

1. Agenda

Documents: [01.11-12-14 AGENDA.PDF](#)

2. Agenda Packet

Documents: [11.12.14 HCDC AGENDA PACKET.PDF](#)

**HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE**

DATE: November 12, 2014 (Wednesday)
TIME: 5:30-7:30 p.m.
LOCATION: Room 209, Second Floor
Portland City Hall

A G E N D A

1. Review and accept Minutes of previous meeting held on October 22, 2014.
2. **Review and Recommendation to City Council approval of proposal for tax-acquired property on Cliff Island**– See enclosed Memorandum from Greg Mitchell.
 - a. 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 discuss negotiations on this real estate disposition and provide direction to staff.
3. **Review and Vote to Recommend to City Council to approve Establishment of a Downtown Transit Oriented Development TIF District** – See enclosed Memorandum from Greg Mitchell.
4. **Review and Vote to Recommend to City Council – Amendment to the Arts TIF District**– See enclosed Memorandum from Greg Mitchell.
5. **Update, Review and Approval of 65 Munjoy Street RFP** – See enclosed Memorandum from Mary Davis.
6. **Update and Review of Proposed Rosa True School Housing Transfer**– See enclosed Memorandum from Mary Davis.
7. **Review and Vote to Recommend to the City Council – Amendment of Federated Companies Midtown Project Partnership Documents Including Second Amendment of Guaranty.** – See enclosed Memorandum from Greg Mitchell.
8. **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.

Councilor Kevin Donoghue, Chair

Next Meeting Date: December 10, 2014

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Councilor Kevin Donoghue, Chair

Next Meeting Date: December 10, 2014



Housing & Community Development Committee

Minutes of October 22, 2014 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, October 22, 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 John Coyne, Jon Hinck, and Nicholas Mavodones. City staff present included Housing & Community Development Division Director Mary Davis, Acting City Manager Sheila Hill-Christian – only for Item #6 on the Agenda, Planning Division Director Alex Jaegerman, Planning and Urban Development Director Jeff Levine, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item 1: Review and accept Minutes from previous meeting held on September 24, 2014.

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

Chair Donoghue indicated that the Committee would take up Item #6 on the Agenda first due to scheduling issues for the Acting City Manager.

Item #6: Executive Session: Pursuant to 1 M.R.S.A. 405(6)(c) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to discuss and give guidance to staff regarding real estate negotiations/pending lawsuit update for the Federated Companies Midtown Project.

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

On motion made and seconded, the Committee voted unanimously at approximately 5:35 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to discuss and give guidance to staff regarding real estate negotiations/pending lawsuit update for the Federated Companies Midtown Project. At approximately 6:00 p.m., the Committee came out of executive session.

Item #2: Review and Recommendation to City Council to Terminate the Fore/India/Middle Street TIF District

Mr. Mitchell said that this TIF District encompasses the remaining land behind the Hampton Inn for redevelopment of the former Jordan Meats site. This TIF was established to pay for a portion of the actual costs of undergrounding overhead electric power lines and telecommunication services, together with public infrastructure investment. The project did not materialize, and the Credit Enhancement Agreement was not executed. This is an inactive TIF that can be terminated.

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

On motion made and seconded, the Committee voted unanimously to forward this item to the City Council with a recommendation that it authorize the termination of this TIF District as recommended by staff.

Item #3: Review and Recommendation to City Council to Expand/Amend the Bayside TIF District

Mr. Mitchell said that in the discussions with HCDC regarding the possible creation of a Downtown TOD/TIF District, staff was directed to work to expand the Bayside TIF (BTIF) District to align with the Bayside area in the *Bayside Vision*. This would allow for BTIF funds to

be used in the larger area of Bayside. This expansion needs the approval of the City Council and the Maine Department of Economic and Community Development.

Mr. Mitchell noted that the State sets value and acreage limitations that a town/municipality can TIF. As noted in the cover memo, with this expanded BTIF, the City is at 4.9% of value TIF'd, with 5% being the maximum allowed; acreage limits are fine with this expanded TIF. Mr. Mitchell said that the value limit would be fine, given the upcoming terminations of the Bay House TIF and Fore India Middle TIF, as well as the proposed reduction for the Riverwalk TIF and the Arts TIF.

Chair Donoghue asked if there was public comment for this item.

Tony Donovan asked for clarification as he thought that with the possible Downtown TOD/TIF, the BTIF would be part of it. Mr. Mitchell said that BTIF will remain and possibly be expanded if voted today to send to the City Council. The Downtown TOD TIF property lines are proposed to marry up to the BTIF and Waterfront TIF lines, so that there would be three area TIFs on the peninsula.

Ron Spinella, Bayside resident, said that he supports this expansion which will allow for investment in infrastructure that is needed in Bayside for the long term.

There being no further public comment, the public comment session was closed.

On motion made and seconded, the Committee then voted unanimously to forward this to the City Council with a recommendation that it authorize the expansion of the BTIF as recommended by staff.

Item #4: Review and Recommendation to City Council – Conditional Approval of Affordable Housing Development Application (AHDA) from Avesta Housing for 73 Powsland Street.

Ms. Davis outlined this item noting Avesta was the sole proposal the City received for the \$225,000 of HOME funding available through the AHDA. Avesta is proposing to construct 34 units of rental housing for ages 55 and over, with incomes at or below 60% of the area median income, at 73 Powsland Street. The HCD staff has been working with a consultant to assist with the financial underwriting review, which consultant has indicated that the developer is financially sound for the project, with significant experience in developing these types of projects. Staff is recommending HCDC approval to provide a conditional commitment of funds for the project, which conditions to include: (1) compliance with all HOME Program regulations; (2) the environmental review process be satisfactorily completed, et al (see attached memo with all conditions listed).

Mr. Levine added that a number of issues will be addressed during site plan review.

Ms. Davis noted that she left copies of public comment via email she received on the Committee members' desks, as well as some staff comments based on preliminary review of the proposed project.

Chair Donoghue asked for clarification on pre-commitment, and Ms. Davis indicated that although Avesta's application does not include an Affordable Housing (AH) TIF request, a commitment from the City will assist Avesta in securing other financial resources. Again, however, conditions would need to be met first.

Chair Donoghue asked if the City Council would be seeing anything else from this project like, for example, a zoning change.

Mr. Levine said that he is not aware of anything at this time. The project meets current zoning.

Chair Donoghue then opened the meeting for public comment.

A.J. Hungerford, attorney representing Dale Holman, presented pictures of the area in question, particularly noting the water levels. The garage anticipated to be built is over the water he described in the pictures he displayed. Thousands of gallons of water channel into this area from the various streets surrounding the development site, particularly near the railroad. He noted that if this project were approved, the City would see litigation. Mr. Hungerford asked the City to shelve the proposal while City does it due diligence regarding these environmental issues.

Charlie Pollock of Powsland Street said that he has lived on Powsland Street for 16 years, and he opposes the development based on the issues raised above. In talking with the neighbors, there is support for opposing the development. There are a list of issues he emailed (copy attached). Chair Donoghue noted that the Committee has that email.

Jim Sloan, 60 Mitton Street, said that he has lived in the neighborhood 50 years, and there has always been water issues, traffic issues, and the sewer and water mains are under-sized. He opposes the development.

Chair Donoghue, noting no further public comment, closed the public comment session.

Councilor Hinck said that if this went forward with conditional approval, he questioned how these infrastructure/environmental issues would be dealt with, i.e., would this development project assist with those issues.

Mr. Levine said that site plan review will address drainage, stormwater, traffic, with the goal to resolve issues. If not, it will be a tough process for the developer.

Councilor Hinck then suggested if that was the case, would the development be re-configured, and Mr. Levine indicated that that could happen.

Ms. Davis said that City has to do an environmental review process, and HUD will only release funds once that review has been satisfactorily completed. The City will work with an environmental consultant to complete the environmental review.

Councilor Mavodones said that he likes that the proposed development would provide senior housing. He has a hard time supporting the development given the environmental issues so noted at this meeting, so he is leaning toward not supporting pre-commitment with conditions, at least at this time.

Chair Donoghue asked if the City Council approves the pre-commitment, how does this tie up the funds of \$225,000; is there a deadline for expenditure of these funds.

Ms. Davis said that HOME funds need to be committed within two years and expended within four years, with the commitment in the HUD reporting system for these funds by June 2015. The complete environmental review process needs to be done before then as well.

Chair Donoghue asked if the \$225,000 would be tied up until at least June 2015, and Ms. Davis said that it would. However, the City made the \$225,000 available this past August through the AHDA and also retained \$140K+ in reserve that could be used for a future project(s). She felt that she could work with a pre-commitment for the Powsland Street project. Ms. Davis also indicated that her recommendation is to approve conditional commitment of funds. The site plan review process will address the concerns raised today, and the City's environmental study will also be coordinated and completed.

Mr. Levine added that some level of City commitment would help with the financing sources for the project.

Chair Donoghue asked Seth Parker of Avesta how critical this award was to move forward.

Mr. Parker noted the area and its proximity to the downtown, retail, and various service related businesses, including medical. Senior housing is a large need for Portland. He agreed that the proposed site for the development has its challenges; however, Avesta has done a significant amount of due diligence to get to this point. It is feasible to address drainage and environmental concerns at a cost that fits within Avesta's development model. Each layer of financing is important. Staff is asking for conditional commitment of funds to be followed by the site plan review process where all these issues can be reviewed together.

Chair Donoghue asked if there are any extensions from HUD for commitments /expenditures, and Ms. Davis indicated that there are no extensions due to statutory deadlines. She also noted that since 1992, the City has never missed a deadline for committing or expending funds. This pre-commitment is not an over-riding concern.

Chair Donoghue said that he was inclined to support staff recommendation, i.e., conditional commitment.

Councilor Hinck said that some City observers may think preliminary approval, where there are significant issues, may be perceived as approval of the project.

Councilor Mavodones said that he still has concerns to move forward on this, and an environmental report in hand would assist in his decision process. He understands the financing piece but needs more information that an environmental report could provide.

Councilor Coyne agreed. If the City Council agrees with the conditional commitment, the perception is that it is endorsing the proposed development. He would like to know more about the environmental impact, noting the proposed four stories with underground parking.

Mr. Parker said that Avesta conducted its initial due diligence and decided to move forward. It also met with DEP who indicated low barrier permitting. In addition, Avesta met

with railroad personnel and discussed options with the culvert. Avesta is willing to move forward on this development.

Chair Donoghue asked about only one response to the RFP, and Ms. Davis indicated that Purchasing recommended putting this out as an open application, first come first served. The process keeps getting refined. The open application does resemble an RFP and staff can make changes as the City Council recommendations come along. The parameters allowed for all types of affordable housing development, from rental to ownership.

Chair Donoghue, noting concerns expressed by Committee members, asked if the sense was to postpone this item.

The sense of the Committee was to postpone to the November 12 meeting, pending receipt of the environmental report.

Ms. Davis noted that she would try to have the report done for that meeting, but was not entirely positive that it would be ready.

Councilor Mavodones said that he would not want the Committee to take up this item if it did not have that report.

On motion made and seconded, Committee voted unanimously to postpone this item to the November 12 meeting, but if the environmental report is not ready for review, to notify the developer and residents that the Committee would not be taking up the item on November 12th.

Item #5: Update, Review, and Approval of 65 Munjoy Street RFP

Ms. Davis said that, as requested by this Committee, staff attended the Munjoy Hill Neighborhood Association Board of Directors meeting on October 13th and presented an overview of the proposed redevelopment of 65 Munjoy Street. The Board seemed open to the RFP for more affordable housing, with discussion centering on parking and massing.

Mr. Levine said that the RFP does not rule out City subsidy in addition to offering the land at no cost, with the RFP goal of an 8-unit development.

Councilor Mavodones noted no one in attendance for this item and asked if the neighbors had been sent a notice.

Ms. Davis indicated that a notice had not gone out for this meeting, as it had for previous meetings. The Agenda and backup for this meeting had been posted on the website, if residents were following HCDC meetings.

Mr. Levine indicated that staff handed out a slightly revised RFP (copy attached) and noted section F(2)(e) regarding height. The Committee discussed this, with Mr. Levine offering the following language for this section: Heights shall be less than or equal to the average of structures in the surrounding block and should minimize the impact of shadows on the adjacent public playground.

Councilor Mavodones, in looking at Minutes from the last HCDC meeting when this item was taken up, said that he could not support moving forward on this until it is confirmed that the neighborhood knows that action could be taken by the Committee.

The Committee discussed notices for the past HCDC meeting, the MHNO Board meeting, and concluded that the item be postponed to November 12th with appropriate notices sent out.

On motion made and seconded, the Committee voted unanimously to postpone this item to the November 12 HCDC meeting for the neighborhood notices to be sent out.

Item #7: 2014 HCDC Work Plan for Review and Discussion.

Ms. Davis said that she would amend the November 12 Agenda items to reflect the postponements made today. She noted that there are many draft items for that meeting.

The Committee discussed a December 10 meeting, given that the Mayor would be making Committee assignments around that same time. Consensus was that if the Committee could meet on December 10th, it would.

The meeting then adjourned at approximately 7:25 p.m.

Respectfully,

Lori Paulette

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

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: October 17, 2014

SUBJECT: Affordable Housing Development Application
Avesta Housing Proposal – 73 Powsland Street

I. SUMMARY OF ISSUE

The Affordable Housing Development Application for 2014-2015 was released on August 15. The application made up to \$225,000 in HOME funding available for affordable housing development. At this time, one proposal has been submitted seeking \$225,000. The applicant is Avesta Housing Development Corporation.

73 Powsland Street: This is a proposal for 34 one- and two-bedroom units of rental housing for peoples ages 55 and over with incomes at or below 60% of the area median income. The project is located in the B-5 Urban Commercial Mixed Use Zone. The B-5 zone allows multi-family, single family and industrial development. The proposed development would be a permitted use within the B-5 zone and is designed to meet the current zoning standards.

The developer has not submitted an application for site plan and subdivision review. Planning Staff reviewed the conceptual drawings submitted with the application proposal and identified challenges in regards to pedestrian connectivity, sidewalks, wetlands and drainage. In addition, there are neighborhood concerns and opposition with the development of this site.

The Housing and Community Development Division has been working with a consultant, Global Deal Funding to assist with the underwriting review of proposed projects. The consultant has provided a written analysis which is included in this packet. In summary, the consultant indicated:

Developer Capacity: Developer is well position financially and has significant experience with this type of project.

Financial Underwriting: Project raises no concerns in the areas of operating expenses, debt service coverage ratio and development costs.

Program Intent: HOME Program is designed to assist developers in creating affordable rental housing by providing low cost capital. Project is viable without HOME funds because of other investment sources (LIHTC and AHP funding from the Federal Home Loan Bank). Any reduction in the developer fee would be offset by a raise in LIHTC equity or deferral of the fee.

HOME funds request: \$225,000, 0% interest rate loan, deferred for 30 years or until the sale or transfer of the property. City Investment/total units = \$6,618; City Investment/sq ft = \$6.

II. COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while ensuring that there is a suitable balance of housing opportunities among those sectors.

III. FINANCIAL IMPACT

The Project pro-forma budget provided by the developer indicates a request for approximately \$225,000 in HOME funding for this project in the form of a 0% interest loan, deferred for 30 years or until sale or transfer.

IV. STAFF ANALYSIS AND RECOMMENDATION

The FY 2014-2015 Affordable Housing Development Budget made available \$391,709 (includes \$71,709 for CHDO) for the development of a wide-range of types of housing. The Affordable Housing Development Program Application indicated up to \$250,000 would be available in the first round with an additional \$141,709 being reserved for possible funding of a future City-selected project.

At this time, staff is requesting committee approval to provide a conditional commitment of funds for this project. The approval will be conditioned on the completion of all standard commitment requirements including:

1. The commitment will be subject to compliance with all HOME Program regulations including, but not limited to, cost allocation, designation of HOME units and compliance with the new HOME Final Rule (effective August 23, 2013) and the Consolidated and Further Continuing Appropriations Acts of 2012 and 2013.
2. The commitment will include the requirement that the environmental review process be satisfactorily completed. The City's agreement to provide funds will be conditioned on the determination to proceed with, modify or cancel the project based on the results of the environmental review.

3. Commitment of funds to be stated as “an amount up to \$225,000 based on maximization of LIHTC equity raise”, to ensure that the City’s contribution is leveraged to the maximum extent possible.
4. Documentation acceptable to the City that the acquisition cost is reasonably related to market value. This is a HOME Program requirement.
5. Commitment should be subject to the projections and assumptions noted in the project budgets and pro-forma submitted and the City reserves the right to reconsider and adjust their commitment if any significant alterations occur in the budget. A final commitment will be subject to a final budget.
6. Any substantial changes to the composition of the project, or the financial investment required, will be brought back to the committee and the council for review and approval.
7. Site Plan approval from the Portland Planning Board.

V. ATTACHMENTS

Excerpts from Application Proposal

Project Narrative, Conceptual Drawings, Site Location Map, Project Schedule,
Sources and Uses, Operating Budget, 20-Year Proforma, Market Analysis
Executive Summary

Consultant Underwriting Analysis

Mary Davis - Powsland Street/Avesta Housing

From: Charlie Pollock <chas@pldesignmaine.com>
To: <mpd@portlandmaine.gov>, <JLEVINE@portlandmaine.gov>
Date: 10/21/2014 4:46 PM
Subject: Powsland Street/Avesta Housing
CC: Dale Holman <dholman1@maine.rr.com>

Good afternoon, Mary and Jeff:

I am an 18 year resident of Portland, 16 of which as a homeowner on Powsland Street. I hold concerns regarding Avesta's 4 story, 37 unit, subsidized housing project planned for the end of our small street.

Along with Dale Holman, several neighbors and I attended the last forum that was made available to us concerning this project—an early information exchange hosted by Avesta 7-8 months ago now. Since that time, I have been gathering with my neighbors to discuss what little information that Avesta has been able or perhaps willing to share despite their assurances of transparency at their initial meeting.

So that it is on record and to be clear, amongst the many single family residents I've connected with in this process, for a variety of compelling reasons, there is across the board opposition to this project moving forward. Not the least of which was one resident who recently had to abandon the sale listing of their house. For such a conveniently located street, these motivated sellers experienced very little interest or low ball offers due the mere possibility of this large scale project moving forward on our small street.

Just as our ailing property values have begun to climb out of the years of deep recession, this story gives us a view into the the decline we are about to experience once again.

Dale has been kind enough to share the more recent information regarding the project, and I in turn with my neighbors. The most recent pdf was a letter from Alex Jaegerman dated Oct 2 with comments outlined by Nell Donaldson and Rick Knowland. We appreciate and relate to the comments contained in the email.

From the perspective of the residents, I wanted to take the opportunity to share some further considerations. These may or may not be in the discourse or record but I saw no mention of them in the aforementioned email.

1. Fire access... Powsland Street is narrow and several cars are parked along the street at all times day and night, particularly at the beginning where the apt buildings are. With winter snowbanks, the street narrows even further. Often times when encountering another car coming down the street, one of us will need to pull to the side to let the other pass due to these obstacles. These circumstances underscore the need for fire access to be a priority discussion point.

2. The utility infrastructure beneath Powsland St. is quite old and in frequent need of spot repair. I have observed gas and water repair crews for bandaied repairs consistently 2-3 times a year. One look at the patchwork of the pavement will testify to that.

I recognize three considerations stemming from this issue....

The first is, how will these already aging and patched together systems hold up under the project's heavy construction vehicles passing above day after day?

Second, the population of our small and quiet neighborhood is going to increase by a considerable factor—bringing with it many more cars and service vehicles for senior residents who don't drive... taxis, shuttle vans and buses, medical personnel, relatives and guests. Again, a marked increase of traffic driving over this delicate utility infrastructure. (and, on any of the plans I have been privy to, I've not seen allocation for visitor/service vehicle parking.)

Third, deliberate consideration needs to be given to these already strained utility systems and how they will handle the added demand from this new 4 story structure. Common sense dictates that calls for repairs would increase. Historically,

repair crews settle in for 1, 2, or 3 days. These activities (particularly in winter months) block the narrow street and at the very least, create inconvenient traffic flow issues.... at worst, these street blockages are once again, a potentially serious concern for fire access.

Powsland Street is simply not prepared or able to handle a large 4 story, 37 unit apartment building at it's far end... the foot and vehicle traffic, and the months of construction transit.

Due to the relatively low cost for the land, this is an attempt to shoehorn a major project onto a street and a parcel that are clearly not equipped to handle development of this scale. The reasons against this proceeding are stacking up, some quite compelling, and the motivations to force this project into this spot are becoming more and more clear.

The parcel at St Patrick's church is for sale and I have put forward an admittedly uninformed suggestion for it's potential in this regard. Sitting directly on the bus line and immediately adjacent to the Westgate Plaza which includes CVS/Pharmacy, Shaws, Mercy rehab services, and Anytime Fitness—all within a few feet of walking distance, I could not devise a more perfect location for this sort of crucially needed type of housing.

In short, for this housing to realize it's full potential for it's residents, we all know this is a more truly appropriate location opportunity and we would urge Avesta to expend a bit more of their effort and expertise considering more appropriate areas like this. Particularly if they truly care for the well being of the residents their mission advocates for.

My neighbors, Mr Holman, and I look forward to meeting you both at the meeting tomorrow evening.

Thank you for your time and consideration.

Charlie

Charlie Pollock
Creative Director
PL Design
19 Commercial Street
Portland, Maine 04101
207-772-4694 ext 3#
207-772-4697 fax



**City of Portland
Request for Proposals
For the Sale and Reuse of Property
Located at
65 Munjoy Street**

RFP # XXXX

Notice and Specifications

Sealed proposals for furnishing the City of Portland with the Development of Affordable Housing, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until XXXday, XXXX, 2014 at 3:00 p.m. 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 AND REUSE OF 65 MUNJOY STREET."** Proposals that are late and/or submitted via fax or electronic communication will not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

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 of Portland.

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 or all proposals. *All proposers are advised that the property will be sold "as-is" and "where-is", in its existing condition, with no warranties either 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.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City of Portland, please contact (207) 874-8654 to ensure that your firm is listed as a vendor for this RFP.

GENERAL INFORMATION

The City of Portland, Maine seeks proposals from qualified developers for the purchase and development of the former Adams School parking lot site located at 65 Munjoy Street (hereafter, “the lot”). The site is designated on the City of Portland Tax Assessor’s Map as Map 3, Block M, Lot 5.

Summary of Request

The City of Portland is committed to provide a balance of housing opportunities and has set a goal to evaluate the use of city-owned property to construct affordable housing. As one step in accomplishing this goal, the City of Portland will accept proposals for the development of affordable housing on the lot located at 65 Munjoy Street, Portland, Maine (Map 3, Block M, Lot 5).

An environmental assessment was conducted at the lot by Credere Associates, LLC through a subcontract with the City. Polycyclic aromatic hydrocarbons (PAHs), lead, and arsenic were detected in soil exceeding Maine Department of Environmental Protection (DEP) regulatory guidelines, which should be considered during preparation of proposals. The property is currently being reviewed for inclusion in the Maine DEP Voluntary Response Action Program (VRAP) and the VRAP Work Plan is attached to this RFP as Exhibit 2.

To facilitate the development of this site, the City of Portland may make funding available from the following City resources:

1. FY 2014-2015 HUD Home Investment Partnership Program (HOME) Funds (which may include a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification). The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).
2. Brownfield Revolving Loan Funds through the City of Portland’s Economic Development Department.
3. FY 2014 City Housing Trust Funds

The City of Portland’s Division of Housing and Community Development uses the RFP process to ensure that public resources are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants.

General Guidelines

Developments shall provide affordable rental or home ownership units. Note that “affordability” is defined by the standards outlined in Division 30 Section 14-485 of the City’s Land Use Code. Proposals which include the use of HOME funds must meet the income and/or rent restrictions of the HOME program. Rental developments shall provide units to households earning no more than 60% of the area median income and ownership developments shall provide units to households earning no more than 80% of area median income.

Proposals which include the use of City Housing Trust Funds must meet the income and rent restrictions outlined in City Ordinance Chapter 14, Division 30, Section 14-485 which requires that rental developments shall be affordable to households earning no more than 80% of the area median income and ownership developments shall be affordable to households earning no more than 120% of the area median income.

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed.

Redevelopment should incorporate costs and measures to properly manage contaminated soil in compliance with state and federal regulations. In general, any soil disturbance should be conducted in accordance with the requirements of the Maine DEP VRAP Work Plan.

