	$0	$1,546,150	$0
24	2038	$50,000,000	100.00%	$50,000,000	31.54	$1,577,073	$0	$1,577,073	$0
25	2039	$50,000,000	100.00%	$50,000,000	32.17	$1,608,614	$0	$1,608,614	$0
26	2040	$50,000,000	100.00%	$50,000,000	32.82	$1,640,786	$0	$1,640,786	$0
27	2041	$50,000,000	100.00%	$50,000,000	33.47	$1,673,602	$0	$1,673,602	$0
28	2042	$50,000,000	100.00%	$50,000,000	34.14	$1,707,074	$0	$1,707,074	$0
29	2043	$50,000,000	100.00%	$50,000,000	34.82	$1,741,216	$0	$1,741,216	$0
30	2044	$50,000,000	100.00%	$50,000,000	35.52	$1,776,040	$0	$1,776,040	$0
30 Year TIF Total		**$1,500,000,000**		**$1,500,000,000**		**$40,572,542**	**$0**	**$40,572,542**	**$0**

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- DT/TOD TIF Model

100% Sheltered - 30 years - 100% to City Development Account

TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2015	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
2	2016	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
3	2017	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
4	2018	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
5	2019	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
6	2020	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
7	2021	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
8	2022	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
9	2023	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
10	2024	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
11	2025	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
12	2026	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
13	2027	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
14	2028	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
15	2029	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
16	2030	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
17	2031	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
18	2032	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
19	2033	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
20	2034	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
21	2035	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
22	2036	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
23	2037	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
24	2038	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
25	2039	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
26	2040	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
27	2041	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
28	2042	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
29	2043	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
30	2044	$50,000,000	$50,000,000	$405,000	$32,567	$26,434	$464,002
30 Year TIF Total		**$1,500,000,000**	**$1,500,000,000**	**$12,150,000**	**$977,023**	**$793,028**	**$13,920,052**

PORTLAND TIF POLICY

February 4, 2013

INTRODUCTION

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

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

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

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

STATE TIF LIMITATION

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

PURPOSE

The primary purposes of the TIF Policy include:

1. To support Portland Economic Development and Housing Plans and Policies;
2. To stimulate expansion of the City's commercial and industrial tax base;
3. To stimulate new affordable and market rate housing investment;
4. To retain and create quality employment;
5. To support Portland's Capital Improvement Plan; and,
6. To establish standards upon which the City Council will authorize TIF.

GENERAL PRINICPLES

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

A. Investment

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

B. Jobs Associated with Commercial and Industrial Development

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

C. Maximize Tax Sheltering Benefits

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

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

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

APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

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

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

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

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

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

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

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

B. Policy for the Three Approaches

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

Requires annual review and City Council financial appropriations.

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

a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.

b) City TIF emphasis will be placed upon the following general "Priority Revitalization Areas" to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- India Street Neighborhood;
- Franklin Street Corridor from I-295 to Commercial Street;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Re-examine the boundary of Bayside TIF District;
- Examine establishing a Downtown TIF district in place of the Arts TIF District;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

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

c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.

d) Affordable Housing**.** Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

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

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

Allowable uses of AHTIF revenues are defined by State law.

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

f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.

g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastrucutre.

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

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

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

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

i) City Green Building Code

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

ii) Affordable Housing

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

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

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

Allowable uses of AHTIF revenues are defined by State law.

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

i) Financial Necessity.

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

ii) Financial Capacity**.**

The applicant must demonstrate financial capacity to support their project.

iii) Fees

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

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEA's.

2) Maximum Number of Years.

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

3) Use of Maine Services for CEA Projects Encouraged.

TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Economic Development Department handles all TIF inquires and processes requests for TIF. An applicant must submit a letter to the Economic Development Department outlining the proposed project, including TIF project financial information, along with a plan outlining the number of jobs associated with the proposed project.

B. Approval Process.

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

C. Annual Report to City Council.

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

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Housing & Community Development Division Director
Jeff Levine, Planning & Urban Development Director
Greg Mitchell, Economic Development Director

DATE: June 20, 2014

SUBJECT: 2014 HCDC Calendar

Attached is a standing communication on your agenda, the updated Committee Calendar.

DRAFT 2014 Housing & Community Development Committee meeting Calendar

Meetings: 2nd & 4th Wednesday of each month

As of June 20, 2014

January

Jan. 8 Meeting:

2014 Draft HCDC Work Plan for preliminary discussion subject to change after January 13 City Council goal setting workshop.