The proposed use of funds, leveraging of other public and private resources, terms of affordability, design compatibility, readiness, financial feasibility, development experience, management capacity, and unit mix are among the scoring factors to be used in the review process.

This RFP outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the proposals.

I. Background

The site at 65 Munjoy Street contains approximately 6,771 square feet. It is located on Munjoy Hill, on the southeast end of the Portland peninsula, in a neighborhood which is largely defined by 19th and early 20th century buildings. A public playground is adjacent to the site. The site is zoned R-6.

An ASTM E 1527-13 compliant Phase I Environmental Site Assessment (ESA) was conducted for the lot by Credere Associates, LLC dated July 1, 2014. The ESA identified surface staining, documented petroleum impacts, and historical industrial use of the lot and surrounding area as conditions of environmental concern. These conditions were assessed during a Phase II ESA conducted in July 2014. Results of the investigation identified approximately 150 to 200 cubic yards of petroleum impacted soil at a depth of approximately 5 to 7 feet, and approximately 950 to 1,250 cubic yards of PAH, lead, and arsenic impacted soil. These results were submitted to VRAP for review and inclusion in the program. These contaminated soils will likely require offsite disposal as special or hazardous waste during development in accordance with the VRAP Work Plan.

II. Goals for This RFP

The goal for the sale and development of the property at 65 Munjoy Street is to promote the development of affordable housing with a high standard of quality, design, and livability. Proposals should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration). Design principles should promote efficient use of land to create infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and

design elements that are reflective of the surrounding traditional neighborhood. Heights shall be less than or equal to the surrounding buildings and should minimize the impact of shadows on the adjacent public playground. They should also incorporate high standards of energy efficiency and “green” design criteria.

Proposals should consider the recommendations outlined in the Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group a copy of which is included as Exhibit #3. In summary, the study identifies the preferred design concept as two triple-decker styled flats with flat roofs. The design would create 8 home-ownership units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760). The design concept suggests four units in each building – two 2-bedroom units on the ground floor of approximately 800 net square feet and one 2- 3 bedroom unit of approximately 1,000 square feet on the 2nd and 3rd floors and include two on-site surface parking spaces. Based on a subsequent review of the study at the September 24th meeting of the Housing and Community Development Community, design proposals should include one practical tandem space per unit be included on site.

SCOPE OF SERVICES

General Specifications

All proposals submitted for this funding must meet the following selection criteria to be considered further in the review process.

A. Eligible Projects

- 1) Projects must create affordable ownership housing units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760).
- 2) Projects requesting HOME funds must provide home ownership units to households that meet the income the HOME Program.
- 3) Projects receiving funding through this RFP must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the resident service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.
- 4) Projects that will properly manage contaminated soil in accordance with state and federal regulations.

B. Site Information and Criteria

- 1) Purchase Price: The City of Portland is willing to consider the value of the property as a subsidy source for projects that provide at least six (6) with a preference of eight (8) or more ~~XXXX~~ of affordable units. The use of the City's Housing Trust Fund will be considered, however, strong preference will be given to proposals where the value of the property is the only source of subsidy by the City of Portland.
- 2) Local Approvals: Local land use approval is not required prior to submittal of the proposal.
- 3) The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- 4) Proposals must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration).
- 5) Proposal must include language indicating the applicant has considered the environmental conditions of the lot and understands the implications of these conditions. The proposal may include a plan summary for addressing said environmental conditions and any planning institutional controls to be applied to the property.

C. Financial Feasibility

- 1) Financial Projections: Financial proposals must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.
- 2) Use of City funding resources: All projects will be reviewed for the proposed use of City funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. In the case of a proposal for home ownership housing, applicants must demonstrate capacity to market the units for the sale. All proposals must provide evidence of a development team with the capacity to successfully complete the project including;

- 1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
- 2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.

- 3) An environmental consultant to ensure proper management and handling of contaminated soils as well as establish an environmental management plan after development.
- 4) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project and/or effectively market affordable home ownership housing.
- 5) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.
- 6) A portfolio of current affordable housing projects that are financially sound and meeting their established goals. Projects that successfully redeveloped contaminated properties should be highlighted.
- 7) Support Services: Proposals containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents.

E. Term of Affordability

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed. Term of affordability shall be defined by the standards outlined in Division 30 Section 14-485 of the City's Land Use Code. Proposals However, proposals which include the use of HOME funds for home ownership projects must have a plan for long-term affordability that meets HOME Program recapture or resale regulations.

F. Design Compatibility

Projects must be designed to contribute to the character of the neighborhood and adhere to the following guidelines.

- 1) **Connect the Neighborhood** The development should not be an island unto itself, but rather blend into and enhance the surrounding Munjoy Hill community.
- 2) **Design Considerations**
 - a. **High Quality Design** Excellence in architectural and landscape design is expected.
 - b. **Traditional Design** Design shall be reflective of the surrounding traditional neighborhood and shall create an infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements of the neighborhood. Buildings should orient to the street.
 - c. **Green Design** The site and buildings shall be designed to meet the City's Green Building Code.
 - d. **Streetscape** The development shall enhance the pedestrian experience and the public realm. Alternative transportation modes shall be accommodated and incorporated in the project.

~~e. **Height** Heights shall be less than or equal to the average of structures in a 2 block radius.~~
Heights shall be less than or equal to the surrounding buildings and should minimize the impact of shadows on the adjacent public playground.

e.f. **Permeability** Design shall be permeable or porous. View corridors are encouraged.

f.g. **Heterogeneity** Design of the buildings on the site shall be heterogeneous, not homogenous.

g.h. **Accessibility** Universal Design principles shall be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users.

G. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

PROPOSAL REQUIREMENTS

Complete responses to this RFP, should include eight (8) complete copies of each proposal including one original bearing the hand written signature of an officer or employee having authority to bind the organization and the following, in the order outlined below.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal.

i. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the proposal meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

ii. All Proposals Must Provide The Following:

- 1) Conceptual architectural and site plans
- 2) A soil management plan or provision to prepare one including who shall prepare the document and their qualifications upon award
- 3) A project schedule showing critical path events and their timeframe for completion;
- 4) Map showing location of site
- 5) Corporation/partnership articles and by-laws

- 6) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years
- 7) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking HOME CHDO funds)
- 8) A brief development team summary, including:
 - The type of organization/ownership structure
 - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
 - Brief description of similar projects completed
 - A list of all projects currently in development with status and projected timeframe
- 9) A sources and uses funding statement
- 10) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.
- 11) Applicant must include a marketing plan for the sale of home ownership units.
- 12) An analysis and discussion of market demand justifying the need for the proposed project.

SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the proposals.

I. Point System for Evaluating and Scoring Proposals (Maximum Points 100)

1. Proposed use of resources to achieve the City of Portland's goals and address demonstrated need. **25 points**

Maximum points will be awarded for those proposals that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, ~~and~~ include a policy prohibiting smoking and where the value of the property is the only source of subsidy by the City of Portland.

2. Financial feasibility, including cost, development budget, operating pro forma and the provision of secured and leverage funds. **25 points**

Maximum points will be awarded for those proposals that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets.

3. Applicant's ability to complete project, including development team, experience, capacity, project readiness and timeframe for completion. **20 points**

Maximum points will be awarded for those proposals that demonstrate a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and capacity to fulfill their responsibilities and the readiness of the project to proceed.

4. Impact on surrounding neighborhood, including design compatibility and environmental issues. **30 points**

Maximum points will be awarded for those proposals where the design is consistent with neighborhood design characteristics and minimizes the impact of shadows on the adjacent public playground, amenities and unit design are well thought out and appropriate, meet the requirements of the City of Portland's Green Building Code, and where provisions to protect the surrounding community during contaminated soil disturbance are proposed.

II. RFP Evaluation and Selection Process and Timeframe

Proposals will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- 1) Upon closing of the RFP application period, all proposals will be reviewed for completeness.
- 2) Complete proposals will be reviewed under the scoring factors in order to recommend the most qualified proposals based on the information submitted. The proposal review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.
- 3) Recommendations, along with all proposals and scoring information, will be forwarded to the City Council's Housing and Community Development Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval. Public presentations may be required.
- 4) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
- 5) The evaluation and review process should be substantially complete by XXXXXX, 2014. Applicants will be notified of their proposal status as soon as possible.
- 6) Based on City Council approval, a purchase and sale agreement will be negotiated (see legal requirements) and as appropriate, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to

set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

INSTRUCTIONS AND OTHER INFORMATION

- A. The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for city funding, 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 of Portland may extend deadlines and timeframes, as needed.
- B. Confidentiality: Proposals received by the City of Portland 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
- C. Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.
- D. **All applications seeking HOME Program funding must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92 and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 (PL 112-55).**

LEGAL REQUIREMENTS

The selected developer will be required to provide a performance guaranty in the form of a letter of credit or a performance bond, the performance of the developer's obligations outlined in this Request for Proposal and subsequent contract to be negotiated with the City. This performance guaranty is separate from any performance guaranty that will be required as a result of the City's site plan review process.

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer. Any deed from the City will contain a restriction in the deed that the property must meet the permanent affordability requirements as described in this Request for Proposals.

In the event the City makes a financial contribution to a developer and to secure the developer's obligations, the City shall have a security interest in the form of a mortgage in the real estate to be developed. The terms of the mortgage shall be negotiated with the developer at the time of the commitment of funds.

EQUAL EMPLOYMENT OPPORTUNITIES

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals 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 of Portland may extend deadlines and timeframes, as needed.

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

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations. Additionally, all contaminated soil should be managed in accordance with state and federal regulations.

The successful bidder shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

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

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, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. In submitting bids under these specifications, bidders should take into account all discounts, both trade and time allowed in accordance with this payment policy and quote a net price. The City of Portland is exempt from the State's sales and use tax as well as all Federal excise taxes.

XXXXX, 2014

Matthew F. Fitzgerald
Purchasing Manager

Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

Exhibit #2. VRAP Work Plan

Exhibit # 3 Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group

PROPOSAL

THIS PAGE MUST BE INCLUDED

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, 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 there from, 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 of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland 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).

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: _____

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

EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;
5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;
8. Maintains accountability to low-income community residents by:
 - i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

- ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
- 9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
- 10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: October 29, 2014

RE: Tax- Acquired Property on Cliff Island – 16 Fisherman’s Cove, 109B-F-39 – Recommendation and Vote Requested to Authorize Staff to Negotiate a Purchase and Sale Agreement with Sustainable Cliff Island as the sole bidder on the property

I. Summary of Request

This matter is being presented to the HCDC to authorize City staff to proceed with negotiations to finalize a purchase and sale agreement, with Sustainable Cliff Island, to dispose of 16 Fisherman’s Cove property.

Upon HCDC past direction, a request for proposal (RFP) was issued stating the City’s interest to sell, with conditions, tax-acquired property located at 16 Fisherman’s Cove. The deadline to receive proposals was September 30th, 2014. The City received only proposal - from Sustainable Cliff Island (SCI).

It is noted that post card public notice, about the November 12th HCDC public Cliff Island property disposition discussion, was sent to all Cliff Island property owners.

II. Reason for Submission

The Tax-Acquired Property Committee (TAPC) reviewed the proposal from SCI and is recommending to the HCDC that it authorize TAPC to negotiate a Purchase and Sale Agreement (PSA) to be brought back to the HCDC for its recommendation to the City Council.

III. Intended Result

The intended result is to authorize TAPC to negotiate the terms of a PSA and for HCDC’s recommendation to the City Council.

IV. Financial Impact

SCI has offered \$10,000 for the property. Taxes, interest, and costs to date owed on the property are approximately \$53,545. Should the City Council accept the offer, the City would need to write off the remaining back taxes, interest, and any associated costs.

VI. Staff Analysis

TAPC's review of the proposal from SCI was positive; however, there are a few conditions TAPC recommends the HCDC consider in order to finalize a PSA for this property. Should the HCDC wish to proceed with negotiations with SCI, TAPC provided the HCDC with a confidential memorandum outlining its recommendations to be discussed in executive session at the November 12th HCDC meeting.

RFP Weighted Criteria

The RFP had the following weighted criteria/maximum scoring points:

A.	Fuel Station Kept in Operation	50 Points
B.	Year Round Affordable Island Housing	30 Points
C.	Total price offered for property	20 Points
D.	Donation of Land for Public Services (1 to 2 acres buildable land)	10 Bonus Points

Because one proposal was received, no scoring of proposals needed.

SCI met the weighted criteria, except for "bonus" Item D; no donation of land of Public Services was offered. The following provides highlights of SCI's proposal:

A. Fuel Station Kept in Operation

SCI will remove the old, existing fuel tanks and replace them with two new double-wall tanks with a total capacity of less than 1,300 gallons. These size fuel tanks are below Maine DEP guidelines threshold of 1,320 gallons; anything above would require a Spill Prevention, Control, and Countermeasure (SPCC) Plan be in place.

Additionally, SCI agreed to clean up and remove any contaminated soil and install required containment infrastructure. SCI's proposal notes that they contracted with Woodard & Curran for a Phase II Environmental Assessment regarding clean-up of the site, and SCI is researching foreseeable expenditures for creating a near-term budget.

SCI notes that over the coming decades, they will maintain an available fuel supply adequate to meet island needs. SCI's Board includes individuals with extensive knowledge of the fuel operation.

Also, SCI in their proposal commits to rebuilding the fuel dock so that Cliff Island and other fishermen along with recreational boaters can safely use the dock.

B. Year Round Affordable Island Housing

SCI commits to renovate the existing home and make it available for a tenant or tenants who meet affordable housing criteria. SCI will apply State and City standards in assessing determining affordable housing qualifications and consult with established affordable housing organizations on the other year-round Maine island communities. SCI expects to rent to a person or family who can add to the Island's labor force and which may have children to attend Cliff Island School. SCI's team includes an attorney with affordable housing experience.

C. Total Price Offered for the Property

SCI offered \$10,000.

SCI is a private corporation, established in 2013 and in the process of becoming a 501c3 nonprofit. Until the IRS approves their requested, SCI has a formal agreement with The Island Institute to serve as its fiscal agent. SCI has received seed funding financial support from Cliff Island's civic organization – the Cliff Island Association. SCI states they fully understand the scope of this project and they are capable of making this project sustainable and successful. One additional noted public benefit is the employment opportunities during Project construction and on-going Project operation and maintenance.

SCI Ability to Undertake the Project

SCI's Board has experience in pursuing grants and fund raising initiatives. Also, one hundred percent of the Board has made financial contributions to SCI. SCI understands this is a substantial financial undertaking and they have stated they are up for the task.

SCI will be utilizing both volunteer and paid labor for construction and will secure all required development regulatory approvals.

SCI's Business Plan calls for near-term expenditure of \$30,000 including, but not limited to:

1. Purchase
2. Legal Fees
3. Site Clean-up
4. Permits
5. Taxes
6. Insurance

Expenditure of \$300,000 over the next two years in the following categories includes:

1. Upgrade the fuel operation to all current standards;
2. Upgrade the septic system to legal status;
3. Gut and renovate the house suitable to rental occupancy;

4. Rebuild the former grocery store suitable to at least the level of a small convenience store, to also cater to boaters.
5. Rebuild the wharf suitable to safely and comfortably tie up boats for fueling; and,
6. Build and install a float for cultivating recreational boaters' fuel and chandlery needs.

TAPC Review of Proposal

Overall, TAPC's review of the proposal was positive in that it met 3 of 4 weighted criteria. TAPC seeks the HCDC authorize to proceed with negotiations to present a PSA to the HCDC for its recommendation to the city council.

VII. Recommendation

TAPC recommends that the HCDC authorize it to negotiate the terms for the PSA to present to the HCDC for its recommendation to the City Council. An executive session is planned, on November 12th, for TAPC to seek direction from the HCDC on a few negotiation points.

VIII. Attachments: Proposal from SCI RFP Document

SUSTAINABLE CLIFF ISLAND

P.O. BOX 84
CLIFF ISLAND, MAINE 04019

September 30, 2014

City of Portland
Purchasing Office
City Hall—Room 103
389 Congress Street
Portland, Maine 04101

RE: RFP #1515 – 16 Fisherman's Cove, Cliff Island, Portland, Maine

Ladies and Gentlemen:

I am pleased to enclose the response of Sustainable Cliff Island to the above referenced RFP, consisting of the following documents:

- This letter
- Proposal Cover Sheet and receipt for Addendum #1, signed by me.
- Bank cashier's check payable to the City of Portland in the amount of \$1,000.
- Disclosure statement.
- Sustainable Cliff Island Vision for 16 Fisherman's Cove
- Proposed form of Purchase and Sale Agreement and Exhibits, marked to show changes from the form in the RFP package.

We look forward to hearing from you.

Sincerely,



Cheryl Crowley
President

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: \$ 10,000 *Land Fair Market Value for Public Services: \$ 0

Enclosed is a proposal surety of \$ 1,000 equal to 10% of the amount being proposed (cash + land fair market value [latter if included in proposal]).

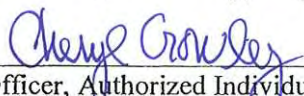
Proposed form of purchase and sale agreement is attached.

The proposer acknowledges the receipt of Addenda numbered N/A

(If Applicable)

COMPANY NAME: SUSTAINABLE CLIFF ISLAND

(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE:  DATE: _____

(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: Cheryl Crowley, PresidentADDRESS: P.O. Box 84

Cliff Island, Maine 04019

TELEPHONE: (207) 781-5331

FAX: _____

E-MAIL: rkberle@msn.comFEDERAL TAX ID NUMBER: 46-2381961SALES TAX EXEMPTION NUMBER: N/A

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.

SUSTAINABLE CLIFF ISLAND

DISCLOSURE STATEMENT

CITY OF PORTLAND RFP # 1515

September 30, 2014

Sustainable Cliff Island ("SCI") is not aware of any individuals who are employed by the City of Portland who have a direct or indirect personal or financial interest in this proposal or in any portion of the profits that may be derived therefrom except as follows:

-- Cheryl Crowley, SCI Board Member, is employed by the City of Portland as a substitute teacher. Ms. Crowley serves SCI as an unpaid volunteer, receives no compensation from SCI and is prohibited by law from sharing in any profits earned by SCI derived from this proposal.

-- David Crowley, husband of Cheryl Crowley, is employed by the City of Portland as a firefighter. Mr. Crowley is not a board member of SCI and does not at the present time have any contractual right to profits from this proposal or other contractual arrangements with SCI.

Sustainable Cliff Island

The Vision for 16 Fishermen's Cove

The parcel located at 16 Fishermen's Cove on Cliff Island is a "*three-fer*" property, critically essential to the future of the year-round Cliff Island community. To that point, **SCI** proposes to redevelop and operate the infrastructure there for the public benefit of the community in *three* direct ways.

1. **Fuel.** We will remove the old, existing fuel tanks and replace them with two new double-wall tanks with a total capacity of less than 1,300 gallons – a number which falls below some DEP requirements. We will clean up and remove any contaminated soil and install whatever containment infrastructure is required. Over the coming decades, we will keep available a fuel supply adequate to community need.
2. **Affordable Housing.** We will renovate the existing home and make it available for a tenant or tenants who meet accepted criteria for renting such a home. We will not only apply State and City standards in assessing their qualifications but will also consult with the comparable affordable housing organizations on the other year-round Maine island communities as to their selection processes.
3. **Wharf.** We will rebuild the fuel dock so that not only Cliff Island fishermen but also other fishermen in need can easily and safely bring their boats in to fuel up. Recreational boaters will of course have the same opportunity. Outreach to the pleasure boats frequenting nearby Jewell Island Harbor will provide an additional market for our fuel business.

SCI is a private corporation, established in 2013 and is in the process of becoming a 501c3 nonprofit. Until the IRS approves our request, we currently have a formal agreement with The Island Institute to serve as our Fiscal Agent. From this point on, we are able to accept and benefit from tax-deductible contribution. We are also very much a community-focused organization. We have received seed

money as financial support from Cliff Island's civic organization, the Cliff Island Association.

Since the August 6th "City Fathers" meeting on Cliff Island, we have held both a full island community meeting and an abutters meeting each dedicated to this project. On both of these occasions, there was substantial positive feedback and interest in what we propose to do and no discernible negative feedback.

We have come to several general meetings in City Hall to hear about and discuss the RFP terms. We have had a small meeting in Greg Mitchell's office. And we participated in the required September 12th walk-through of the site.

From these meetings and from very long personal association with this property, we believe we fully understand the scope of this project and are capable of making it sustainable and successful. There will be direct benefits from the three initiatives described above. We will increase employment on the island both during construction and later when we are operational. We will expect to rent to a person or family who can add to the Island's labor force, perhaps bring a child or children for our School – or both.

There will also be indirect benefits – such as we experienced when we as a community put together similar initiatives in the early 1970's and in the mid 1990's . In both of those periods, Islanders' energy and involvement revitalized our community and significantly boosted our year-round population.

We have contracted with Woodard & Curran for a Phase II Environmental Assessment regarding clean-up of the site. We have researched or are researching foreseeable expenditures for building a near-term budget. We are working with a lawyer who is experienced in affordable housing.

On our Board, we have extensive knowledge of the fuel operation from running it over the past decade, we have three experienced contractors and we all have

boats. We have experience in writing grants to funders and in doing individual fund raising both within and without the Island community.

100% of the Board has already made a financial contribution to SCI. We expect this to be a substantial financial undertaking and believe we are up to the task. Because we are a corporation and not simply a group of individuals, this should be sustainable as an Island institution.

Each of the four Directors has at least three generations of Cliff Island family history behind them.

We will be utilizing both volunteer and paid labor for construction and will have in hand all necessary permits.

Our SCI Business Plan calls for near-term expenditure of \$30,000, including but not limited to:

1. Purchase
2. Legal fees
3. Site clean-up
4. Permits
5. Taxes
6. Insurance

We then project the expenditure of \$300,000 over the next two years, to:

1. Upgrade the Fuel operation to all current standards
2. Upgrade the septic system to legal status.
3. Gut and renovate the house suitable to rental occupancy

4. Rebuild the former grocery store suitable to at least the level of a small convenience store - which will also cater to boaters, local and transient
5. Rebuild the wharf suitable to safely and comfortably tying up boats for fueling
6. Build and install a float for cultivating recreational boaters' fuel and chandlery needs.

In sum, purchasing and redeveloping #16 fishermen's Cove is a very ambitious and costly undertaking, but it is one which we believe is a top priority for the future sustainability of our Cliff Island community. All three components of the property and project will bring both short-term and long-term benefits to the year-round community. We believe that Sustainable Cliff Island has the will and can find the resources to make this project a success.

Cheryl Crowley, President; Bob Howard, Vice President; Eric Anderson, Secretary; Roger Berle, Treasurer.

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT for the purchase and sale of real estate made ~~this~~ as of the _____ 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 _____ **SUSTAINABLE CLIFF ISLAND**, a Maine nonprofit corporation, with a mailing address of _____, ~~Portland~~ P.O. Box 84, Cliff Island, Maine; 04019 (hereinafter referred to as "**BUYER**").

WITNESSETH:

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 _____ Ten Thousand Dollars (\$~~_____,000.00~~) 10,000.00). **CITY** acknowledges receipt of \$1,000 paid to it as of the date of this Agreement.

3. **TITLE**

Title to the Premises shall be conveyed by Quitclaim Deed as shown in the attached draft deed.

4. **BUYER** acknowledges that **BUYER** has had an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold "as is, where is" and "with all faults". **CITY**, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Furthermore, **CITY** and its agents make no representations or warranties regarding the number, quantity, quality, or count of any items of personal property.

Acceptance by BUYER of the Deed and Bill of Sale at closing and payment of the purchase price shall be deemed to be full performance and discharge by the CITY of every agreement and obligation contained herein.

5. BUYER hereby agrees to release, defend, indemnify and hold harmless the CITY, its officers, agents, and employees from and against any and all claims, demands, liability, loss, cost or expense (including but not limited to attorneys' fees and other costs of litigation) that may be incurred by the CITY arising out of or in any way related to the CITY'S ownership, use, or maintenance of the Premises, or the ownership, use, or maintenance of the Premises by the CITY'S predecessors in title or any other third party. BUYER'S obligations in this paragraph shall survive the BUYER'S ownership of the Premises and shall be binding upon BUYER'S successors and assigns. At closing, BUYER agrees to execute a separate Agreement incorporating the terms of this paragraph and agrees that such Agreement shall be recorded with the Deed in the Registry of Deeds.

6. **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.

While not contingent on financing, CITY understands BUYER may apply to CITY for financing in connection with BUYER's redevelopment of the Premises.

7. **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.

8. **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.

9. **GOVERNING LAW**

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

10. **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:

_____Sustainable Cliff Island
_____P.O. Box 84
~~Portland, ME 0410~~ Cliff Island, Maine 04019

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

CITY OF PORTLAND

Witness

Sheila Hill-Christian, Acting City
Manager

By: _____

~~Mark H. Rees~~

BUYER

SUSTAINABLE CLIFF ISLAND,

Witness

Treasurer

By: _____

~~(insert printed name)~~ Roger K. Berle, its

Approved as to Form:

Approved as to Funds:

Corporation Counsel's Office

Finance Director

{Type-text}

ATTACHMENT 610-RFP

Page 1 of 12 (Draft Quitclaim Deed/16 Fisherman's Cove)

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" or the "Grantor") for consideration paid, releases, and quitclaims without covenant, to SUSTAINABLE CLIFF ISLAND, a Maine nonprofit corporation, with a mailing address of Portland, ME 0410 P.O. Box 84, Cliff Island, Maine 04019 (the "Grantee"), 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 "Premises").

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~~ Sheila Hill-Christian, Acting City Manager of the City of Portland, has hereto executed this instrument on this ____ day of _____, 2014.

WITNESS

CITY OF PORTLAND

By: _____
~~Ellen L. Sanborn, Finance Director~~

Sheila Hill-Christian, Acting City Manager

STATE OF MAINE
CUMBERLAND, ss. _____, 2014

Personally appeared the above-named ~~Ellen L. Sanborn, Finance Director~~ Sheila Hill-Christian, Acting City Manager 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,

Attorney-at-Law/Notary Public
Print Name: _____
My commission expires: _____

Approved as to form:

[Type text]

Corporation Counsel's Office

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 31598, Page 140.

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. (a) If the Premises is sold or transferred, as an owner-occupied Premises, the Premises shall remain affordable, year round island housing — i.e., affordable to a household earning 120% or less of the then U.S. Department of Housing and Urban Development moderate-income figure for metropolitan Cumberland County, Maine.

(b) If the Premises is sold or transferred, as non-owner-occupied Premises, the Premises shall be rented, leased or otherwise in accordance with Section 7(b) below.

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.

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. 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. Rent may not exceed 30% of the tenant's adjusted monthly gross income (also refer to Section (b)(iii) above).
- v. 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.
- vi. 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.
- vii. 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, once the tenant departs the Premises, Landlord will rent to an income eligible tenant.
- viii. 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.
- ix. 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.

- x. 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.

8. 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.

9. 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. Nothing contained herein shall be deemed to limit or waive the right of Grantee to seek abatement of real estate taxes in accordance with law.

10. 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.

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~~Premises, 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. 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.

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

15. 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 petroleum-based 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 shorten or extend this Restriction Period, but any extension shall not be effective unless Grantee agrees thereto in a written instrument recorded at the Cumberland County Registry of Deeds. Grantee shall have the right to apply to the City to shorten or terminate the Restriction Period in the event that petroleum-based fuels are either no longer predominantly used to fuel motor vehicles and boats or the cost of furnishing such fuels has become so great that Grantee cannot at least cover its operating costs from the operations of the fuel facility on the Premises. Upon Grantee's application, which shall be supported in reasonable detail, the City shall in good faith reasonably promptly consider and act upon Grantee's request for a reduction in the Restriction Period.

6. The Grantee agrees to comply with these restrictions throughout the Restriction Period, as it may be reduced or enlarged as provided herein.

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. Grantee retains sole discretion concerning the operation of the commercial portion of the Premises, the pricing of goods and services and the hours of operation

of the commercial portion of the Premises, subject to its obligation to make fuel available as set forth in this instrument.

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. Nothing contained herein shall be deemed to limit or waive the right of Grantee to seek abatement of real estate taxes in accordance with law.

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~~Premises, 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 (in its election) the ~~Property~~Premises, or the portion of the ~~Property~~Premises 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 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~~Premises 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. If the City elects to separate the commercial portion of the Premises from the residential portion, it shall obtain and bear all costs of obtaining all necessary federal, state and local permits and approvals for such separation, and shall also bear all costs associated with creating reciprocal easement agreements as to the two portions of the Premises created by the City.

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~~affect 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 Premises (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 ~~tenthirty~~ (~~1030~~) nor more than sixty (60) days after the giving of such Notice.

2. If City, its attorney, successors or assigns, exercises 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~~Grantee 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 release 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 the~~ the Earnest Money and ~~Option Consideration~~ any other option consideration actually received by Grantee.

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 a reasonable effort to remove such defects at its own expense, to the satisfaction of counsel of City, its successors or assigns; provided, however, Grantee shall not be obligated to expend more than \$10,000 to clear title. 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 and this Option shall

terminate.

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, whereupon this Option shall terminate.

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, subject to the rights of tenants then present, and otherwise 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.

Document comparison by Workshare Compare on Tuesday, September 30, 2014
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Document 1 ID	file:///O:\MAS\86700 Sustainable Cliff Island\Purchase and Sale Agreement_RFP.docx
Description	Purchase and Sale Agreement_RFP
Document 2 ID	file:///O:\MAS\86700 Sustainable Cliff Island\Purchase and Sale Agreement_SCI draft.docx
Description	Purchase and Sale Agreement_SCI draft
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved-deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	58
Deletions	44
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	102

Addendum #1

**CITY OF PORTLAND, MAINE
Sale of Tax Acquired Property Located at
16 Fisherman's Cove, Cliff Island
Bid #1515**

DATE: September 16, 2014

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

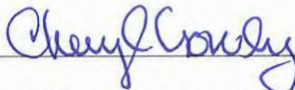
**ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY
ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF THIS
SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.**

**MATTHEW F. FITZGERALD
PURCHASING MANAGER**

Please see attached Addendum #1 – Phase I Environmental Site Assessment for the Cliff Island Fueling Station & Residence, 16 Fisherman's Cove, Portland/Cliff Island Maine prepared by Credere Associates dated June 11, 2014.

Receipt of **Addendum No. 1** to the City of Portland's **BID #1515, Sale of Tax Acquired Property Located at 16 Fisherman's Cove, Cliff Island**, is hereby acknowledged.

COMPANY NAME: SUSTAINABLE CLIFF ISLAND

SIGNED BY:  DATE: September 30, 2014

PRINT NAME & TITLE: CHERYL CROWLEY, PRESIDENT

ADDRESS: P.O. BOX 84, CLIFF ISLAND, ME 04019

ZIP CODE

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., Tuesday, September 30, 2014**, 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, September 12, 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. These uses can be separate from each other as they are considered functionally subdivided. Inasmuch, the City acknowledges that there may be partnering proposals for the purchase of each use.
 - (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 two immediate action items in the Executive Summary, that is: “Immediate removal of oil and hazardous material waste products throughout the Site. Immediate stabilization and removal of possibly leaking kerosene drum in crawl space.” have been addressed. The City is willing to explore partnerships to further 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. Affordable, Year-Round Island Housing for 20 Years

The reuse of the property for affordable, year round island housing for 20 years – 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. Fuel Station Operational for 20 Years

Keep the fuel station a running fuel station for Cliff Island for 20 years. The City reserves the opportunity in the draft Deed attached to provide a mechanism for reduction or extension of this use for additional time spans.

3. Department of Public Services (DPS) Site

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. All proposals that include a land parcel as described herein as part of the purchase consideration will be awarded 10 (ten) Bonus Points in Section IV. (See Attachment 5 – draft concept plan/layout of Department of Public Services’ needs.)

III. CONDITION UPON SALE OF PROPERTY

The deed to the purchaser (see Attachment 6) 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 to provide a mechanism for reduction or extension of this use for additional time spans.”

IV. PROPOSAL SCORING

The City’s Tax Acquired Property Committee (TAPC), a City employee Committee comprised of staff from the City Manager’s office, Economic Development, Finance, Assessor, Planning and Urban Development, Corporation Counsel, and Public Services, will review proposals received and will apply the following scoring to evaluate proposals received up to the maximum number of points allowed per criteria listed below:

A. Fuel Station Kept Operational	50 Points
B. Year Round Affordable Island Housing	30 Points
C. Total price offered for property.	20 Points
D. Land Consideration for Public Services as part of purchase price (minimum of 1 to 2 acres of buildable land)	10 Bonus Points
Total Possible Points:	110 Points

NOTE: Bonus points are available if a land donation is offered. No penalty points are applied to a proposal without land donation offers.

V. SALE INFORMATION

After proposals are opened, TAPC will make a recommendation to the City Council's Housing and Community Development Committee (HCDC) on award of proposal(s), which Committee then makes its recommendation to the City Council. It is anticipated that the HCDC could review this at its meeting on Wednesday, October 22, 2014, 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(s) 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.

August 31, 2014

Matthew F. Fitzgerald
Purchasing Manager

Attachments:

- #1 City Assessor Information, Map, and Picture.
- #2 Phase I Environmental Site Assessment Executive Summary
- #3 Condition Assessment by City staff
- #4 Draft Purchase and Sale Agreement
- #5 Draft concept plan/layout of Department of Public Services' needs.
- #6 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 [latter if included in proposal]).

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

maia@ecorealestateme.com

Brian Joyce

bjoyce@maine.rr.com

Robert Barnes

rbarnes@revdrtv.com

Dave Schroder

djschro@gmail.com

M. Nasir Shir

mnshir@hotmail.com

nshir@portlandmaine.gov

Jay McGranahan

jmcgranahan@hotmail.com

Yvonne Roundtree

valround@hotmail.com

Rita Yarnold

rita@bayrealtyassociates.com

Nancy Laframboise

Nlafram2000@yahoo.com

Jeremy Benn, Joe Flynn Real Estate

Jeremy@joeflynnrealestate.com

Sustainable Cliff Island

c/o Roger Berle

rkberle@msn.com

Aaron Additon

296 Pride Street

Westbrook, ME 04092

David DiPietro

221 Virginia Street

Portland, ME 04103

AMA Real Estate, LLC
Attention: Aaron
PO Box 4806
Portland, Maine 04112-4806

Eddie Ahmed
baysidevariety@gmail.com

Gillian Davis
gillianwd@yahoo.com

Marla Michaels
Marlamichaels1@gmail.com

Steve Wilson
Stevewilson2@earthlink.net

Tim Steigelman
tsteigelman@krz.com

Port Harbor Fuel, Inc.
40 Deakes Wharf
Portland, ME 04101

Mike Cardente
mike@cardente.com

Michelle Theriault
Mtheriault71@gmail.com

Derek Smith
derekrsmith@earthlink.net

Karen Snyder
karsny@yahoo.com

info@eastbayside.org

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:**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

CBL	109B F039001
Land Use Type	RETAIL & PERSONAL SERVICE
Verify legal use with Inspections Division	
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

Current Assessed Valuation:

TAX ACCT NO.	15698	OWNER OF RECORD AS OF APRIL 2013
LAND VALUE	\$232,800.00	KESSINGER HOLLY & BRUCE RIETH
BUILDING VALUE	\$57,940.00	91 TURKEY LN
NET TAXABLE - REAL ESTATE	\$290,740.00	WEST BUXTON ME 04093
TAX AMOUNT	\$5,643.26	

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!



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



RECEIVED FROM CHUCK FAGONE/BUILDING INSPECTIONS

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 the attached draft deed.

4. **BUYER** acknowledges that **BUYER** has had an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold "as is, where is" and "with all faults". **CITY**, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Furthermore, City and its agents make no representations or warranties regarding the number, quantity, quality, or count of any items of personal property. Acceptance by **BUYER** of the Deed and Bill of Sale at closing and payment of the purchase price shall be deemed to be full performance and discharge by the **CITY** of every agreement and obligation contained herein.

5. BUYER hereby agrees to release, defend, indemnify and hold harmless the CITY, its officers, agents, and employees from and against any and all claims, demands, liability, loss, cost or expense (including but not limited to attorneys' fees and other costs of litigation) that may be incurred by the CITY arising out of or in any way related to the CITY'S ownership, use, or maintenance of the Premises, or the ownership, use, or maintenance of the Premises by the CITY'S predecessors in title or any other third party. BUYER'S obligations in this paragraph shall survive the BUYER'S ownership of the Premises and shall be binding upon BUYER's successors and assigns. At closing, BUYER agrees to execute a separate Agreement incorporating the terms of this paragraph and agrees that such Agreement shall be recorded with the Deed in the Registry of Deeds.

6. 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.

7. 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.

8. 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.

9. GOVERNING LAW

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

10. 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

BUYER

WITNESS

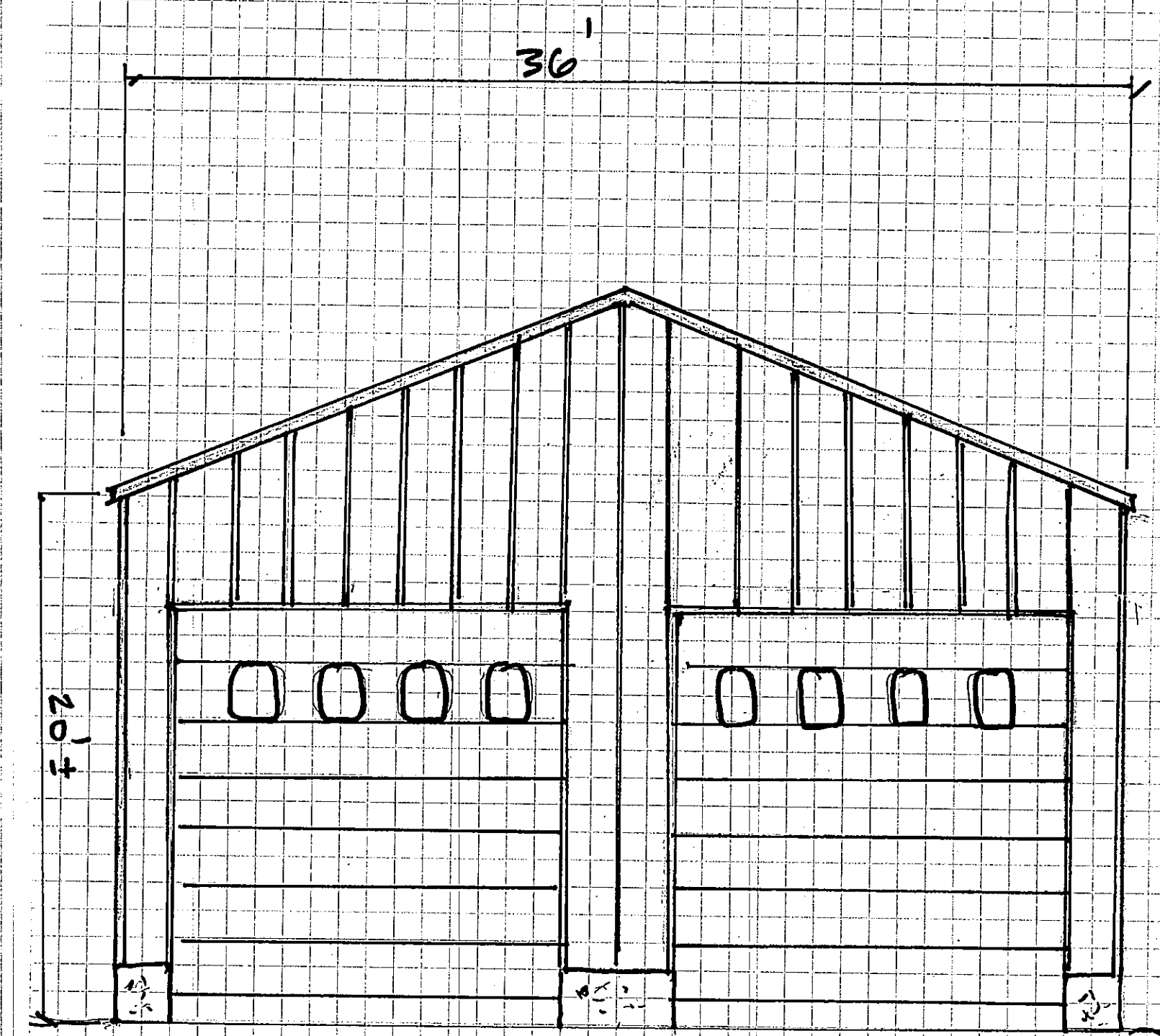
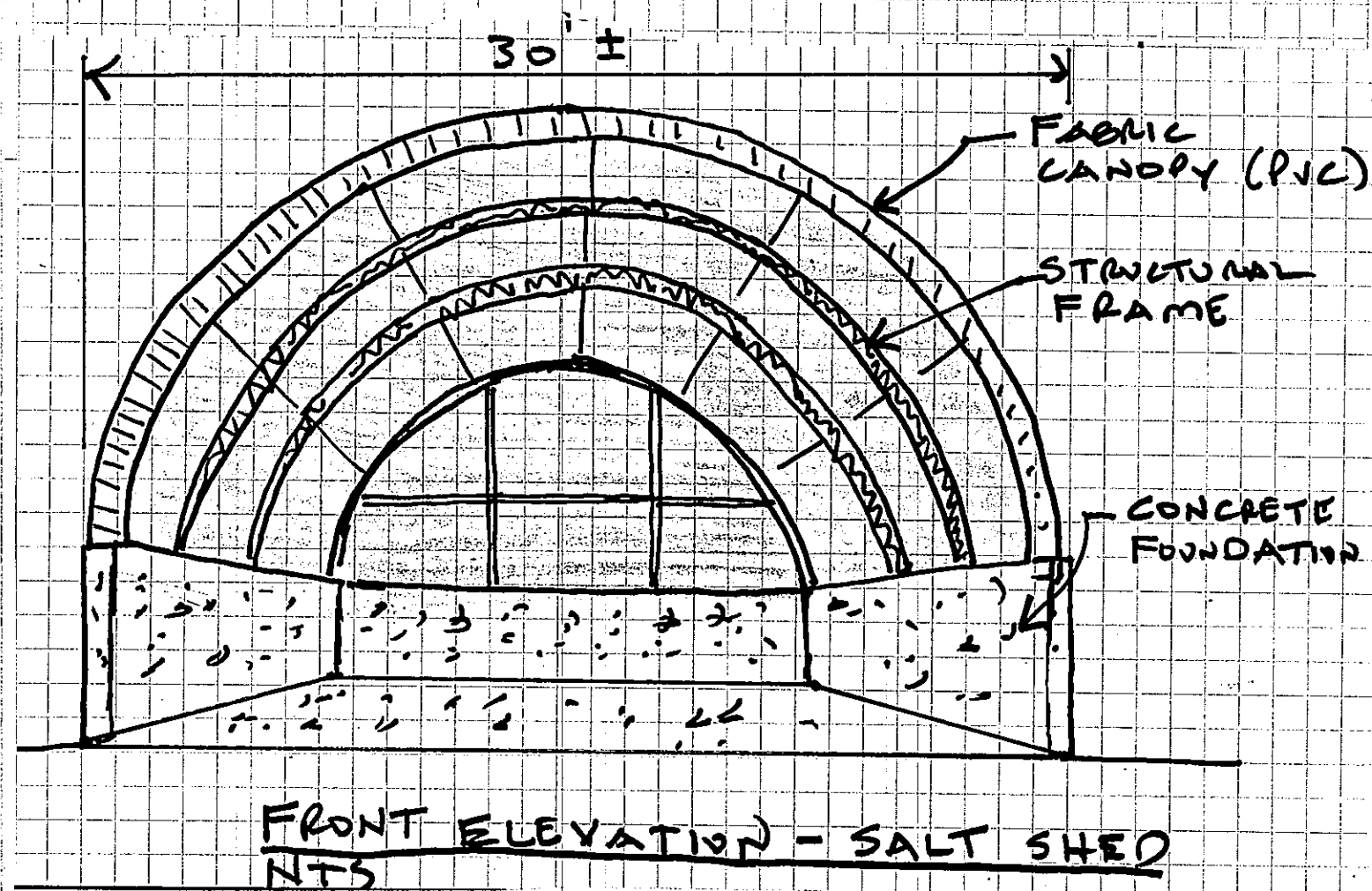
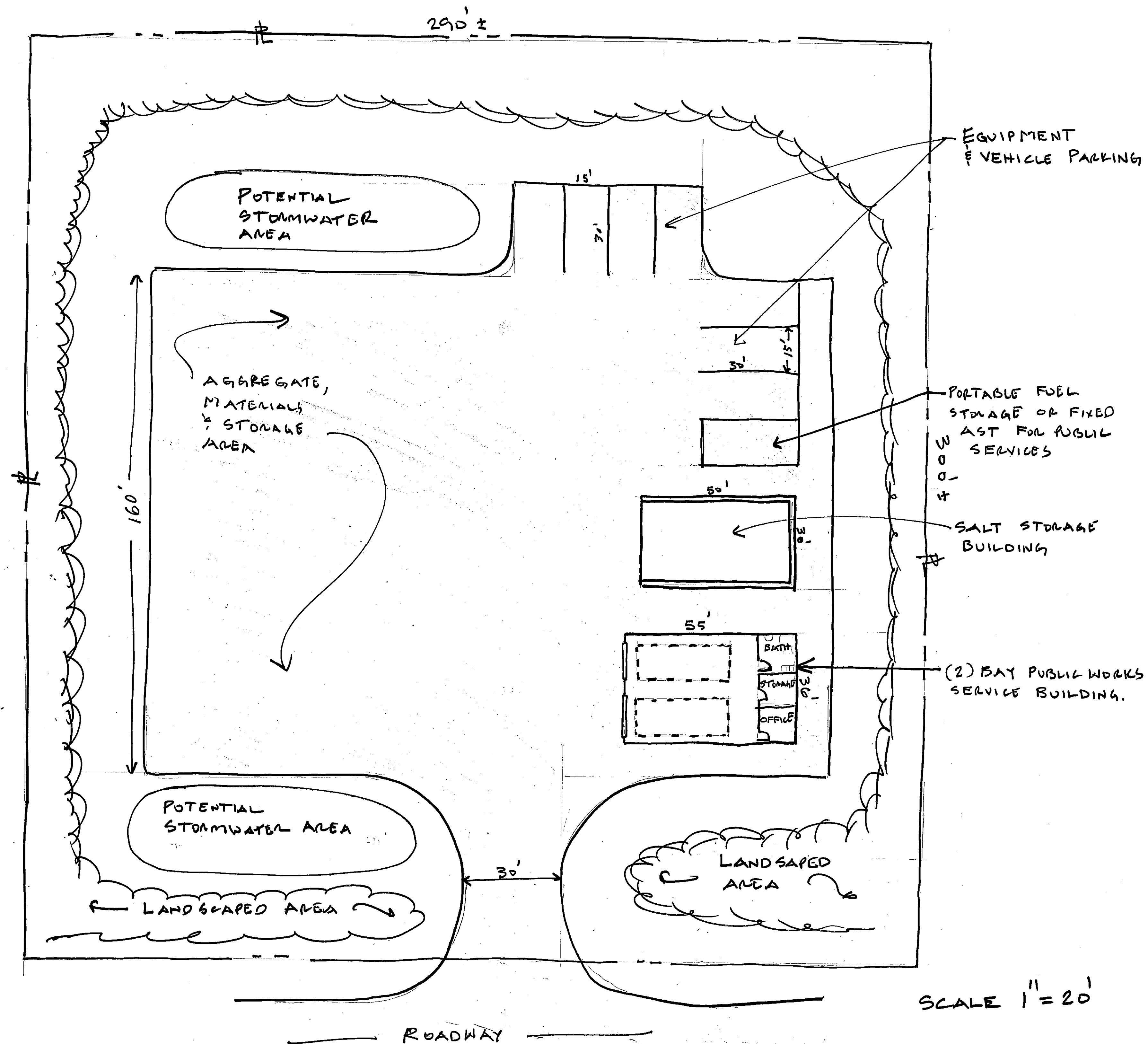
(insert printed name)

Approved as to Form:

Approved as to Funds:

Corporation Counsel's Office

Finance Director

NOT FOR
CONSTRUCTIONPROGRESS
PRINTFRONT ELEVATION - PUBLIC WORKS
NTSFRONT ELEVATION - SALT SHED
NTSSEBAGO
TECHNICSWWW.SEAGOTECHNICS.COM
78 John Paul Rd., Suite B
South Portland, ME 04106
Tel: 207-200-2100PROJECT NO. 14275
FIELD BOOK DESIGN CHKD DRAWNCONCEPT PLAN
OF:CLIFF ISLAND PUBLIC SERVICES
PORTLAND, MAINE
FOR:
CITY OF PORTLAND
56 PORTLAND STREET
PORTLAND, MAINE 04101DATE 07-23-14
SCALE

SHEET 1 OF 1

14275TB.dwg, TAB: Model

**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 _____, 2014.

WITNESS

CITY OF PORTLAND

By: _____
Ellen L. Sanborn, Finance Director

STATE OF MAINE
CUMBERLAND, ss.