For Review and Recommendation to Council - Pearl Place TIF district amendments

Wilmot Street – Possible Reacquiring – Executive Session

Tenant Based Rental Assistance Program update

Housing First Pre-Development RFP – Review Draft

Communication: Update on CDBG Workforce Development Program

Jan. 22 Meeting:

Presentation on proposed amendments to parking requirements and the Sustainable Transportation Fund for possible action

Economic Development Vision and Plan – Work Plan Update for 2014-2015

February

February 12, 2014 Meeting:

Possible City lease/acquisition of property for City Department Consolidation/Forward to Council – Public and Executive Session

Start Downtown TOD/TIF Discussion

Update on Housing Plan and Consultant Services RFP/Communication Item

February 26 Meeting:

Housing Program Budget Recommendation to Council

Review City sites for residential development or sale including former Adams School property

Nova Scotia Ferry Service Operator Lease – Executive Session

March

March 12 Meeting:

Continue Downtown TOD/TIF District Discussion

Nova Scotia Ferry Service Operator Lease/Possible Recommendation to City Council

Review & Recommendation: Updated Citizen Participation Plan

Review & Recommendation: 3 year renewal of Cumberland County HOME Consortium, 2015-18

March 26 Meeting:

Presentation on proposed amendments to the B2 zones for possible action

Review and possible approval of Affordable Housing RFP

Creative Portland PACE Project in Bayside for Review/Direction and executive session for possible City-owned Bayside property disposition discussion.

Spring Street Garage Space Leases (Pirates and Adjacent Vacant Space)

Communication: Update on the discussion of city sites for residential development

Communication: CDBG funding recommendations from Committee & City Manager; Annual Action Plan

April **April 9 Meeting:**

Presentation on proposed amendments to R-6/R-7 zones for feedback
Review of draft of possible RFP for city-owned lot on Munjoy Street

April 23 Meeting:

Spring Street Garage Space Leases (Pirates and Adjacent Vacant Space)
Executive Session Tugboat Lease Renewal at Portland Ocean Terminal
Donation of Property to City on Rowe Avenue
Communication: Annual Action Plan, due to HUD May 15
Review of Housing First RFP Responses

May **May 14 Meeting:**

AHTIF Request – 134 Washington Avenue
Executive Session: Real estate negotiations associated with the Federated Companies Midtown Project and their financial contribution toward the cost of Somerset Street reconstruction.

May 28 Meeting:

Downtown TOD/TIF District – Continue Discussion
Executive session/public session for guidance and approval to move forward with disposition process for a tax-acquired property on Cliff Island.
Tugboat Lease Renewal at Portland Ocean Terminal

June **June 11 Meeting (Meeting Canceled):**

June 25 Meeting:

Disposition process recommendation to staff for tax-acquired property on Cliff Island
Downtown TOD/TIF District – Continue Discussion
Executive Session: Real estate negotiations associated with the Federated Companies Midtown Project and their financial contribution toward the cost of Somerset Street reconstruction.

July **July 9 Meeting (Meeting Canceled):**

July 23 Meeting:

Update on City-owned lot on Munjoy Street
65 Hanover Street Property/review draft RFP for development of affordable homeownership units, i.e. workforce housing at 100% to 120% AMI and property disposition of 71 Hanover Street.
Housing Trust Fund Annual Plan
Review of potential development site located at 157 Brackett Street
Continuation of Downtown TOD/Arts TIF Discussion as needed.

August

August 13 Meeting:

Housing Development RFP – review of proposals received?
For Review and Comment/ Recommendation to Council if necessary: Recommendations for improvement to CDBG process.
For Review and Comment: Consolidated Annual Performance Evaluation Report (CAPER) due to HUD September 30.
Amendments to Shucks and Ready Brother Leases

August 27 Meeting?
Housing Development RFP – review of proposals received?

September
Downtown TOD/TIF District – Continue Discussion and Action
Area-wide Affordable Housing TIF District discussion
Inclusionary Zoning
Update on city-owned lot at 98 High Street

October
Communication: CDBG Application is available/Process Update.
Start discussion related to Riverside Street area wide needed public infrastructure status and improvements.
Recommendation to City Council on award of proposal for tax-acquired property on Cliff Island.

November
Annual City wide TIF District Activity Report/review and recommendation to City Council
HCDC Annual Accomplishment Report/review and recommendation to City Council

December