_____ 2014

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

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 31598, Page 140.

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. (a) If Premises is sold or transferred, as an owner-occupied Premises, the Premises shall remain affordable, year round island housing – i.e., affordable to a household earning 120% or less of the then U.S. Department of Housing and Urban Development moderate-income figure for metropolitan Cumberland County, Maine.

(b) If Premises is sold or transferred, as non-owner-occupied Premises, the Premises shall be rented, leased or otherwise in accordance with Section 7(b) below.

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.

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. 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. Rent may not exceed 30% of the tenant's adjusted monthly gross income (also refer to Section (b)(iii) above).
- v. 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.
- vi. 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.
- vii. 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, once the tenant departs the Premises, Landlord will rent to an income eligible tenant.
- viii. 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.

- ix. 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.
- x. 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.

8. 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.

9. 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.

10. 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.

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. 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.

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

15. 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 shorten or 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, exercises 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.



Gregory A. Mitchell
Director, Economic Development Department

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: November 6, 2014

RE: Proposed Downtown and Transit Oriented Development and Tax Increment Financing Program

I. SUMMARY OF ISSUE

In early 2014, the Mayor and City Council established the following goal:

Implement Tax Increment Financing (TIF) Programs that focus on the creation of appropriately sized and designed TIF districts and advances other Council goals in the areas of transit, economic development, public infrastructure and municipal finance.

City staff worked with the HCDC over several months to provide policy direction related to the establishment of the Proposed Downtown and Transit Oriented Development and Tax Increment Financing Program. This memorandum and accompanying document is consistent with the policy direction received by the HCDC on this matter.

Additionally, the under direction and recommendation of the HCDC, the City Council adopted a revised City TIF Policy on February 3, 2014 which supports the establishment of area wide TIF districts to invest in public infrastructure and economic development programs versus establishing individual site specific TIF districts through credit enhancement agreements.

The Proposed Downtown Transit Oriented Development (DT/TOD) and Tax Increment Financing District includes a large single area wide TIF district of approximately 410 acres which includes the majority of the Portland Peninsula bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and the Waterfront Capital Improvement TIF District to the north and south. On



Gregory A. Mitchell
Director, Economic Development Department

November 17, 2014, the City Council is scheduled to vote on amendments to the Bayside TIF District which would expand the TIF District geography.

The Proposed DT/TOD TIF District is designed strategically to support the following major objectives:

1. ***Maintain and Expand Tax Base and Job Growth.***
2. ***Invest TIF Revenue in the following categories.***
 - a. ***Public Infrastructure.***
 - b. ***New and Enhanced Transit.***
 - c. ***City Economic Development Programs including Creative Portland and city staff salaries.***
3. ***TIF Term and Capture Rates.*** The proposed TIF District is for thirty (30) years (the maximum allowed by state law) and proposed TIF capture rates have been set at low levels to not overly restrict funds in a TIF district which are needed to support city general fund needs.
4. ***Tax Shelter Benefits.*** Public benefits associated with TIF district are the “savings” related to the avoided loss of state aid for education and municipal revenue sharing along with the city being responsible for a higher share of Cumberland County’s budget.

Downtown Investment Plan

City planning staff prepared the “City of Portland Downtown Revitalization Investment Plan”, dated October, 2014 to summarize the myriad policy goals and slated projects targeted towards improving the built environments of Portland’s downtown.

Proposed TIF District Term and Capture Rates

Specific proposed terms include:

TIF Years	TIF Capture Rates	TIF Revenue Estimate	General Fund Estimate
1	12%	\$200,000	\$1.55 million
2-30	22%	\$15.30 million or \$500,000 average per year	\$54.30 million
Total		\$15.50 million	\$55.85 million



Gregory A. Mitchell
Director, Economic Development Department

The estimated amount of TIF revenue reserved for TIF investments is less than 5% of the total estimated real estate tax revenue related to the Proposed DT/TOD TIF District.

Tax Shelter Benefits

Estimates of the specific savings or avoided loss of state aid to education, reductions in municipal revenue sharing or for the city paying a higher share of County taxes include:

TIF Years	Savings Estimate
1-30	\$4.75 million

The average savings total over \$150,000 per year or approximately 31 cents of avoided loss related to each new real estate property tax dollar. This percentage is a slight reduction from previous estimates. The reduction is due to the City TIF model being updated to reflect current state funding formulas and a state legislative change to average calculations for state aid for education over three years versus two.

Proposed Specific Investments

Investment estimates, by major category over the thirty years, include the following:

TIF Year	Investment	Annual Estimates
1	Econ. Dev Programs:	\$100,000
	a. Creative Portland Transit	\$100,000
2-30	Econ. Dev. Programs:	\$100,000
	a. Creative Portland Transit	\$100,000-\$250,000
	Public Infrastructure	\$200,000-\$500,000

Total

\$15.50 million

The Arts TIF District is proposed to be amended to reduce the TIF District geography to include the Baxter Library Redevelopment Project site only. The result of this amendment will maintain the City's Credit Enhancement Agreement for the Baxter Redevelopment Project and also will eliminate the Arts TIF District annual funding to Creative Portland. It is proposed that the DT TOD TIF District will replace the Arts TIF District as the annual financial source for Creative Portland.



Gregory A. Mitchell
Director, Economic Development Department

See enclosed memorandum from Greg Jordan, Metro General Manager, dated November 7, 2014 outlining new proposed transit investment.

The total amount of property tax revenue will be dependent upon property valuations at a future point of time per the above capture rates.

Also, the city council will have the final authority on an annual basis related to prioritization of TIF investments and if necessary TIF capture rates can be reduced to free up TIF funds for city general fund expenditures.

II. REASON FOR SUBMISSION

A vote to recommend approval from the HCDC and approval by the City Council is needed to establish a Proposed Downtown Transit-Oriented Development and TIF District along with Maine DECD approval.

III. INTENDED RESULT

Approval of the Proposed Downtown Transit-Oriented Development and TIF District.

IV. FINANCIAL IMPACT

As outlined above under the Proposed TIF District Terms and Capture Rates Section.

V. RECOMMENDATIONS

Staff recommends approval to establish the Proposed TIF District Terms and Capture Rates Section.

VI. ATTACHMENTS

City of Portland Downtown Transit Oriented Development and Tax Increment Financing Program Draft as of October 30, 2014

Memorandum from Greg Jordan, Metro General Manager, dated November 7, 2014

City of Portland



Downtown Transit Orient Development and Tax
Increment Financing Program

DRAFT OF OCTOBER 30, 2014

Prepared by:

The City of Portland Economic Development Department

Enacted by the Portland City Council on _____.

Section:

- I. Introduction
- II. Development Program Narrative
 - A. The Development Program
 - B. The Projects
 - C. Strategic Growth and Development
 - D. Improvements to the Public Infrastructure
 - E. Operational Components
 - 1. Public Facilities
 - 2. Commercial Improvements Financed through the Development Program
 - 3. Relocation of Displaced Persons
 - 4. Transportation Improvements
 - 5. Environmental Controls
 - 6. Plan of Operation
- III. Physical Description
- IV. Financial Plan
 - A. Financial Characteristics
 - B. Costs and Sources of Revenues
 - C. Indebtedness
- V. Statutory Requirements and Thresholds
- VI. Municipal Approvals
 - A. City of Portland Downtown Revitalization Investment Plan
 - B. Notice of Public Hearing
 - C. Minutes of Public Hearing Held by City Council
 - D. Authorizing Votes

Exhibits:

- A. City of Portland Downtown Revitalization Investment Plan
- B. City of Portland TIF Policy
- C. Map of Proposed TIF District
- D. Tax Revenue and Tax Shift Estimates
- E. Statutory Limits and Thresholds
- F. Assessor's Certificate of Original Assessed Value
- G. Notice of Public Hearing
- H. Certified Copy of Council Minutes
- I. Attested Copy of Council Order Approving the Downtown TOD/TIF District

I. Introduction – Portland Downtown Transit Oriented Municipal Development District and Omnibus Tax Increment Financing District

The City of Portland (the “City”) shall designate the Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District (the “District”) and adopt this Development Program (the “Development Program”) for the District in an effort to fully realize the visions and goals of the City of Portland Downtown Revitalization Investment Plan (“Downtown Plan”). The Downtown Plan is attached as Exhibit A.

Portland’s proposed District, at approximately 410 acres, is bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded.

The Downtown Plan includes a listing of current projects and categories of future investment. It is recognized that meeting the infrastructure needs of Portland’s downtown will be a dynamic process that will be updated locally on an annual basis or as needed. Though the specific projects prioritized and undertaken from year to year will change, categories of investment for the purpose of eligible uses of the TIF Revenues will remain consistent. Actual project selections and prioritization for funding will continue to be made on an annual basis during the City budget and Capital Improvements Plan (CIP) process. The CIP is the document that presents the City’s capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document.

II. Development Program Narrative

A. The Development Program

The Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised TIF Statutes, as amended (the “TIF Statute”). The City’s designation of the District, combined with the adoption of this Development Program, create a single municipal TIF district in order to capture the value of the real property improvements made within the District and enable the use of TIF revenues for various municipal and other development projects.

Under this Development Program, the City may capture up to 12% in year one, and up to 22% in years 2 through 30, of the new real property value located in the District for a total of thirty (30) years. The City may retain up to one hundred percent (100%) of those tax revenues generated by the captured assessed value (the “TIF Revenues”) to fund infrastructure improvements and other administrative costs, all as further described in Table 1 herein. The

City reserves the right to capture less than the full 12% in year one and less than the 22% in years 2 through 30, depending on the then-current needs of the City with respect to the approved project costs. Any reduction in the captured value percentage shall adjust the amount of assessed value eligible for sheltering with respect to the tax shift benefit correspondingly. Although all TIF Revenues will be retained by the City at this time, the City reserves the right in the future to consider credit enhancement agreements pursuant to City Council approved TIF Policy of up to twenty years and up to sixty-five percent (65%) of the TIF Revenues. City TIF Policy is attached as Exhibit B. Such future credit enhancement agreements would require a public hearing and City Council approval.

In designating the District and adopting this Development Program, the City can accomplish the following goals:

- Maintain existing tax revenues;
- Enjoy enhanced future tax revenues generated by new development within the District; and
- Create long-term, stable employment opportunities for area residents.

In addition, by creating the District, the City will “shelter” the increase in municipal valuation that development in the District will bring about. This tax shift benefit will mitigate the adverse effect that the District’s increased assessed property value would have on the City’s share of state aid to education, municipal revenue sharing, and its county tax assessment. An estimate of the tax shift benefits is shown in Exhibit D-2 attached hereto.

The City’s designation of the District and pursuit of this Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the City and the region by providing jobs, contributing to property taxes, and diversifying the region’s economic base.

B. The Projects

Development within the District will provide a revenue source for the City’s economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland’s business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding of Creative Portland Corporation, of which the City of Portland is the Corporator, of up to \$100,000 annually, as well as City plans to invest in its infrastructure in these investment focus areas:

- Sidewalk and Other Pedestrian Enhancements
- Streetscape
- Lighting
- Street Alignment
- Utilities
- Bicycle Improvements
- Public Transit
- Wayfinding

- Lighting
- Creative Economy (Creative Portland)
- Staff Salaries in the Economic Development Department, and salaries of the City Manager and Planning and Urban Development Director

The District projects at this time are highlighted in Table 1 below:

TABLE 1

NOTE 1: All Citations refer to Title 30-A, Chapter 206, Section 5225

NOTE 2: While this Development Program lists particular projects, the Development Program shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the City to completing any particular project. The projects will only be undertaken following proper appropriation through the annual budget process and any other applicable required approvals.

Project	Statutory Citation
Sidewalk and Other Pedestrian Enhancements	(1)(A)
Streetscape	(1)(A)
Lighting	(1)(A)
Street Alignment/Improvements	(1)(A)
Utilities	(1)(A)
Bicycle Improvements	(1)(A)
Public Transit	(1)(A) and (1)(C)(7)
Wayfinding	(1)(A)
Creative Economy (Creative Portland Corp.)	(1)(A) and (1)(C)(2)
Economic Dev. Dept. Staff Salaries, and salaries of City Manager and Planning Urban Development Director	(1)(A)(%)

C. Strategic Growth and Development

This Development Plan and the Downtown Plan meld various studies and plans for the District into one document, thereby promoting those studies and plans and making investments at the appropriate time. The studies and plans noted in the Downtown Plan represent a series of community initiatives, both completed and underway, or in planning process. The Development Program and Project List (Table 1) noted herein represents the best thinking of City staff about current opportunities for realizing the City's longstanding, evolving vision for its Downtown.

D. Improvements to the Public Infrastructure

As further set forth in Table 1, the City may use certain TIF Revenues for road and sidewalk/ pedestrian improvements that are directly related and made necessary by development in the District.

E. Operational Components

1. Public Facilities

The City may use a portion of the TIF Revenues to fund certain projects approved within the District, outlined in Table 1 above.

2. Commercial Improvements Financed through the Development Program

At this time, no commercial improvements will be financed through the Development Program. The City may, in the future, reimburse a percentage of the TIF Revenues from any particular lot within the District to future developers through a credit enhancement agreement. Future credit enhancement agreements are authorized only if the City holds a public hearing and the City Council meets and votes to authorize the credit enhancement agreement pursuant to City Council approved TIF Policy. Such credit enhancement agreements may provide a reimbursement of up to sixty-five percent (65%) of the TIF Revenue for up to twenty (20) years in the District.

3. Relocation of Displaced Persons

It is not anticipated that any persons will be relocated; however, the City has provided that if, in the future, relocation of persons is necessary to accommodate future redevelopment within the District, the relocation costs of such displaced persons can be paid for with TIF Revenues.

4. Transportation Improvements

The City may fund road improvements made necessary by the increased traffic to the District. Please see Table 1 for more details.

5. Environmental Controls

The improvements made under this Development Program will meet or exceed all federal, state, and local environmental laws, regulations, and ordinances and will comply with all applicable land use requirements for the City.

6. Plan of Operation

During the term of the District, the City Manager or his designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.

III. Physical Description

The proposed 410-acre District is bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District,

the outlying residential areas of the Eastern and Western Proms have been purposely excluded. The proposed District is shown on Exhibit C. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. Section 5223(3) are set forth in Exhibit E.

IV. Financial Plan

A. Financial Characteristics

The collective original assessed value of the property in the District is \$959,071,150 as of March 31, 2014 (April 1, 2013). Please see the Assessor's certificate of the original assessed value attached as Exhibit F. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

The City may capture up to 12% in year 1, and up 22% in years 2 through 30, of the increased assessed value of the real property located within the District for the duration of the 30-year term of the District. Personal property tax value will not be captured within the District. The TIF Revenues so collected will fund and/or contribute to the funding of the approved projects, including each of the projects described on Table 1 hereof, which collectively increase the City's ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All assessed real property value captured in the District will be added to the general tax rolls at the end of the District's term. Please note that at any time during the term of the District, the municipality can vote to reduce the captured value percentage and instead deposit the tax revenues into the General Fund so long as the municipality does not receive the tax shift benefit associated with the tax revenues so deposited.

Upon each payment of real property taxes for property located inside the District, the City will deposit into a development program fund (the "Development Program Fund") the entirety of the property tax payments constituting TIF Revenues. The percentage of increased assessed value of real property within the District that will be captured shall be determined annually during the municipal budget process; however, the City may capture up to 12% in year one, and up to 22% in years 2 through 30, of the increased assessed value of real property as captured assessed value. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner and in the order provided in 30-A M.R.S.A. Section 5227(3). The Development Program Fund will consist of a development sinking fund account (the "Sinking Fund Account") to the extent municipal bonded indebtedness is used to pay for projects costs, and a project cost account (the "Project Cost Account"). From the Development Program Fund, the City will deposit up to one hundred percent (100%) of the TIF Revenues into the City's Sinking Fund Account and/or the Project Cost Account to be used to fund projects listed in Table 1. If future credit enhancement agreements are approved by the City Council, then a subaccount within the Project Cost Account shall be created for any payments required to be made by the City pursuant to such credit enhancement agreement.

Estimates of the increased assessed property values of the District, the anticipated TIF Revenues generated by the District, and the estimated tax shifts are shown in Exhibit D-1 and Exhibit D-2.

B. Costs and Sources of Revenues

The current and future developers owning or leasing properties located within the Districted are intended to pay for and/or finance all private improvements located in the District through private sources. Table 1 herein provides estimated costs of the municipal projects costs to be undertaken with TIF Revenues.

C. Indebtedness

The City reserves the option to fund the project costs through public indebtedness.

V. Statutory Requirements and Thresholds

The statutory requirements and thresholds for approval required by Section 5223(3) of the TIF Statute are set forth in Exhibit E.

VI. Municipal Approvals

A. City of Portland Downtown Revitalization Investment Plan

Attached as Exhibit A hereto is a copy of the City of Portland Downtown Revitalization Investment Plan adopted by the City Council on _____, 20____, serving as the comprehensive downtown redevelopment plan required for downtown tax increment financing district.

B. Notice of Public Hearing

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding adopted of the Development Program for the District, published in the *Portland Press Herald*, a newspaper of general circulation in the City, on _____, 20____, a date at least ten (1) days prior to the public hearing. The public hearing on the Development Program was held on - _____, 20____, in accordance with the requirements of 30-A M.R.S.A. Section 5226(1).

C. Minutes of Public Hearing Held by City Council

Attached as Exhibit H hereto is a certified copy of the minutes of the public hearing held on _____, 20____, at which time this Development Program was discussed by the public.

D. Authorizing Votes

Attached as Exhibit I hereto is an attested copy of the City of Portland Order approving this Development Program, with the results of the voted noted on this Order duly called and held on _____, 20____.

CITY OF PORTLAND DOWNTOWN REVITALIZATION INVESTMENT PLAN

OCTOBER 2014

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11. APPENDIX 5, 2015 MAJOR PROJECT CONSTRUCTION ZONES MAP

INTRODUCTION

Downtown Portland contains a vibrant concentration of services, arts, civic and religious institutions, entertainment and commercial venues. As Maine's largest city, Portland's downtown is vitally important not only to its residents and visitors, but as a regional economic and cultural hub. Portland is constantly evolving and adapting to new realities, making every effort to plan for a healthy, sustainable, economically resilient and innovative downtown to engage residents and visitors alike. The range of public infrastructure improvements planned for Portland's downtown seek to cultivate an environment that encourages reciprocal private improvements; proactively planning for Portland's downtown infrastructure becomes a catalyst for private investment that positively affects Portland's tax base, quality of life, cultural and business climate.

The Downtown Revitalization Investment Plan summarizes the myriad policy goals and slated projects targeted towards improving the built environment of Portland's downtown in the area of the peninsula encompassed by the Downtown TIF (Figure 1). In any given year Portland is involved in a host of 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 and state agencies. There are consequently many planning documents pertaining to the many facets of Portland's downtown, representing years of research, analysis, public involvement, and dedicated Board, Committee and staff efforts. This document does not seek to replicate or summarize those initiatives, but to provide a synopsis needed to fulfill those goals.

DOWNTOWN TIF GEOGRAPHY

The Downtown TIF, at approximately 410 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, Appendix 1).



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

PLAN PURPOSE

This plan outlines the various categories of 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.

This Downtown Revitalization Investment Plan is a snapshot of current projects and categories of investment, but meeting the infrastructure needs of Portland's downtown is a dynamic process that will be updated locally on an annual basis or as needed. Though the specific projects prioritized and undertaken from year to year will change, categories of investment for the purpose of eligible uses of the Downtown TIF will remain consistent. Actual project selections and prioritizations for funding will continue to be made on an annual basis during the budget and Capital Improvements Plan (CIP) process. The full list of Portland's requested Capital Improvement Plan investments for FY 2015 - 2019 is included as Appendix 2. The CIP is the document that presents the City's capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document.

DOWNTOWN INVESTMENT FOCUS AREAS

Capital Infrastructure Investments

Portland's downtown TIF area has immediate ongoing capital infrastructure investment needs, both arising from recent planning recommendations for physical improvements, and for ongoing maintenance of the build environment. These capital infrastructure investments are critical to a safe, functional, healthy, and beautiful downtown. Capital investments categories include sidewalk and related pedestrian enhancements, including maintenance of existing sidewalks, redesign, and expansion; streetscape elements, such as street furniture and public art; street and decorative lighting; roadway realignments that result from change in traffic direction, redesign of intersections, additions of bicycle infrastructure, expansion of sidewalks, or other physical improvements implemented to foster safe and effective transit mobility; stormwater management, including controlling of both surface water quality and quantity. In addition to maintaining existing stormwater systems, new investments in downtown present opportunities to improve stormwater treatment in the form of green infrastructure, pervious surfaces, and expanding capacity of traditional treatment measures, and major infrastructure investments towards complying with Clean Water Act requirements; utilities, including public water and sewer maintenance; bicycle infrastructure, including storage, signage, parking, lanes, cycle tracks, sharrows, and other on-road dedicated space; communications infrastructure, including investments in high speed fiber optic networks, or other developing technologies needed to support a competitive local economy; wayfinding for the travelling public. A recent wayfinding study remains unimplemented, but promises to provide an aesthetically cohesive, consistent information path on-peninsula. Though peninsula-wide, the greatest concentration of signage would be installed in the downtown TIF area.

Select, specific examples of major capital infrastructure investments include City local match share for state roads which could include State, High, Spring, and Franklin Streets, Congress

Square and plaza intersection improvements, along with City debt service to cover the costs of downtown paving and sidewalk rehabilitation. City Council approved FY 2015 CIP includes the following project investments:

- | | |
|---|--------------------------|
| ○ Franklin Street Paving (Middle to Fox): | \$125,000 |
| ○ Spring/Temple/Union Street Intersection (MPO ineligible costs): | \$200,000 |
| ○ Paving Rehabilitation: | \$1,750,000* |
| ○ Sidewalk Rehabilitation: | \$700,000 * ¹ |

New Transit Services

In conjunction with METRO (Greater Portland Transit District), the city has undertaken the HUB Link Study, underway as of Fall 2014 and described in greater detail under Current Planning Initiatives, below, as well as investigating potential efficiency improvements to the 3 and 6 Routes. Beyond these immediate projects, the City has made a long term commitment to improve and expand public transit wherever feasible.

City Marketing and Promotion through Creative Portland

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, and to promote the establishments and growth of creative enterprises that are drawn to Portland's downtown by the City's quality of life and the presence of a lively arts culture. 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 Arts 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.

Funding of Economic Development Staff

It is proposed that a portion of the City Manager and Planning Director's annual salaries be funded through TIF revenue. Additionally, the Economic Development Department budget could be funded from the Downtown TIF District or, alternately other existing city council approved TIF districts.

Small Public Capital Infrastructure and Equipment

It is anticipated that there will be recurring, smaller capital items that would warrant investment of TIF revenue. Examples of recent expenditures that could qualify for TIF funds are parking

¹ *It is estimated that \$1 million of the paving and sidewalk investment will be located within the proposed Downtown TIF District.**

meter replacement (\$175,000) and Department of Public Services Tractor Replacement (\$135,000).

CURRENT PLANNING INITIATIVES

Below is a list of current, major planning initiatives underway, each of which will result in recommended improvements and attendant infrastructure investments. A listing of current planning projects and other City initiatives with corresponding investment areas is attached as Appendix 3.

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 final recommendations of this report are focused on a set of infrastructure improvements to the Congress Street corridor within the study area, specifically including the following: 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 key locations; and revised curb lines and pavement markings. The study area extends along Congress Street from Franklin Street to State Street.

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.

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



Figure 2, Hub Link Study Route Scenarios

feasibility analysis of several major route alternatives, each with downtown route and stop implications.

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 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. The physical characteristics of this stretch of Spring Street are more suitable to suburban arterial roads, and create a streetscape that is out of character with the surrounding city, and that does not function ideally for all users and multiple modes of travel.



Figure 3, Spring Street-Free Street Study Area

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, that enhances the character of the area, and that allows for future development aimed to encourage economic value and livability.

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.



Figure 4, Franklin Street Study Area

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.

Portland Peninsula Vehicular Wayfinding Plan (2013)

In 2013 the City completed, in conjunction with Portland Area Comprehensive Transportation System (PACTS), a Portland Peninsula Vehicular Wayfinding Plan that has not yet been implemented. The intent of the vehicular wayfinding sign program is to provide a consistent and repetitive information path for the traveling public on-peninsula and toward major destinations off-Peninsula. In addition to wayfinding signage for motorized vehicles, the plan also examines and makes recommendations for bicyclist and pedestrian wayfinding where it benefits



Figure 5, Wayfinding Plan Service Area

the most existing and future users.

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 list of recommended Capital Improvement Plan investments for FY 2015 - 2019 is included as *Appendix 1*, and a list of Transportation Strategic Initiatives for 2014-2019 is included as *Appendix 2*. These elements of Portland's Comprehensive Plan comprise, in sum, a multifaceted downtown plan.

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3376>

and

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3375>

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3367>

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3371>

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/2959>

and

<http://www.portlandmaine.gov/DocumentCenter/Home/View/2960>

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3384>

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3372>

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.

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3383>

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

<http://www.portlandmaine.gov/DocumentCenter/Home/View/3382>

APPENDICES

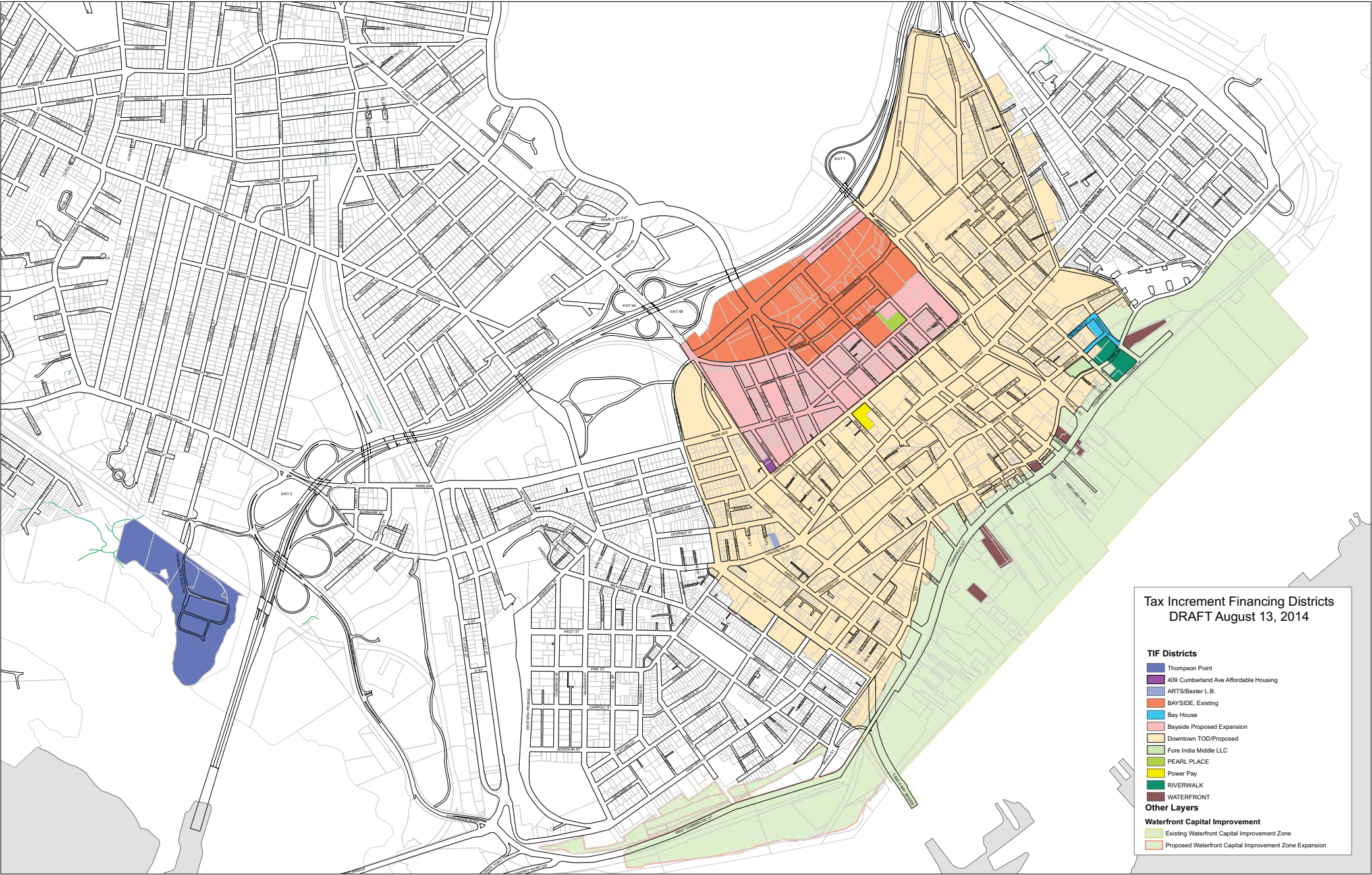
APPENDIX 1, Portland Tax Increment Finance Districts Map

APPENDIX 2, Capital Improvements Plan, FY 2015-2019 (excerpt)

APPENDIX 3, Summary Table

APPENDIX 4, Transportation Strategic Initiatives 2014-2019 Map

APPENDIX 5, 2015 Major Project Construction Zones Map (Pending)



D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
<i>Facilities</i>						
Buildings/Garages						
- Salt/Sand Storage on Peaks Island	152408	30,000	-	-	-	-
- Bramhall Roof Reinforcement	152495	50,000	-	-	-	-
- West School Demolition	152324	200,000	-	-	-	-
- Pump Room and Replace Pumps at Reiche Pool	141370	30,000	-	-	-	-
- Portland Ocean Terminal Roof Replacement	152240	210,000	-	-	-	-
- Roof at Ice Arena	141329	215,000	-	-	-	-
- Exhaust Removal System - Peaks Island	152496	-	28,400	-	-	-
- Generator for 55 Portland St	152238	-	85,000	-	-	-
- Fire Alarm & Sprinkler Systems at all Fire Stations	152415	-	600,000	-	-	-
- Generator at Bramhall Fire Station	141541	-	50,000	-	-	-
- Emergency Generators	141542	-	150,000	-	-	-
- Passenger Elevator at City Hall	141340	-	100,000	-	-	-
- Fire Alarm System at Barron Center I Replacement	141580	-	80,000	-	-	-
- Whirlpool Bath Trolley with Stretcher Replacement	152545	25,000	-	-	-	-
- Driveway Apron at Munjoy Hill Fire Station Repaving	141135	-	20,000	-	-	-
- Bleachers at Ice Arena	141363	-	100,000	-	-	-
- Emergency Egress at Exposition Building	141331	160,000	-	-	-	-
- Public Services Operations and Maintenance Facility	141029	-	1,120,000	10,950,000	-	-
- Portland Technology Park Road - Phase II	141454	500,000	-	-	-	-
- Overhead Door at Peaks Island Station Replacement	152374	60,000	-	-	-	-
- Munjoy Station Overhead Doors & Controls Replacement	152394	15,000	-	-	-	-
- Ultra Violet Water Treatment System at Riverton Pool	141356	50,000	-	-	-	-
- Air Handlers at Barron Center 1 Replacement	141465	-	272,000	-	-	-
- Portland Technology Park - Gas Main Connection from Westbrook Street	152411	162,000	-	-	-	-
- Plaza at Public Safety	141341	200,000	-	-	-	-
- Driveway Apron at Central Fire Station Repaving	141137	-	20,000	-	-	-
- Female Locker Room Expansion	152552	-	15,000	-	-	-
- Driveway Apron at Bramhall Fire Station Repaving	141136	-	20,000	-	-	-
- Roof at the Exposition Building	141336	-	260,000	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Concession Stand at Exposition Building Renovation	152325	50,000	-	-	-	-
- Facilities Improvements	152428	-	-	2,000,000	-	-
- Roof at East Deering Fire Station	141130	-	-	90,000	-	-
- Emergency Paging System	152549	-	-	-	25,000	-
- Drainage at Peaks Community Center	141351	-	-	35,000	-	-
- Three Air Handling Units at Public Safety	141350	-	-	250,000	-	-
- Masonry and Windows at Cummings Center	141325	-	-	190,000	-	-
- Roof Deck at Temple Street Parking Garage	141290	-	-	650,000	-	-
- Roof Deck at Spring Street Parking Garage	141282	-	1,100,000	-	-	-
- Building at 90 Anderson St Demolition and Replacement	141343	-	-	-	250,000	-
- Windows at Public Safety	141346	-	225,000	225,000	-	-
- Windows and Doors at Merrill Auditorium	141344	-	-	330,000	-	-
- Patient Call System Replacement	141474	70,108	-	-	-	-
- Lobby/Concession Flooring Replacement at Merrill Auditorium	152251	80,000	-	-	-	-
- Wheel Chair Washer Purchase	152547	-	15,000	-	-	-
- Walk-in Refrigeration Room Expansion	141473	-	-	10,500	-	-
- Waterproof Decking Recoat at Spring St Garage	141427	-	-	-	250,000	-
- Waterproof Decking Recoat at Temple Street Parking Garage	141287	-	310,000	-	-	-
- Sealants and Waterproofing at Elm Street Garage	152519	-	-	-	-	475,000
- Freight Elevator at Barron Center 2 Replacement	141467	-	40,000	-	-	-
- Side Entry Whirlpool Tubs Replacement	152548	-	-	45,000	-	-
- Generator for City Hall	152237	30,000	200,000	-	-	-
- New Vehicle Storage Facility	141076	-	-	750,000	-	-
- Exterior Masonry at Exposition Building	141330	150,000	150,000	-	-	-
- Mortar Repointing at 55 Portland St	141373	-	-	-	50,000	-
- Copper Roof at City Hall	141338	-	1,500,000	-	-	-
- Gym Floor at Riverton School	141365	-	150,000	-	-	-
- Parking Lots and Campus Roadway Paving	141464	174,397	-	-	-	-
- Flooring Backstage at Merrill Auditorium	152253	-	-	1	-	-
- Kitchen at Bramhall Station	152397	-	15,000	-	-	-
- New Stage & Stage Barricade and Exposition Building	141375	-	150,000	-	-	-
- Repaint Steel at Spring Street Garage	141294	-	-	200,000	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Air conditioning in Conference Rooms at Exposition Building	141337	-	20,000	-	-	-
Buildings/Garages Total		2,461,505	6,795,400	15,725,501	575,000	475,000
Library						
- Elevator - Burbank Branch Library	152571	125,000	-	-	-	-
- HVAC - Upgrades - Library	152568	65,000	60,000	50,000	50,000	50,000
- Roof Repairs - Library	152570	-	20,000	-	-	-
- Parking Lot Paving - Library	152569	-	15,000	-	-	-
Library Total		190,000	95,000	50,000	50,000	50,000
Marine						
- Portland Ocean Terminal Whale Wall Gabions	152239	225,000	-	-	-	-
- Great Diamond Island Barge Landing	141722	20,000	200,000	-	-	-
- Queuing Lanes Seawall	141773	450,000	125,000	-	-	-
- Cliff Island Wharf	141790	270,000	-	-	-	-
- Bollard Replacement at Portland Ocean Terminal	152257	-	75,000	-	-	-
- Floats at Cliff, Cushing, Maine State Pier	141789	100,000	-	-	-	-
- Capstans at Portland Ocean Terminal	141786	-	-	-	80,000	-
- Commercial Boat Landing Relocation	141764	-	1,500,000	-	-	-
- Piles at Portland Ocean Terminal	141775	280,000	-	-	-	-
- Ocean Gateway "A" Building - Add Sewer	141369	-	-	50,000	-	-
- Compass Park Pier Stabilization	152328	30,000	350,000	-	-	-
- Steel Piles at Ocean Gateway Pier	141788	-	500,000	500,000	-	-
Marine Total		1,375,000	2,750,000	550,000	80,000	-
Schools						
- Masonry at Lincoln Middle School	141613	500,000	-	-	-	-
- Casco Bay High School Expansion	141631	305,000	-	-	-	-
- Walkway Repairs at Deering High School	141791	100,000	-	-	-	-
- Elementary School Improvements		1,602,444	7,890,215	25,806,445	5,446,250	-
- Data Infrastructure at Lyman-Moore School	141624	-	280,000	-	-	-
- Windows at Portland High School	141629	-	500,000	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Roof at Portland High School	141616	-	250,000	250,000	250,000	-
- Front Plaza Renovation at Lyman Moore School	141606	70,000	-	-	-	-
- Heating System Piping at Lincoln School	152322	-	-	-	-	100,000
- Windows at Lyman Moore School	141660	-	-	-	-	250,000
- Window at Lincoln Middle School	141659	-	-	-	-	250,000
- Boilers at Deering High School	152469	-	-	-	-	200,000
- Oil Tank and Boiler Abatement at Portland High School	152267	-	-	-	-	100,000
- Air Handling Units at Deering High School	152266	-	100,000	-	-	-
- Kitchen at Portland High School	141669	-	-	150,000	-	-
- Data Infrastructure and Phone System at King Middle School	141643	-	250,000	-	-	-
- Windows at Deering High School	141621	-	500,000	-	-	-
- Interior Renovations at Peaks Island School	141617	-	250,000	-	-	-
- Site Drainage at Deering High School	141619	-	200,000	-	-	-
- Corridor Floors & Lockers at Lincoln School	152321	-	-	-	250,000	-
- Floor Repairs at Portland High School	152320	-	-	140,000	-	-
- Masonry at Riverton School	141603	-	-	-	-	60,000
- HVAC and Electrical at Lyman Moore Middle School	141656	-	-	-	-	850,000
- Deering High School Kitchen	141649	20,000	180,000	-	-	-
- Auditorium Renovations at Portland High School	152303	-	-	350,000	-	-
- Masonry at PATHS	141628	-	-	-	-	200,000
- Electrical at Portland High School	141663	-	-	-	-	150,000
- Bathroom Repairs at King School	141614	-	70,000	-	-	-
- Ceilings at King Middle School	141664	-	-	-	-	80,000
- Masonry at Peaks Island School	141618	-	250,000	-	-	-
- Ceilings at Deering High School	141662	-	-	-	-	150,000
- Masonry at Portland High School	141615	-	750,000	-	-	-
- Pave Multiple School Campuses	141604	500,000	500,000	-	-	-
- A/C in Front Office of Deering High School	141620	-	-	-	-	250,000
- A/C at Riverton School	141638	-	-	-	-	50,000
Schools Total		3,097,444	11,970,215	26,696,445	5,946,250	2,690,000
Facilities Total		7,123,949	21,610,615	43,021,946	6,651,250	3,215,000

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
<i>Parks, Fields, Trails</i>						
Parks						
- Water Line Replacement at Evergreen Cemetery	152392	14,000	-	-	-	-
- East End Beach Parking Lot Paving	152350	35,000	-	-	-	-
- Evergreen Cemetery - Repair Wall Along Stevens Avenue - Phase II	141723	70,000	-	-	-	-
- Capisic Pond Improvements	141769	2,250,000	-	-	-	-
- Congress Square Re-Design Phase I	152445		568,640	1,000,000	-	-
- Lincoln Park Walkways Repair	141745	235,000	-	-	-	-
- Evergreen Cemetery Expansion	141710	250,000	-	-	-	-
- Deering Oaks Lighting	152449	110,000	-	-	-	-
- Lincoln Park Fence Repair	141724	224,000	-	-	-	-
- Ft. Sumner Park Lighting Improvements - prior CDBG Request	141752	100,000	-	-	-	-
- Restroom Facilities at Deering Oaks	152323	300,000	-	-	-	-
- Western Promenade Walkways	141714	51,000	-	-	-	-
- Monument Square Rehabilitation	152201	261,000	500,000	-	-	-
- Eastern Cemetery Retaining Wall Repair Along Federal Street	141768	935,000	-	-	-	-
- Deering Oaks Parking Lot Paving	152349	41,000	-	-	-	-
Parks Total		4,876,000	1,068,640	1,000,000	-	-
Recreation						
- Payson Park Softball Field "A" - Amenity and Field Upgrades	152490	400,000	-	-	-	-
- Payson Park Playground and Splashpad	141345	50,000	-	-	-	-
- Seating at Hadlock Field	141334	190,000	-	-	-	-
- North Course Clubhouse	141747	225,000	200,000	-	-	-
- Lyman Moore Sports Complex	141347	-	275,000	-	-	-
- Playground at Riverton School	141359	-	250,000	-	-	-
- Softball Field at Riverton School	141355	75,000	-	-	-	-
- Roof at Hadlock Field	141332	-	80,000	-	-	-
- Structural Repairs - Hadlock Stadium	152244	40,000	150,000	-	-	-
- Golf Course Rehabilitation	152491	100,000	100,000	100,000	100,000	100,000
- Metal Siding at Hadlock Field	141333	-	60,000	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Softball Field "A" Lights at Payson Park	141362	-	-	-	250,000	-
- Softball Field Lights at Riverton School	141360	-	-	-	275,000	-
- Playground at Hall School	141349	-	-	150,000	-	-
- Playground at Longfellow School	141353	-	-	-	150,000	-
- Practice Fields at Deering High School	141358	-	-	120,000	-	-
- Lights and Install Irrigation at Deering Oaks Baseball Field	141357	-	-	350,000	-	-
- Tennis Court Lighting at Deering Oaks Park	141361	-	-	-	-	350,000
- Driving Range	152355	45,000	-	-	-	-
- Multipurpose Field "B" at Payson Park	141354	-	100,000	-	-	-
- Dougherty Field Master Plan	152518	-	450,000	-	200,000	-
- North Course Clubhouse Landscaping	152360	-	-	-	75,000	-
- North Course Bathroom With Concessions Located on Course	152357	-	100,000	-	-	-
Recreation Total		1,125,000	1,765,000	720,000	1,050,000	450,000
Parks, Fields, Trails Total		6,001,000	2,833,640	1,720,000	1,050,000	450,000
<i>Wastewater</i>						
Facilities						
- Evergreen Cemetery Drainage	152551	490,000	-	-	-	-
Facilities Total		490,000	-	-	-	-
 Streets/Sidewalks						
- CSO Compliance - SRF Ineligibles	141009	1,000,000	1,000,000	1,000,000	1,000,000	-
Streets/Sidewalks Total		1,000,000	1,000,000	1,000,000	1,000,000	-
Wastewater Total		1,490,000	1,000,000	1,000,000	1,000,000	-
<i>Transportation</i>						
PACTS/Match						
- MaineDOT Arterial Paving Franklin St (Middle St to Fox St) - ineligible/system upgrades	152385	125,000	-	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- PACTS Collector Paving (Multiple Locations) - Local Share + Ineligibles/System upgrades	141011	487,000	1,000,000	-	1,080,000	-
- Regional Transportation Management Systems - Traffic Signals	141740	167,000	168,500	100,000	100,000	100,000
- MaineDOT Arterial Paving Alternate Route 1 Commercial St and High St to Franklin St and Middle St - ineligibles/system upgrades	152353	901,500	-	-	-	-
- Spring St and Temple/Union/Middle/Spring Intersection Traffic and Streetscape (Ineligibles/System upgrades)	141026	1,250,000	1,750,000	-	-	-
- PACTS 16/17 TIP Intersection Category - Brighton-Deering-Falmouth	141765	-	445,000	-	-	-
- PACTS 16/17 TIP Road Rebuild Category	152427	-	1,125,000	-	-	-
- PACTS TIP Bike/Ped Category - Local Share	141757	-	341,250	-	250,000	-
- MaineDOT Arterial Paving Riverside St (Brighton Av to Home Depot entrance) - ineligibles/system upgrades	152406	-	150,000	-	-	-
- PACTS 16/17 Intersections Category - Commercial at High	152426	-	62,750	-	-	-
- MaineDOT Arterial Paving Warren Av (Westbrook line to #450 Warren Av) - ineligibles/system upgrades	152395	-	90,000	-	-	-
- PACTS Martin's Pt East Coast Greenway Trail	141781	-	500,000	500,000	-	-
PACTS/Match Total		2,930,500	5,632,500	600,000	1,430,000	100,000
Streets/Sidewalks						
- Paving Preservation and Rehabilitation	141013	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
- Sidewalk Rehabilitation/Accessibility	141030	850,000	850,000	850,000	850,000	850,000
- Forest Avenue Improvements - Forest/State/Marginal/High Intersection	141025	400,000	200,000	200,000	200,000	200,000
- Portland Street Reconstruction & Streetscape	141739	200,000	2,758,000	-	-	-
- Freshman Alley	152377	400,000	-	-	-	-
- Congress St and Bramhall St Pedestrian Improvements	151947	100,000	-	-	-	-
- MaineDOT Quality Community Program (Multiple Projects) - Local Match	141705	-	161,000	-	175,000	-
- Somerset Street Extension from Elm Street to Forest Avenue	141453	-	325,000	1,325,000	-	-
- Franklin Street Redesign	152574	-	500,000	4,500,000	-	-
- Street Reconstruction Munjoy St	141015	1,081,000	-	-	-	-
- Street Reconstruction Vesper St	141016	1,005,000	-	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- State St and High St Two-way Traffic Conversion	141703	600,000	2,400,000	2,000,000	-	-
- Street Reconstruction Mountfort St	141021	-	739,000	-	-	-
- Sidewalks at Exposition Building Entrance	152247	80,000	-	-	-	-
- West Commercial Street Trail from Beach Street to Harborview Park	152416	171,050	-	-	-	-
- Streets and Sidewalks Reconstruction on Moody St and Wilson St	152383	1,100,000	-	-	-	-
- Stairs and Improvements on Plum Street Alley	14912	88,000	-	-	-	-
- City Hall Street Rehabilitation & ADA Curb Accessibility	141072	250,000	-	-	-	-
- Street Reconstruction Woodford St	141012	-	990,000	-	-	-
- York Street Sidewalk and Pedestrian Signals	152423	110,000	-	-	-	-
- Street Reconstruction Morning St	141020	1,088,000	-	-	-	-
- Street Reconstruction Rowe Ave	141008	-	-	-	1,276,000	-
- Street Reconstruction Alba St	141019	-	-	1,002,000	-	-
- Street Reconstruction Riverside Industrial Parkway	141017	-	-	-	-	3,773,000
- Street Reconstruction Donald St	141751	-	-	-	128,000	-
- Safety and Pedestrian Improvements at Oakdale St and Falmouth St	152413	66,000	-	-	-	-
- West-Clark-Pine Street Intersection and Streetscape	141040	20,000	150,000	-	-	-
- Street Reconstruction Mabel St	141018	-	-	1,032,000	-	-
- Libbytown - Traffic and Streetscape Improvements	141027	604,000	1,247,000	151,000	322,000	399,000
- Street Reconstruction Cottage St	141014	-	275,000	-	-	-
- Sidewalks - Connect West End Sidewalks to West Commercial Trail	141039	-	35,000	-	-	-
- Traffic and Streetscape Improvements to Bramhall Street at Chadwick St and Vaughan St	152407	49,000	45,000	-	-	-
- City Hall Myrtle Street Sidewalk	152254	-	1	-	-	-
Streets/Sidewalks Total		12,262,050	14,675,001	15,060,000	6,951,000	9,222,000
Traffic/Streetlights						
- Railroad Quiet Zone Improvements (Woodford's Corner)	141708	400,000	400,000	400,000	400,000	400,000
- Traffic Signal Improvements (Preble St and Elm St)	141023	230,000	200,000	200,000	200,000	200,000
- Peninsula Wayfinding Program	141682	390,000	-	-	-	-
- Streetlighting along Fore Street	141422	43,500	-	-	-	-
- Streetlighting on Commercial Street	141420	50,000	285,890	-	-	-
Traffic/Streetlights Total		1,113,500	885,890	600,000	600,000	600,000

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
Transportation Total		16,306,050	21,193,391	16,260,000	8,981,000	9,922,000
<i>Equipment and Vehicles</i>						
Equipment						
- Cardiac Monitors	152373	130,000	-	-	-	-
- Stretchers (4)	152572	60,000	-	-	-	-
- Revenue Control Software at Spring Street and Elm Street Garages	141291	30,000	-	-	-	-
- Parking Meters Replacement	141283	175,000	253,750	355,100	-	-
- Server at Public Services	152424	15,000	-	-	-	-
- Virtualization, Storage and Redundancy Upgrade	141596	65,000	65,000	75,000	55,000	-
- School Technology Equipment	141640	1,450,000	1,500,000	-	-	-
- Electronic Parking Ticketing	141285	75,000	-	-	-	-
- Communication System Replacement	141539	9,000,000	-	-	-	-
- Phone System Upgrade	14908	-	500,000	-	-	-
- Public Broadcast City Hall Internet Streaming	152575	55,000	-	-	-	-
- Fire Scheduling Software	152419	-	100,000	-	-	-
- Ticket Dispensers at Spring Street Parking Garage	141288	-	45,000	-	-	-
- Arrest Module Software	141044	51,960	-	-	-	-
- End Point Management System	152485	-	35,000	-	-	-
- Ticket Dispenser at Elm Street Parking Garage	141289	-	15,000	-	-	-
- Novell Open Workgroup Suite	141598	250,000	-	-	-	-
- Phonemail System Replacement	14907	45,000	-	-	-	-
- Electronic Document Storage	141476	136,710	-	-	-	-
- Police Scheduling Software	14933	68,336	-	-	-	-
- Human Resources Software Application	14902	40,000	-	-	-	-
- Riverside Recycling Truck Scale	141720	125,000	-	-	-	-
Equipment Total		11,772,006	2,513,750	430,100	55,000	-
Vehicles						
- Medcu Ambulance Replacement - Fire	141803	265,000	265,000	265,000	265,000	265,000
- Police Cruisers (7) Replacement - Police	141804	266,000	266,000	266,000	266,000	266,000

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Trash Collection Vehicle - 4042	141717	230,000	-	-	-	-
- Backhoe Replacement - Cemeteries 5066	14954	95,000	-	-	-	-
- Sidewalk Tractor Replacement	14962	135,000	270,000	270,000	135,000	-
- School Bus	152468	92,650	-	-	-	-
- Electric Vehicle Lease - Code Enforcement 1000	141308	17,000	-	-	-	-
- 3/4 Ton Pickup Truck Replacement - Trades/Waterfront 3024	141095	50,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Ballfields 2199	141570	35,000	-	-	-	-
- Arrest Vehicle Replacement - Police	14927	76,500	-	49,500	-	-
- Bucket Truck Replacement - Forestry 5098	14988	210,000	-	-	-	-
- Fleet Vehicle Replacements		-	500,000	500,000	500,000	500,000
- Unmarked Traffic Vehicle Replacement - Police	14929	38,000	-	-	-	-
- Car 4 Replacement - Fire 0216	141110	51,000	-	-	-	-
- Rubbish Packer Replacement	14953	240,000	480,000	480,000	480,000	480,000
- Ladder 1 Replacement - Fire	141106	-	1,300,000	-	-	-
- 3/4 Ton Pickup Replacement - Solid Waste 2033	14973	28,000	-	-	-	-
- Rescue 1 Replacement - Fire 0272	141105	990,000	-	-	-	-
- Engine 11 Replacement - Fire	141107	-	-	675,000	-	-
- Engine 6 Replacement - Fire 0279	152195	-	-	-	-	700,000
- Ladder 4 Replacement - Fire	141108	-	-	-	1,500,000	-
- 3/4 Ton Utility Truck Replacement - Playgrounds 2512	141253	-	-	40,000	-	-
- Skidsteer Replacement - PDD 5120	152172	-	-	-	-	45,000
- 1 Ton Pickup Replacement - Peaks 2518	141193	-	-	-	52,000	-
- Excavator Replacement - Districting 5082	141163	-	170,000	-	-	-
- Grader Replacement - Winter 5096	141174	-	320,000	-	-	-
- Mower Replacement - Districting 7156	14991	-	75,000	-	-	-
- Pulp Loader Replacement - Forestry 5097	14967	-	190,000	-	-	-
- 1 Ton Crew Cab Pickup Replacement - Forestry 2503	141237	-	-	35,000	-	-
- Dump Truck Replacement - Districting 3105	14994	-	60,000	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2129	141261	-	-	-	30,000	-
- Tractor Replacement - Ballfields 7138	152177	-	55,000	-	-	-
- Tractor Replacement - Ballfields 8008	152132	-	-	-	-	12,000
- 1/2 Ton Pickup Replacement - Playgrounds 2188	14974	32,000	-	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Peaks Island Police Vehicle Replacement	14926	-	-	42,000	-	-
- Dump Truck Replacement - Winter 3099	14997	160,000	-	-	-	-
- Special Reaction Team Vehicle Replacement - Police	14924	-	-	36,000	-	-
- 3/4 Ton Pickup Replacement - Construction 2001	141241	-	30,000	-	-	-
- Parking Enforcement Truck Replacement - Parking 2023	152180	-	-	25,000	-	-
- Van Replacement - Trades 2045	152125	-	30,000	-	-	-
- Grader Replacement - Public Services 5109	141183	-	-	-	320,000	-
- Mowers (2) Replacement - Districting 7160, 7161	152149	-	30,000	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2128	141260	-	-	-	30,000	-
- Compact Pickup Replacement - Traffic 2030	141255	-	20,000	-	-	-
- Stock Yard Loader Replacement - Public Services 5003	152159	-	195,000	-	-	-
- Refrigerated Box Truck	141652	-	-	-	-	70,000
- Garages Vehicle Replacement - Parking 2196	141158	-	17,000	-	-	-
- Garage Maintenance Truck Replacement - Parking 2205	152182	-	-	-	-	27,000
- Staff Car Replacement - Engineering 1003	141167	-	17,000	-	-	-
- Kitchen Box Truck Replacement- Barron Center 3913	141122	30,000	-	-	-	-
- Patrol Supervisor Vehicle Replacement - Police	14938	39,500	39,500	39,500	39,500	39,500
- Activities League Vehicle Replacement - Police	14935	32,000	-	-	-	-
- 3/4 Ton Pickup Truck Replacement - Cemeteries 2121	14957	32,000	-	-	-	-
- 1 Ton Utility Truck Replacement - Traffic 2500	141242	-	-	55,000	-	-
- 3/4 Ton Truck Replacement - Construction 2000	141240	-	30,000	-	-	-
- Forklift Replacement - Fleet 6004	141181	-	-	40,000	-	-
- 1 Ton Crew Cab Pickup Truck Replacement - Districting 2014	14955	45,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2130	141262	-	-	-	30,000	-
- Loader Snow Blower Replacement - Winter 7112	152154	-	110,000	-	-	-
- Mower Replacement - Golf	152198	-	-	70,000	-	-
- Mower Replacement - Districting 7155	14987	-	75,000	-	-	-
- Evidence Service Vehicle Replacement - Police	14923	-	-	24,500	-	-
- Pick-up Replacement - Ballfields 2143	141097	35,000	-	-	-	-
- Dump Truck Replacement - Winter 3203	152171	-	-	-	-	185,000
- Tool Cat Replacement - Ballfields 5002	141094	-	75,000	-	-	-
- Dump Truck Replacement - Construction 3098	141002	-	-	165,000	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- 1 Ton Dump Truck Replacement - Districting 3103	14993	-	60,000	-	-	-
- Meter Service Truck Replacement - Parking 2205	152181	30,000	-	-	-	-
- Criminal Investigation Division Vehicles Replacement - Police	14920	68,000	-	68,000	-	68,000
- 1/2 Ton Pickup Replacement - Engineering 2015	141249	-	-	25,000	-	-
- Mower Replacement - Districting 7180	152153	-	60,000	-	-	-
- Bucket Van Replacement - Trades 2218	152133	-	-	-	55,000	-
- 1 Ton Rack Truck Replacement - Construction 2505	152148	-	50,000	-	-	-
- 3/4 Ton Utility Van Replacement - Trades 2053	141556	-	-	-	25,000	-
- 1 Ton Dump Truck Replacement - Districting 3084	14985	60,000	-	-	-	-
- Turf Tractor Replacement - Cemeteries 7011	152173	-	-	-	-	60,000
- Rotary Trim Mower Replacement - Golf Course	152196	-	42,000	-	-	-
- Pavement Roller Replacement - Districting 5087	14968	-	15,000	-	-	-
- Pothole Patcher Replacement - Districting 5103	14989	-	40,000	-	-	-
- Bucket Truck Replacement - Traffic 5110	141166	-	-	125,000	-	-
- 1 Ton Dump Truck Replacement - Districting 3085	14986	60,000	-	-	-	-
- Skidsteer Replacement - Districting 5119	152162	-	-	45,000	-	-
- 3/4 Ton Pickup Replacement - Districting 2024	141247	-	30,000	-	-	-
- 1 Ton Truck Replacement - Ballfields 3104	141092	52,000	-	-	-	-
- Laundry Box Truck Replacement - Barron Center 3912	141117	-	30,000	-	-	-
- Animal Control Officer Van Replacement - Police	14925	-	-	27,500	-	-
- Fuel Truck Replacement - Public Services 2009	152139	32,000	-	-	-	-
- 3/4 Ton Utility Van Replacement - Engineering 2080	141299	-	-	25,000	-	-
- 3/4 Ton Pickup Replacement - Solid Waste 2182	141227	30,000	-	-	-	-
- Dump Truck Replacement - Winter 3130	141210	-	-	-	150,000	-
- 1/2 Ton Pickup Replacement - Cemeteries 2037	141245	-	25,000	-	-	-
- Fleet Parts Van Replacement - Public Services 0209	152150	25,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2021	141246	-	25,000	-	-	-
- Staff Vehicle Replacement - Assessors 1079	152135	-	-	-	30,000	-
- 1/2 Ton Pickup Replacement - Construction 2022	141248	-	25,000	-	-	-
- Car 9 Replacement - Fire 0277	141146	17,500	-	-	-	-
- Box Van Replacement - Trades 2519	141566	-	25,000	-	-	-
- Mower Replacement - Ballfields 7025	152130	-	-	-	-	85,000

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Bunker Trap Rake Replacement - Golf	152197	-	23,000	-	-	-
- 1 Ton Pickup Replacement - Trades 2151	141561	52,000	-	-	-	-
- Compact Pickup Replacement - PDD 2029	141254	-	20,000	-	-	-
- 1/2 Ton Utility Van Replacement - Trades 2032	141550	25,000	-	-	-	-
- Car 1 Replacement - Fire 0224	141111	51,000	-	-	-	-
- Tee Mower Replacement - Golf Course 4384	14972	70,000	-	-	-	-
- Solid Waste Inspections Pickup Replacement - Solid Waste 2155	152151	25,000	-	-	-	-
- 1/2 Ton Truck Replacement - Districting 2118	152140	25,000	-	-	-	-
- 1 Ton Truck Replacement - Districting 3100	141187	60,000	-	-	-	-
- Administrative Vehicle Replacement - Police	14934	33,000	33,000	33,000	33,000	33,000
- Pick-up Replacement - Ballfields 2013	152129	25,000	-	-	-	-
- Snow Blower Loader Replacement - Winter 7116	141279	-	-	120,000	-	-
- Staff Car Replacement - Safety 2016	152134	-	17,000	-	-	-
- 1 Ton Pickup Replacement - Districting 3002	141202	-	52,000	-	-	-
- 1 Ton Truck Replacement - Playgrounds 3091	141186	52,000	-	-	-	-
- 1/2 Ton Truck Replacement - Forestry 2038	152144	30,000	-	-	-	-
- Backhoe Replacement - Districting 5105	141182	-	-	-	75,000	-
- Skidsteer Replacement - Districting 5114	152156	-	-	45,000	-	-
- 3/4 Ton Pickup - Peaks 2050	141250	-	-	-	30,000	-
- 1 Ton Pickup Replacement - Peaks 3001	141207	-	52,000	-	-	-
- 1 Ton Dump Truck Replacement - Districting 3101	14990	60,000	-	-	-	-
- Wheel Loader Replacement - Trades 5006	141568	-	170,000	-	-	-
- Dump Truck Replacement - Public Services 3125	141203	-	150,000	-	-	-
- Dump Truck Replacement - Public Services 3201	141205	-	165,000	-	-	-
- Flatbed Dump Truck Replacement - Horticulture 3003	152169	-	-	-	-	55,000
- 1/2 Ton Pickup Replacement - Trades 2084	141558	-	25,000	-	-	-
- Dump Truck Replacement - Winter 3036	141204	-	150,000	-	-	-
- Parking Enforcement Vehicle Replacement - Parking 2158	141156	27,000	-	-	-	-
- Fleet Tire Truck Replacement - Public Services 2007	152147	40,000	-	-	-	-
- Pick-up Replacement - Ballfields 2012	152128	27,000	-	-	-	-
- 15-Passanger Van Replacement - Recreation 2194	141093	60,000	-	-	-	-
- Dump Truck Replacement - Public Services 3202	141206	-	165,000	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- 1 Ton Rack Body Truck Replacement - Trades 2507	141565	-	-	-	52,000	-
- 1/2 Ton Utility Van Replacement - Trades 2046	141553	-	23,000	-	-	-
- Compact Pickup Replacement - Trades 2070	141557	-	18,000	-	-	-
- Dump Truck Replacement - Winter 3111	141198	-	150,000	-	-	-
- Compact Pickup Replacement - Trades 2086	141559	-	18,000	-	-	-
- 3/4 Ton Utility Van Replacement - Engineering 2081	141300	-	-	25,000	-	-
- 3/4 Ton Pickup Replacement - Barron Center 3908	141119	30,000	-	-	-	-
- On-call Van Replacement - Public Services 2019	152152	-	-	25,000	-	-
- Car 8 Replacement - Fire 0059	152194	17,500	-	-	-	-
- 3/4 Ton Utility Van Replacement - Trades 2212	141562	25,000	-	-	-	-
- Dump Truck Replacement - Winter 3129	152170	-	-	-	-	160,000
- Compact Pickup Replacement - Solid Waste 2002	141238	-	20,000	-	-	-
- Dump Truck Replacement - Districting 3097	14999	-	-	165,000	-	-
- Staff Car Replacement - Parking 1013	152137	-	-	20,000	-	-
- Staff Car Replacement- Inspections 2052	152122	17,000	-	-	-	-
- Staff Vehicle Replacement - Assessors 1024	141309	-	-	17,000	-	-
- Dump Truck Replacement - Districting 3095	141000	-	-	165,000	-	-
- Van Replacement - Trades 2043	152124	25,000	-	-	-	-
- Rubbish Packer Replacement - Peaks 4060	141266	-	-	160,000	-	-
- Van Replacement - Trades 2085	152127	25,000	-	-	-	-
- Loader Replacement - Public Services 5099	141177	-	195,000	-	-	-
- Dump Truck Replacement - Peaks 3114	141199	-	150,000	-	-	-
- Backhoe Replacement - Districting 5031	141003	75,000	-	-	-	-
- Dump Truck Replacement - Public Services 3131	141211	-	-	-	150,000	-
- Rolloff Truck Replacement - Solid Waste 4000	152161	-	-	135,000	-	-
- Skidsteer Replacement - Trades 5001	141567	-	45,000	-	-	-
- Compact Pickup Replacement - Traffic 2061	141229	22,000	-	-	-	-
- Backhoe Replacement - Districting 5085	14982	75,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2131	152168	-	-	-	-	32,000
- 1 Ton Pickup Replacement - Traffic 2008	141216	30,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2202	141232	-	30,000	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2183	141223	30,000	-	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Homeless Outreach Vehicle Replacement - Social Services 1004	141322	-	30,000	-	-	-
- Cargo Van Replacement - Solid Waste 3108	141296	-	20,000	-	-	-
- Air Compressor New - Ballfields	141150	16,000	-	-	-	-
- 1 Ton Truck Replacement - Cemeteries 3090	141185	52,000	-	-	-	-
- Mower Replacement - Districting 7026	152165	-	-	-	95,000	-
- Dump Truck Replacement - Construction 3093	14952	165,000	-	-	-	-
- Fleet Service Truck Replacement - Public Services 2521	152155	-	-	-	30,000	-
- Dump Truck Replacement - Public Services 3113	141194	-	150,000	-	-	-
- Car Carrier Replacement - Fleet 3082	141304	-	30,000	-	-	-
- Dump Truck Replacement - Winter 3034	141195	-	150,000	-	-	-
- 1 Ton Pavement Roller Replacement - Construction 5095	141173	18,000	-	-	-	-
- Loader Replacement - Public Services 5101	141180	-	-	195,000	-	-
- Staff Vehicle Replacement - Public Services Safety 1084	141168	-	-	30,000	-	-
- Dump Truck Replacement - Winter 3109	141196	-	150,000	-	-	-
- 3/4 Ton Utility Van Replacement - Traffic 2083	141298	25,000	-	-	-	-
- Dump Truck Replacement - Public Services 3115	141197	-	150,000	-	-	-
- Compact Pickup Replacement - Barron Center 2209	141320	-	-	18,000	-	-
- 1/2 Ton Pickup Replacement - Social Services 2207	141323	30,000	-	-	-	-
- 4 WD Utility Tractor w/ Loader Backhoe Replacement - Recreation	152199	-	-	-	45,000	-
- Rolloff Truck Replacement - Peaks 4037	141275	-	145,000	-	-	-
- 1 Ton Dump Truck Replacement - Barron Center 3914	141118	60,000	-	-	-	-
- Mini Holder Replacement - PDD 8109	152163	-	-	100,000	-	-
- Parking Enforcement Vehicle Replacement - Parking 2216	141160	-	-	-	25,000	-
- 1 Ton Wrecker Replacement - Fleet 2501	141305	-	115,000	-	-	-
- Compact Pickup Replacement - Engineering 2018	14961	22,000	-	-	-	-
- Skidsteer Replacement - Districting 5117	152157	-	-	45,000	-	-
- 3/4 Ton Pickup Replacement - Barron Center 3915	141321	-	30,000	-	-	-
- Dump Truck Replacement - Construction 3094	14977	165,000	-	-	-	-
- Van Replacement - Trades 2048	152126	-	30,000	-	-	-
- Compact Pickup Replacement - PDD 2180	141228	28,000	-	-	-	-
- 1/2 Ton Pickup Replacement - Cemeteries 2186	141220	-	25,000	-	-	-
- 3/4 Ton Crew Cab Pickup Replacement - Open Space 2514	141259	-	-	38,000	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- Compact Pickup Replacement - Districting 2181	141226	30,000	-	-	-	-
- 1 Ton Truck Replacement - Traffic 2515	141217	40,000	-	-	-	-
- 3/4 Ton Utility Van Replacement - Trades 2217	141564	-	25,000	-	-	-
- Toolcat Replacement - Ballfields 5002	152131	-	55,000	-	-	-
- 1/2 Ton Pickup Replacement - Trades 2041	141551	-	-	25,000	-	-
- Roll-off Truck Replacement - Peaks 4018	14970	145,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Horticulture 2187	141222	30,000	-	-	-	-
- 3/4 Ton Utility Van Replacement - Trades 2006	141549	-	25,000	-	-	-
- Fleet Weldshop 1 Ton Truck - Public Services 2520	152158	-	-	-	-	50,000
- Wheel Loader Replacement - Winter 5093	14996	-	-	190,000	-	-
- Mower Replacement - Districting 7158	14963	60,000	-	-	-	-
- Dump Truck Replacement - Districting 3096	14998	-	-	165,000	-	-
- 1 Ton Utility Van Replacement - Trades 2090	141560	-	-	28,000	-	-
- Mini Van Replacement - Trades 2047	141554	-	-	20,000	-	-
- 1 Ton Truck Replacement - Cemeteries 3121	141189	52,000	-	-	-	-
- 1 Ton Truck Replacement - Construction 3117	141192	52,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2184	141224	30,000	-	-	-	-
- 3/3 Ton Truck Replacement - Cemeteries 2142	152146	30,000	-	-	-	-
- Skidsteer Replacement - Districting 5102	141176	45,000	-	-	-	-
- Compact Pickup Replacement - Forestry 2200	141231	-	20,000	-	-	-
- Mowers (3) Replacement - Golf	152200	-	-	-	-	210,000
- Car 7 Replacement - Fire	141114	-	50,000	-	-	-
- Dump Truck Replacement - Districting 3106	14995	-	60,000	-	-	-
- Dozer Replacement - Public Services 5090	152304	300,000	-	-	-	-
- Mower Replacement - Districting 7162	14979	50,000	-	-	-	-
- Skidsteer Replacement - Construction 5106	141179	-	45,000	-	-	-
- Staff Vehicle Replacement - Safety 1012	152136	-	-	-	-	17,000
- Heavy Wrecker Replacement - Fleet 5035	141306	75,000	-	-	-	-
- 1/2 Ton Pickup Replacement - Trades 2003	141546	-	-	25,000	-	-
- Mower Replacement - Districting 7016	141213	-	95,000	-	-	-
- 1/2 Ton Pickup Replacement - Engineering 2051	141236	25,000	-	-	-	-
- Plow Bay Truck Replacement - Public Services 2135	152143	38,000	-	-	-	-

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

	-ID-	2015	2016	2017	2018	2019
- 3/4 Ton Pickup Truck Replacement - Horticulture 2134	152160	-	-	-	30,000	-
- 1/2 Ton Truck Replacement - Cemeteries 2100	152145	25,000	-	-	-	-
- 1 Ton Truck Replacement - Cemeteries 2522	152141	52,000	-	-	-	-
- Car 3 Replacement - Fire	141115	-	40,000	-	-	-
- Hole Patcher Replacement - Public Services 5104	141171	40,000	-	-	-	-
- 1 Ton Dump Truck Replacement - Peaks 2508	141244	-	-	-	52,000	-
- 3/4 Ton Pickup Replacement - Trades - 2004	141547	-	-	30,000	-	-
- 1 Ton Truck Replacement - Cemeteries 3119	141188	52,000	-	-	-	-
- Compact Pickup Replacement - PDD 2060	141239	20,000	-	-	-	-
- 1 Ton Rack Truck Replacement - Forestry 2509	141243	-	-	-	40,000	-
- Activity Bus Replacement - Recreation 2700	152138	-	60,000	-	-	-
- Wheelchair Accessible Bus Replacement - Barron Center 3902	141121	-	-	-	40,000	-
- Homeless Outreach Vehicle New - Social Services	152327	27,000	-	-	-	-
- Forklift Replacement - Fleet 6001	141175	-	-	-	40,000	-
- 1/2 Ton Pickup - Public Services Street Openings 2062	152167	-	-	-	-	25,000
- Turf Tractor Replacement - Districting 7010	152164	-	-	-	40,000	-
- Staff Vehicle Replacement - Public Services 1006	152166	-	-	-	-	30,000
- Mower Replacement - Districting	152142	-	90,000	-	-	-
- 1 Ton Truck Replacement - Districting 3118	141190	52,000	-	-	-	-
- Patient Transport Van Replacement - Barron Center 3901	141120	-	-	-	30,000	-
- 1 Ton Truck Replacement - Districting 3120	141191	52,000	-	-	-	-
- 3/4 Ton Pickup Replacement - Districting 2203	141233	-	30,000	-	-	-
- 1/2 Ton Pickup Replacement - Trades 2005	141548	-	-	25,000	-	-
- 3/4 Ton Pickup Replacement - PDD 2204	141234	-	30,000	-	-	-
- 1/2 Ton Pickup Replacement - Trades 2042	141552	-	-	25,000	-	-
- 3/4 Ton Pickup Replacement - Public Services 2185	141225	30,000	-	-	-	-
- Litter Vac Replacement - PDD	152246	75,000	-	-	-	-
- 1 Ton Dump Truck Replacement - Construction 2502	141235	-	52,000	-	-	-
- Car 2 Replacement - Fire 0223	141112	-	50,000	-	-	-
- Staff Vehicle Replacement - Code Enforcement 1083	141307	17,000	-	-	-	-
- Staff Vehicles (2) New- Inspections	141726	-	34,000	-	-	-
Vehicles Total		6,657,650	8,503,500	5,262,000	4,714,500	3,414,500

D. REQUESTED CAPITAL PROJECTS - GENERAL FUND

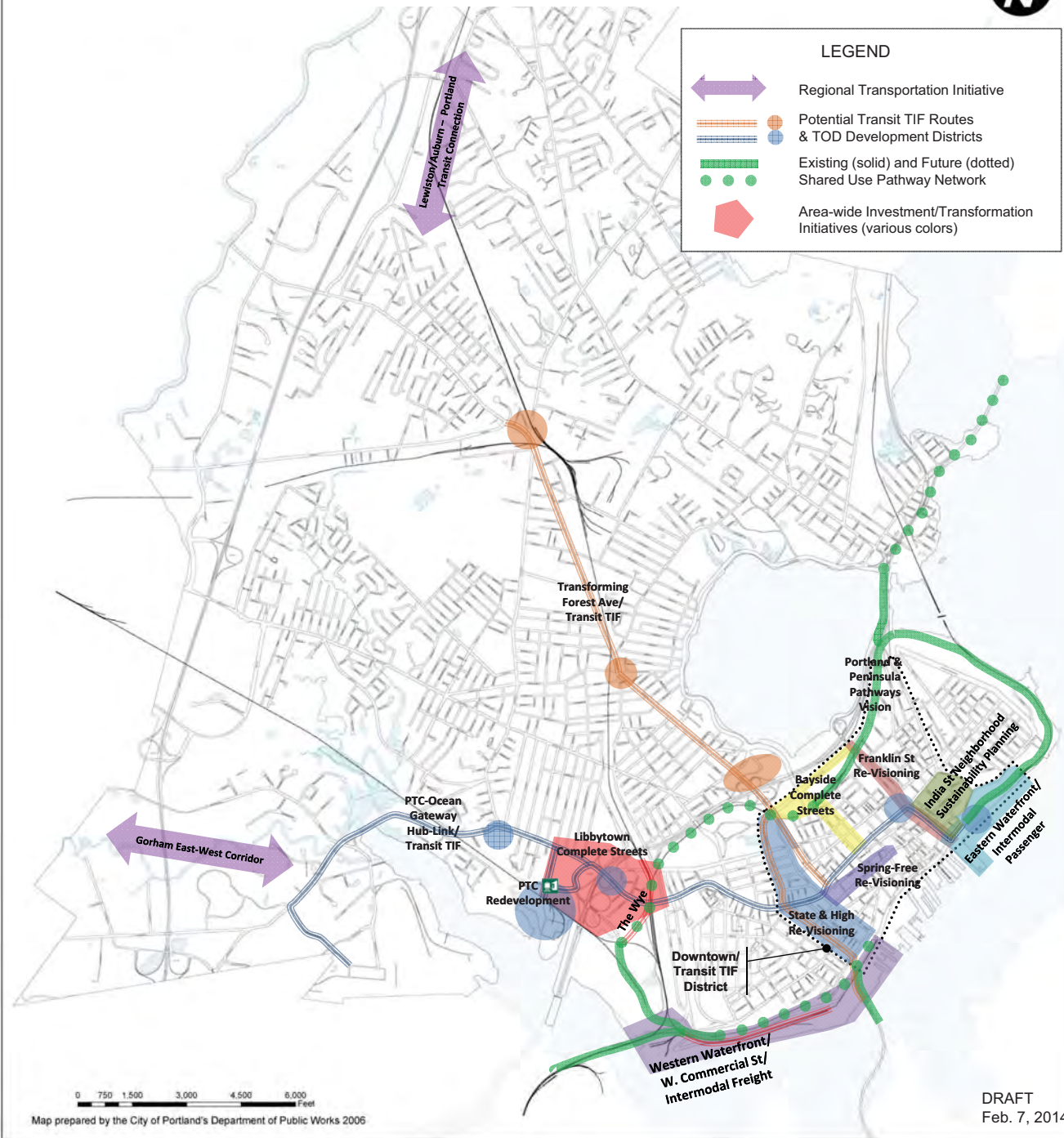
	-ID-	2015	2016	2017	2018	2019
Equipment and Vehicles Total		18,429,656	11,017,250	5,692,100	4,769,500	3,414,500
Grand Total		49,350,655	57,654,896	67,694,046	22,451,750	17,001,500

Current Planning Projects											
	Project Description	Category									
		Sidewalk/ Ped Enhancements	Streetscape	Lighting	Street Realignment	Stormwater Management	Utilities	Bicycle Improvements	Public Transit	Wayfinding	Lighting
Congress Street Bus Priority Corridor Report	The final recommendations of this report are focused on a set of infrastructure improvements to the Congress Street corridor within the study area, specifically including the following: 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 key locations; and revised curb lines and pavement markings. The study area extends along Congress Street from Franklin Street to State Street.	x	x		x				x		x
Congress Square Redesign	The goal of this process is to create a shared vision for Congress Square as an urban open space, focused 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.	x	x	x	x			x			
India Street 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 <i>downtown adjacent</i> neighborhood. Planning for this area is ongoing, with streetscape, green infrastructure and utility recommendations emerging.	x	x	x		x	x	x			
Spring Street - Free Street Area Streetscape Plan	The physical characteristics of this stretch of Spring Street are more suitable to suburban arterial roads, and create a streetscape that is out of character with the surrounding city, and that does not function ideally for all users and multiple modes of travel. 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, that enhances the character of the area, and that allows for future development aimed to encourage economic value and livability.	x	x	x	x	x	x	x			x

	Project Description	Category									
		Sidewalk/ Ped Enhancements	Streetscape	Lighting	Street Realignment	Stormwater Management	Utilities	Bicycle Improvements	Public Transit	Wayfinding	Lighting
Franklin Street Corridor Feasibility Study	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. Since these initial efforts, Phase II of this study, to refine a recommended alternative design, is currently underway.	x	x	x	x	x	x	x	x		x
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.								x		
State & High Streets Two Way Conversion Study	This study is currently underway, to evaluate the feasibility of converting State Streets and High Streets back to two-way traffic, with evaluation of the impacts of such a change on local and regional traffic, bicycle traffic, pedestrian traffic, and transit services.	x			x			x			
Portland Peninsula Vehicular Wayfinding Plan	In 2013 the City completed a Portland Peninsula Vehicular Wayfinding Plan that has not yet been implemented. The intent of the vehicular wayfinding sign program is to provide a consistent and repetitive information path for the traveling public on-peninsula and toward major destinations off-Peninsula. In addition to wayfinding signage for motorized vehicles, the plan also examines and makes recommendations for bicyclist and pedestrian wayfinding where it benefits the most existing and future users.									x	
Other Initiatives											
Creative Portland											
Communications Infrastructure							x				

	Project Description	Category									
		Sidewalk/ Ped Enhancements	Streetscape	Lighting	Street Realignment	Stormwater Management	Utilities	Bicycle Improvements	Public Transit	Wayfinding	Lighting
Downtown Lighting	This is a plan for improved pedestrian and street lighting in the Downtown, Old Port, Bayside, India Street, and the Waterfront districts. Based on the original <i>Downtown Lighting Plan</i> and ensuing plans for the other districts, this plan informs capital investment implementation project phasing and provides details and specifications for street and sidewalk lighting in each district. Much of Congress Street and the Old Port has been upgraded according to the plan, and private development adds to the system based on the technical manual lighting specifications.		x				x				x
Ongoing Or Recurring Activities											
Tree Planting			x			x					
Parks and Public Space Maintenance		x	x			x					
Paving Rehabilitation		x									
Sidewalk Rehabilitation		x	x								
Clean Water Act Compliance						x					

Transportation Strategic Initiatives 2014-2019



Transportation Strategy



CITY OF PORTLAND, MAINE
PUBLIC SERVICES DEPARTMENT
ENGINEERING DIVISION

Initiatives Map

2014-2019
(February 2014)

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 PRINCIPLES

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

A. Investment

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

B. Jobs Associated with Commercial and Industrial Development

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

C. Maximize Tax Sheltering Benefits

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

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

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

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 infrastructure.

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.

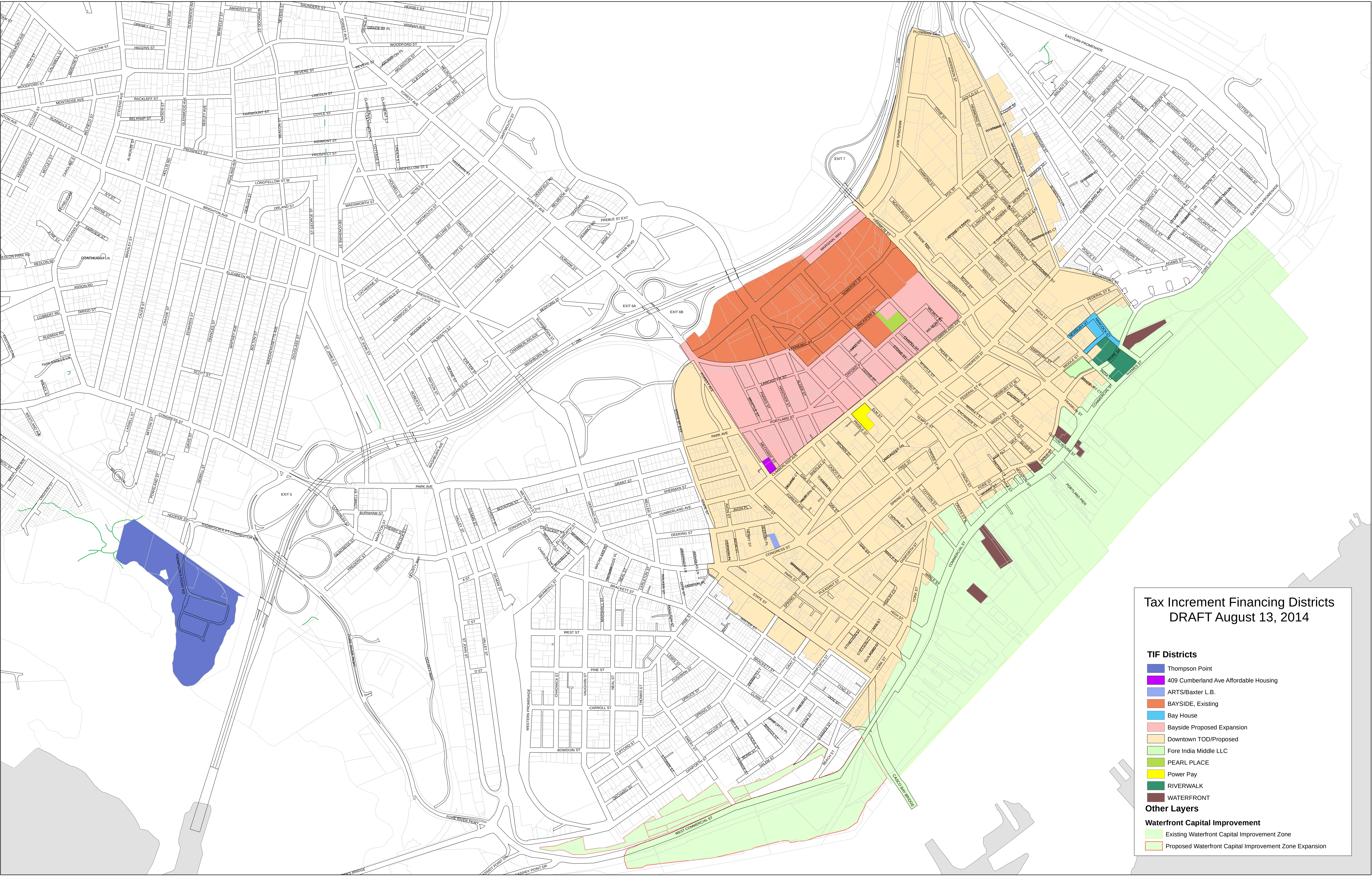
The Economic Development Department handles all TIF inquires and processes requests for TIF. An applicant must submit a letter to the Economic Development Department outlining the proposed project, including TIF project financial information, along with a plan outlining the number of jobs associated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



Tax Increment Financing Districts
DRAFT August 13, 2014

- TIF Districts**
- Thompson Point
 - 409 Cumberland Ave Affordable Housing
 - ARTS/Baxter L.B.
 - BAYSIDE, Existing
 - Bay House
 - Bayside Proposed Expansion
 - Downtown TOD/Proposed
 - Fore India Middle LLC
 - PEARL PLACE
 - Power Pay
 - RIVERWALK
 - WATERFRONT
- Other Layers**
- Waterfront Capital Improvement**
- Existing Waterfront Capital Improvement Zone
 - Proposed Waterfront Capital Improvement Zone Expansion

Table Assumes 2% Annual Mill Rate Increase

City of Portland- Downtown TOD/TIF Projection Table; 12% Captured Year One, 22% Captured Years 2 to 30 - with TIF Revenue Funds to City Development 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	\$88,000,000	12.00%	\$10,560,000	20.00	\$211,223	\$0	\$211,223	\$1,548,970
2	2016	\$88,000,000	22.00%	\$19,360,000	20.40	\$394,987	\$0	\$394,987	\$1,400,410
3	2017	\$88,000,000	22.00%	\$19,360,000	20.81	\$402,887	\$0	\$402,887	\$1,428,418
4	2018	\$88,000,000	22.00%	\$19,360,000	21.23	\$410,945	\$0	\$410,945	\$1,456,987
5	2019	\$88,000,000	22.00%	\$19,360,000	21.65	\$419,164	\$0	\$419,164	\$1,486,126
6	2020	\$88,000,000	22.00%	\$19,360,000	22.08	\$427,547	\$0	\$427,547	\$1,515,849
7	2021	\$88,000,000	22.00%	\$19,360,000	22.53	\$436,098	\$0	\$436,098	\$1,546,166
8	2022	\$88,000,000	22.00%	\$19,360,000	22.98	\$444,820	\$0	\$444,820	\$1,577,089
9	2023	\$88,000,000	22.00%	\$19,360,000	23.44	\$453,716	\$0	\$453,716	\$1,608,631
10	2024	\$88,000,000	22.00%	\$19,360,000	23.90	\$462,791	\$0	\$462,791	\$1,640,804
11	2025	\$88,000,000	22.00%	\$19,360,000	24.38	\$472,047	\$0	\$472,047	\$1,673,620
12	2026	\$88,000,000	22.00%	\$19,360,000	24.87	\$481,487	\$0	\$481,487	\$1,707,092
13	2027	\$88,000,000	22.00%	\$19,360,000	25.37	\$491,117	\$0	\$491,117	\$1,741,234
14	2028	\$88,000,000	22.00%	\$19,360,000	25.87	\$500,940	\$0	\$500,940	\$1,776,059
15	2029	\$88,000,000	22.00%	\$19,360,000	26.39	\$510,958	\$0	\$510,958	\$1,811,580
16	2030	\$88,000,000	22.00%	\$19,360,000	26.92	\$521,178	\$0	\$521,178	\$1,847,811
17	2031	\$88,000,000	22.00%	\$19,360,000	27.46	\$531,601	\$0	\$531,601	\$1,884,768
18	2032	\$88,000,000	22.00%	\$19,360,000	28.01	\$542,233	\$0	\$542,233	\$1,922,463
19	2033	\$88,000,000	22.00%	\$19,360,000	28.57	\$553,078	\$0	\$553,078	\$1,960,912
20	2034	\$88,000,000	22.00%	\$19,360,000	29.14	\$564,139	\$0	\$564,139	\$2,000,130
21	2035	\$88,000,000	22.00%	\$19,360,000	29.72	\$575,422	\$0	\$575,422	\$2,040,133
22	2036	\$88,000,000	22.00%	\$19,360,000	30.32	\$586,931	\$0	\$586,931	\$2,080,936
23	2037	\$88,000,000	22.00%	\$19,360,000	30.92	\$598,669	\$0	\$598,669	\$2,122,554
24	2038	\$88,000,000	22.00%	\$19,360,000	31.54	\$610,643	\$0	\$610,643	\$2,165,005
25	2039	\$88,000,000	22.00%	\$19,360,000	32.17	\$622,855	\$0	\$622,855	\$2,208,306
26	2040	\$88,000,000	22.00%	\$19,360,000	32.82	\$635,313	\$0	\$635,313	\$2,252,472
27	2041	\$88,000,000	22.00%	\$19,360,000	33.47	\$648,019	\$0	\$648,019	\$2,297,521
28	2042	\$88,000,000	22.00%	\$19,360,000	34.14	\$660,979	\$0	\$660,979	\$2,343,472
29	2043	\$88,000,000	22.00%	\$19,360,000	34.82	\$674,199	\$0	\$674,199	\$2,390,341
30	2044	\$88,000,000	22.00%	\$19,360,000	35.52	\$687,683	\$0	\$687,683	\$2,438,148
30 Year TIF Total		\$2,640,000,000		\$572,000,000		\$15,533,669	\$0	\$15,533,669	\$55,874,005
Yearly Average:				\$19,360,000		\$517,789	\$0	\$517,789	\$1,862,467

City of Portland - TIF Model
10/30/2014
Table Assumes 2% Annual Mill Rate Increase

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland-Downtown TOD/TIF Model							
12% Sheltered - Year 1 ; 22% Years 2 through 30 - Revenues 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	\$88,000,000	\$10,560,000	\$0	\$6,878	\$5,589	\$12,467
2	2016	\$88,000,000	\$19,360,000	\$0	\$12,610	\$10,243	\$22,854
3	2017	\$88,000,000	\$19,360,000	\$0	\$12,610	\$10,243	\$22,854
4	2018	\$88,000,000	\$19,360,000	\$52,272	\$12,610	\$10,243	\$75,126
5	2019	\$88,000,000	\$19,360,000	\$104,544	\$12,610	\$10,243	\$127,398
6	2020	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
7	2021	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
8	2022	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
9	2023	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
10	2024	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
11	2025	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
12	2026	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
13	2027	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
14	2028	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
15	2029	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
16	2030	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
17	2031	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
18	2032	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
19	2033	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
20	2034	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
21	2035	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
22	2036	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
23	2037	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
24	2038	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
25	2039	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
26	2040	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
27	2041	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
28	2042	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
29	2043	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
30	2044	\$88,000,000	\$19,360,000	\$156,816	\$12,610	\$10,243	\$179,670
30 Year TIF Total		\$2,640,000,000	\$572,000,000	\$4,077,216	\$372,572	\$302,649	\$4,752,437
Yearly Average:			\$19,066,667	\$135,907	\$12,419	\$10,088	\$158,415

METRO

Greater Portland Transit District

TO: City of Portland
Council Committee on Housing and Community Development

FROM: Greg Jordan - Metro General Manager

DATE: November 7, 2014

SUBJECT: Creating High Frequency Transit Corridor on Congress Street

The purpose of this memo is to provide the committee with an overview of a potential transit investment using revenue provided by Portland's Downtown Transit Oriented Development and Tax Increment Financing Program ("the Development Program").

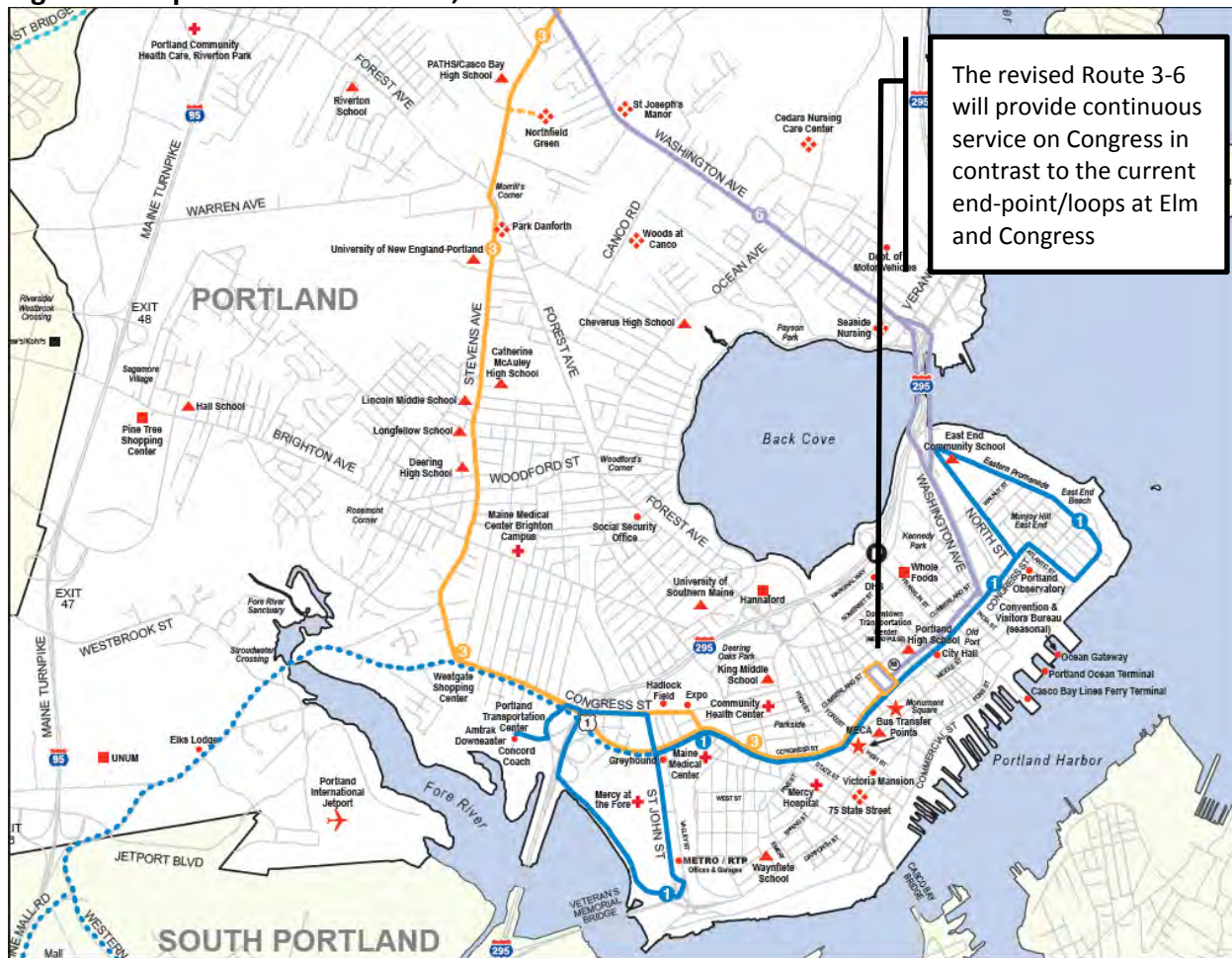
SUMMARY

Using approximately \$110,000 from the Development Program, which would combine with additional federal funding (which must be applied for and granted), fare revenue and other standard operating support, Metro would be able to create a high frequency corridor on Congress Street with bus service at 15 minute intervals between the Portland Transportation Center (PTC) area and Washington Avenue. Specifically, the following improvements would be made:

Corridor	Route #	Current Daytime Freq.	Proposed Daytime Freq.
Stevens-Allen-Congress	Route 3	35-75 minutes	30 minutes
Washington-Congress	Route 6	30-60 minutes	30 minutes
Congress	Route 1	30 minutes	30 minutes

In October 2014, the Metro Board of Directors approved route changes that included the "interlining" of the Routes 3 and 6 which essentially create one bi-directional loop route from the two existing routes. These changes reduce the overall cost to operate the two routes due to the elimination of end-of-line loops and under-performing deviations off the main corridors. Today, these two routes enter the peninsula from the west and east ends respectively, terminate at Elm Street and Congress Street, then leave the peninsula by reversing course. Interlining these routes will form a bi-directional loop on Steven/Allen, Washington, and Congress.

Figure 1: Map of Current Routes 1, 3 and 6



The principal benefit of this improvement is that, when integrated with the Route 1 on Congress, an effective frequency improvement to every 15 minutes during peak periods can be achieved for the Congress Street corridor between the Portland Transportation Center (PTC) area on the west and Washington Avenue on east. However, additional funding support, in the amount stated above, is needed to make the frequency improvement effective all day (through 7:00 p.m.).

This approach is grounded in the recommendations of the **Portland Peninsula Transit Study** (2008) and directly complements the infrastructure changes being made as a result of the **Congress Street Bus Priority Corridor Study** (2012).

The effective 15 minute service created on Congress Street (between the PTC area and Washington) establishes a **"high-frequency corridor"** that can be effectively marketed and offers a much more usable and attractive transit option for residents, workers and visitors on the peninsula. When transit routes reach 15 minute frequency, the average waiting time is reduced to 7.5 minutes and residents are relieved of the burden of consulting bus schedules and much of the worry over whether the bus will be coming. With this service improvement, and in connection with Metro's mid-2015 roll-out of **"Real-time Bus Arrival Information,"** the attractiveness and usefulness of transit service on the peninsula will significantly improve.

Additional benefits include:

- **Greater efficiency and reduced idling** – Interlining Routes 3 and 6 eliminates unnecessary turn-around loops in downtown Portland, improves efficiency, reduces cost and reduces unnecessary idling (and associated emissions) in a downtown environment.
- **Fewer transfers and faster travel times** – Interlining the Routes 3 and 6 and improving the frequency to every 30 minutes (off peninsula) creates better opportunities for cross-town trips. This means fewer transfers for residents and speedier travel times for residents in the north Portland/Deering areas.
- **Greater high school student transit use** – Provides a more useable service for Portland’s three (3) high schools. All three high schools will be on the new Route 3-6. Metro is working with the school district in the hope of developing a transit pass program for high school students which could replace yellow school bus transportation for most high school students. The pass program would most likely be free for students and will dramatically improve youth mobility and also make travel more affordable. Improving the frequency of the 3-6 is an important factor in making the pass program a success. Further, the pass program has the potential to increase Metro’s fare revenue which may contain or reduce Portland’s future contributions to Metro.
- **Ridership Increase** – Ridership is expected to improve as a result of the both the route interline itself and the proposed frequency improvement. Metro staff will provide a ridership increase estimate at the committee meeting.

Table 1 outlines the total CY 2016 cost (Metro’s budget year) of implementing the frequency improvement on the revised Route 3-6 loop and the anticipated funding sources. Please note that federal funding support is contingent upon approval by the PACTS Transit Committee.

Table 1: Funding Sources

Funding Source	Amount	%
Fare Recovery	\$63,700	25%
Federal Funding	\$62,475	25%
State Funding	\$4,900	2%
Advertising/Misc.	\$9,800	4%
Portland Share of Cost	\$109,025	44%
Total	\$249,900	100%

BACKGROUND

Effective transit networks are critical amenities to attracting both individuals and businesses back to our urban cores. The Development Program, by fostering investment in certain types of projects, aims to “...increase the City’s ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business” (p. 7). The Development Program in both title and scope identifies investment in public transportation as a core strategy.

The American Public Transportation Association (APTA) reports that for every \$1.00 invested in public transportation, \$4.00 are gained in economic returns. While this is a national estimate that includes many large, heavily urban areas with major transit investments, recent research also points to positive gains for small urban areas. In a 2014 study by the National Center for Transit Research (NCTR) on *Cost-Benefit Analysis of Rural and Small Urban Transit*, the authors used the Federal Transit Administration's National Transit Database data to estimate benefit-cost ratios for transit services in small urban and rural areas at the national and state levels. The study concluded that the benefit-cost ratio for transit in small urban areas in Maine is \$2.53 (p. 46). This means that every dollar invested in transit in Maine's urban areas results in \$2.53 in benefits.

Backed by transit-oriented-development and bicycle-pedestrian improvements, transit improvements such as enhanced local and express bus service, bus rapid transit, light rail and streetcar systems are becoming core features of urban and suburban areas. Investment in public transit infrastructure and service is now a proven method for improving the livability and sustainability of our cities, spurring economic development and making mobility more affordable and efficient. Because of these investments, use of transit nationally is at record levels. According to APTA, there were 10.7 billion transit trips in 2013, the highest in 57 years.

However, transit service in the Portland region has suffered from under-investment. Current bus routes and service levels have been largely static for decades and were designed principally to serve the transit dependent rather than the entire community. Metro's transit system operates from generally 6:00 a.m. to 10:00 p.m. on weekdays at frequencies that average between 30-60 minutes during the day and less frequent at night. Weekend service is more limited.

Table 2: Metro's Routes and Weekday Service Levels

Route #	Major Corridor	Cities Served	Weekday Hours	Day Frequency	Night Frequency
Route 1	Congress	Portland	5:30 am to 10:30 pm	25-35 min.	45-70 min.
Route 2	Forest	Portland-Westbrook	6:30 am to 10:00 pm	20-35 min.	65 min.
Route 3	Allen/Stevens/Congress	Portland	6:00 am to 10:00 pm	35-75 min.	65 min.
Route 4	Brighton	Portland-Westbrook	5:30 am to 11:00 pm	30 min.	65-75 min.
Route 5	Park/Outer Congress	Portland-S. Portland	6:00 am to 10:00 pm	25-25 min.	40-65 min.
Route 6	Washington/Congress	Portland-Falmouth	6:00 am to 10:00 pm	30-60 min.	65 min.
Route 7	Congress East/Route 1	Portland-Falmouth	6:30 am to 7:00 pm	60 min.	n/a
Route 8	Peninsula Circulator	Portland	7:00 pm to 6:30 pm	30-35 min.	n/a

Annual ridership has hovered between 1.4 and 1.5 million since 2006. Table 1 below illustrates ridership by route for the year 2011-2013.

Figure 2: Metro Total Boardings by Route (2011-2013)

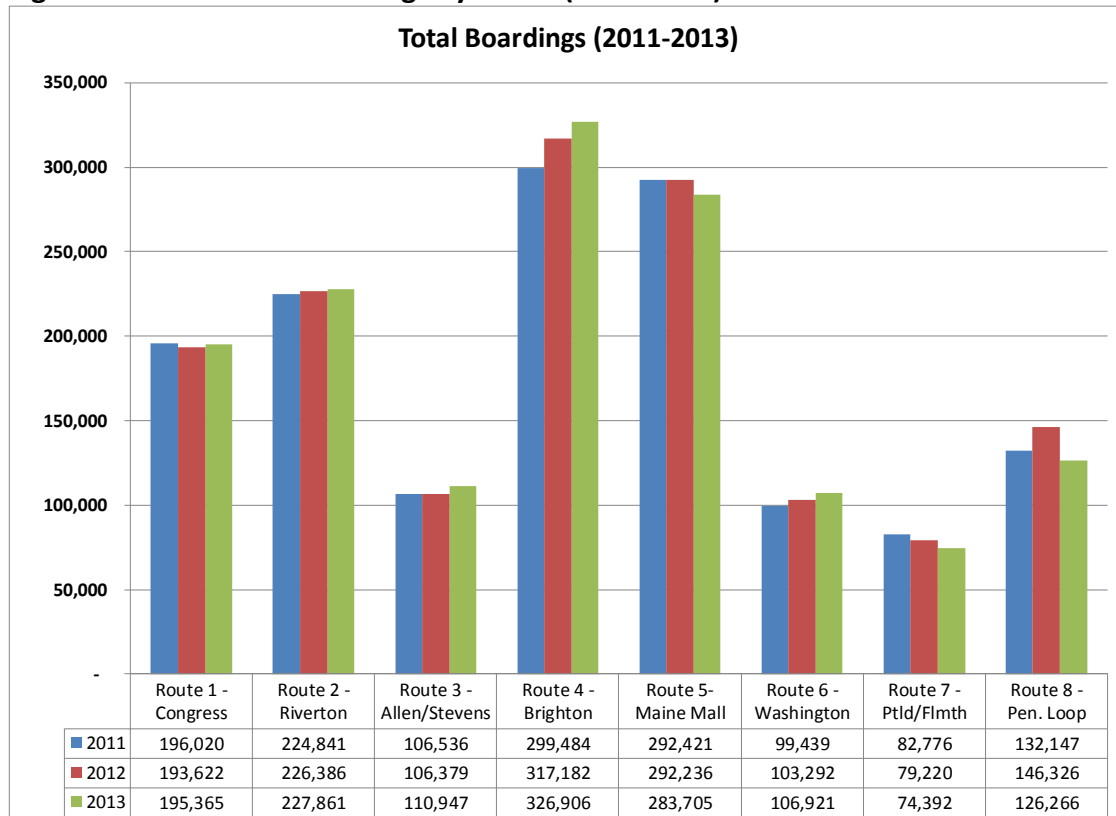
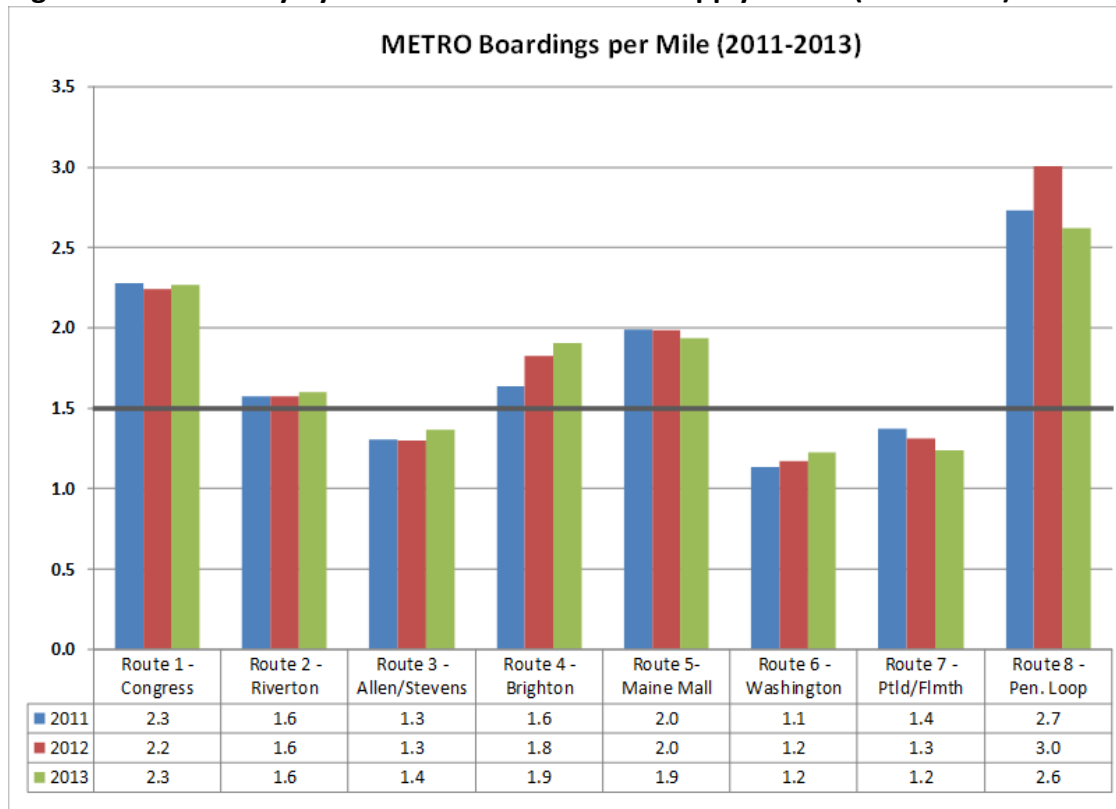


Figure 3: Productivity by Route – Ratio of Service Supply to Use (2011-2013)



Along with restructuring the current system to optimize ridership, speed and cost, overall higher service levels are needed to attract the broader customer base needed to make the region's transit system an economic development engine.

In particular, Figure 2 above illustrates that the Route 3 and 6 are performing at lower levels. Despite the presence of relatively dense residential development and multiple major destinations (e.g., high schools, universities, commercial nodes and Portland's central business district), this is due primarily to the low level of service provided along those corridors. Performance on these routes will improve with the frequency increase recommended in this memo along with expanded marketing and the potential introduction of a Portland High School pass program.

The ***Portland Peninsula Transit Study*** (2008) developed a range of recommendations in an effort to advance the transit system in ways that would make it more useful and effective for a broader constituency. Metro is commencing work on a short-range transit plan in order to implement effective changes to the current network. The foundation for some of these changes rest with the recommendations of the 2008 Portland Peninsula Transit Study. That study developed an array of recommended short and long-term actions. Two (2) of the shorter-term actions are stated below:

- **“Adjust schedules to operate with consistent 10, 15, 20, 30 and 60 minute headways” (p. 6-4).**

The purpose of this recommendation is to make the customer's use of the system easier by making schedules more user-friendly and easier to remember.

- **“Provide consistent 10 to 20 minute headways on key peninsula route segments by overlapping routes and staggering departures” (p. 6-4).**

This recommendation recognizes the opportunity provided by the geography of the peninsula and Congress Street's position as its principle artery which also usefully bi-sects the area. Today, as was the case when the Portland Peninsula Transit Study was completed, most of Metro's (and South Portland's) bus routes terminate in the vicinity of Monument Square at Metro's Transit Center on Elm Street. By restructuring routes to overlap and stay on Congress Street (in this case the 1, 3 and 6 changes as recommended), service availability and usefulness on Congress will substantially improve.

The ***Congress Street Bus Priority Corridor Study*** (2012) was also a recommendation of the 2008 transit study. In short, the purpose of the study was to examine infrastructure changes on Congress Street which would allow transit to operate faster. Portland has already or will implement traffic signal removal, pedestrian crossing enhancements, improved traffic signal coordination, revised curb lines and consolidated and improved bus stops. These improvements, along with Metro's more aggressive effort to speed transit by optimizing bus stop locations, will make transit use on Congress Street faster and more attractive.



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: November 6, 2014

RE: Amendment to the Creative Portland Development and Arts Tax Increment Financing District

I. Summary of Request

The proposed amendments to the approved Creative Portland Development and Arts Tax Increment Financing District ("Arts TIF District") are planned to be done simultaneously with actions to approve establishment of the Proposed Downtown Transit Oriented Development TIF District.

Proposed Arts TIF District amendments include reducing the geography of the TIF District to align with a single site for the Baxter Library Redevelopment Project so that there is no financial impact upon the Baxter Library Credit Enhancement Agreement (CEA) which supported this Project's redevelopment. Also, reducing the size of the Arts TIF District will result in the elimination of funding to Creative Portland which is planned to be funded through the Proposed Downtown Transit Oriented Development District. The benefits to this approach include:

- ***State TIF District Limitations.*** It is noted that Downtown and Transit TIF Districts are exempt from state TIF district value and acreage limitations. The proposed size reduction of the Arts TIF District and its absorption within the Downtown Transit Oriented TIF District will free up TIF acreage and value amounts which creates more flexibility for the city to establish TIF districts in the future.
- ***Area-wide TIF District Alignment.*** Reductions in the Arts TIF District size will efficiently align three large TIF districts (Bayside, Downtown-Transit and Waterfront) covering the majority of Portland's Peninsula.

II. Reason for Submission

A HCDC vote in the form of a recommendation to the City Council and City Council approval is needed to amend the Arts TIF District.

III. Intended Result

The intended result is for the HCDC to recommend and the City Council to approve the Amendment to the Arts TIF District to send to MDECD for their review and approval.

IV. Financial Impact

Approval of the Proposed Arts TIF District Amendments will not impact the financial terms of the approved Baxter Library Redevelopment Project Credit Enhancement Agreement. However, approval of the Proposed Amendments will eliminate funding to Creative Portland (@\$100,000 per year) which is proposed to be funded through the new Downtown Transit Oriented Development TIF District.

V. Recommendations

Staff recommends approval of the Proposed Amendments to the Arts TIF District.

VI. Attachments

Excerpt of the approved Creative Portland Development and Arts Tax Increment Financing District.

Baxter Library CEA

City of Portland

Creative Portland Development Program

*Application for Creative Portland Development and
Arts Tax Increment Financing District*

11/17/08

Amended/Restated by Portland City Council June 1, 2009

Amended/Restated by Portland City Council November 2, 2009

Amended/Restated by City Council on May 21, 2012

Prepared by:

The City of Portland Economic Development Division

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Attachments:

- A. October 2008 Report of the Creative Economy Steering Committee
- B. Map of the proposed Creative Portland Development and Arts TIF District
- C. Area map showing proposed TIF District in relation to geographic location of municipality.
- D. Tax maps showing location of proposed TIF District on each map.
- E. Spreadsheet detailing projections and tax shifts – adding five years from original.
- F. Assessor's Certificate of original assessed value of proposed TIF District.
- G. Legal notice of the City Council's public hearing on the proposed TIF District.
- H. Minutes of the City Council's public hearing on the proposed TIF District.
- I. Attested copy of the resolution of the City Council designating the Creative Portland Development and Arts TIF District.

I. Introduction

Portland, Maine has a vibrant arts and cultural community. Portland is also seeing tremendous growth in creative enterprises such as architecture, advertising and marketing, specialty products design and manufacturing, engineering, and graphic design. All of this, and more, is Portland's Creative Economy. Portland has long recognized that the creative sector plays an important role in its economy and community. The Congress Square redevelopment of the early 1980's centered on the new Charles Shipman Payson wing of the Portland Museum of Art. The Downtown Vision in 1991 recognized the importance of arts and cultural activities on Congress Street, leading to the Arts District Plan of 1996. The arts and culture cluster along Congress Street, including Maine College of Art, Portland Stage Co., the Children's Museum, and Center for Maine History, to name a few, provide a vital energy and economy to our traditional main commercial street. The artist community is an increasingly important part of our Arts District, most exemplified by the lively street party atmosphere that explodes onto the sidewalk during the First Friday Art Walk each month.

With the publication of his book, Rise of the Creative Class¹ in 2002, Richard Florida popularized the economic story of the communities that are attractive to a broad range of creative entrepreneurs. In many respects, these creative enterprises represent the next wave of economic development. Historically we have seen agriculture give way to the industrial revolution, and the manufacturing economy yield to the service economy and development of high technology and bio-technology industries. The Creative Economy represents a global phenomenon of value creation by footloose entrepreneurs who migrate to good places to live from which they practice their trades. While cultural centers such as Los Angeles or New York remain important locations for film, animation, and fashion, it is increasingly possible for artistic and design professionals to live anywhere and practice their trade, communicating and transmitting their products and services worldwide through electronic media. It is also recognized that quality of life and creative vitality are the attractors of the creative class of entrepreneurs. Economic development programs are therefore turning to strategies that maximize the attractiveness of their communities to the creative enterprises, in addition to traditional strategies of business recruitment and marketing.

Portland is fortunate to have the community infrastructure and cultural amenities needed to attract creative enterprises. The good news is that there is no inherent limitation to our ability to attract and grow these businesses. We have, over the past twenty or so years, protected our historic assets, nurtured our cultural sector, improved our parks and trails systems, and invested in our public art collection, to name but a few examples of those qualities that attract the footloose creative entrepreneurs. For many, Portland's size, location, amenities, transportation and technology access, and overall distinctiveness and quality of life are magnetic. We have only recently become recognized on the many "places-rated" listings of top communities for the arts, outdoors lifestyle, urban features such as diversity and good restaurants, and other remarkable features that put Portland on the map for so many reasons. This is a great accomplishment, and the City is well poised

¹ Florida, Richard; Rise of the Creative Class and how it's Transforming Work, Leisure, Community and Everyday Life; Basic Books; 2002

to capitalize on these qualities to promote the growth of the creative economy.

Therein lays the challenge. As Portland grows, the cost of space increases and artists and cultural organizations have an increasingly difficult time affording to be here. To a greater degree than ever, surrounding communities are seeing an influx of creative individuals and businesses who are unable to pay the rent to stay in Portland. This is good for the region, but a challenge for Portland. This is precisely why USM's Muskie School of Public Service identified in 2005 that the single greatest threat to Portland's Creative Economy was erosion.

Notwithstanding these challenges, Portland is fortunate to have the assets and to have made many of the right investments and plans to promote the creative environment. The stage is set. So what strategies and mechanisms are now needed to move forward and build on these assets? These were some of the questions addressed at the Creative Economy Summit, held on May 31, 2006. This summit, convened by then-Mayor James Cohen, brought together over 200 creative stakeholders of artists, cultural organizations, and creative enterprises in an all day session to plan for the growth and development of Portland's creative economy, which in turn will improve and broaden the tax base.

The vision/opportunities identified by the Summit included:

- (1) Build Portland's identity as an international creative center;
- (2) Develop publicly supported and/or affordable space for artists, including performance space, office space, studio space, housing, and exhibition space; and,
- (3) Increase collaboration, coordination, and communication within Portland's creative economy.

Following the Summit, the Portland City Council established the **Creative Economy Steering Committee (CESC)** to consider and expand upon these areas and to come up with a set of recommendations on how best to move forward.

The Steering Committee had a broad mission, but its primary focus was to develop ideas and strategies to move Portland's creative economy forward to the next level and implement the primary recommendations contained in the Creative Economy Summit Report, starting with the three top opportunities noted above.

II. Development Program

A. *The Project*

With the City Council accepting the Report of the Creative Economy Steering Committee (Attachment A), the City Council formally recognized the unique business development needs of the Creative Economy, and the need for the municipality to assist in fostering its growth. The recommendations contained in Attachment A will

help the municipality sustain its unique cultural heritage. Specific recommendations, with details provided in Attachment A include:

- Creative Economy Fund
- Promote Creative Enterprises Cluster
- Arts District Development
- Create a Center for the Arts
- Establish a Creative Economy Website
- Identify and Support Tipping Point Projects
- Conduct Creative Economy Analysis
- Develop a Program Strategy for Current Events and Cultural Activities

In order to move forward with implementation and marketing of the above recommendations, the first step is to create an administrative structure to carry out the recommendations and initiatives contained in the Report. A quasi-governmental agency (for discussion purposes, it could be called the "Creative Portland Corporation" [CPC]) would be formed with a thirteen-member board comprised of three representatives from each private creative category (creative enterprises, creative organizations [non-profits], and artists), plus two City positions (such as the Mayor or mayoral designee, and the City Manager's designee who should be associated with or part of the Economic Development Division), and two members representing higher education and real estate. Once the Board is place, the Board would then hire its own administrator and assistant.

In order to fund the CPC, its administrator and assistant, and the programs recommended, the Report of the CESC recommends a TIF funding mechanism. Initial funding for this was estimated in the Report as being \$100,000 for both staff and programs. Attachment B is a map of the proposed Creative Portland Development and Arts TIF District located within the downtown district of Portland.

The CPC will quantify the potential revenues derived from the TIF District and recommend a program of action for the utilization of those funds based on the recommendations of the Report. It is understood that incremental taxes may not materialize, or be relatively low, in first few years, based on market conditions and time needed for growth in valuation in that district over base line assessment. It is also recognized that the full scope of the recommendations contained in the Report go well beyond the funds anticipated to be generated through TIF financing. Therefore, the CPC will be challenged to generate City general funds or other resources needed for start-up. Over time, there is the expectation that the tax increment will grow to cover the core funding for the agency and that City funds will be leveraged with private and grant funds, with a target of 50% non-City funding within five years. If this is achieved, the City's funding commitment will be stable and possibly could decline over time, even as the program budget increases modestly through other sources.

The City seeks authorization for the recommendations described above and in the Report to maintain flexibility and adaptability of the needs of its creative economy.

As development projects occur in this TIF District, the City of Portland may enter into Credit Enhancement Agreements from time to time to facilitate the construction of new taxable commercial investment.

B. The Development District

Properties that are to be designated as a TIF District and are the subject of this application are shown in the attached map (Attachment B).

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

C. The Development Program

The City of Portland, by designating this 15-year Creative Portland Development and Arts TIF District, will capture all investments made within the District. The City will capture over the life of the TIF District 100% of the new real property assessed value with a maximum cap to fund Creative Portland Corporation in addition to funding approved credit enhancement agreements (CEA's). A maximum cap is established to fund up to \$100,000 annually to support Creative Portland Corporation TIF eligible activities, in addition to funding approved CEA's. Each year that the City Council should change the 100% capture, it will forward the amendment to the Maine Department of Economic and Community Development. These revenues will be allocated to the approved economic development uses/recommendations called for in the Report of the Creative Economy Steering Committee (Attachment A) and highlighted in II.A above.

The success of these efforts will enhance the City's ability to promote development and retain and grow its creative economy to ensure the continued diversity that many come to the downtown area to experience.

D. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from the TIF District in support of the recommendations called for in the Report of CESC (Attachment A) and, specifically, the activities outlined in Section II-A of this application.

E. Operational Components

1. Uses of Private Property

The Creative Portland Development and Arts TIF District includes private property, and the funds generated from this District will be used to support commercial investment on both public and private properties in Portland.

2. Environmental Controls

The Development Program's improvements will comply with all federal, state, and local rules and regulations and applicable land use requirements.

3. Plan of Operation

During the life of the Tax Increment Financing District, the City of Portland, City Council, or their designee, will be responsible for the administration of the District.

III. Physical Description

Although downtown TIF districts are exempt from the State's limits for municipalities on value and size of TIF districts, the following provides details regarding the acreage size of this downtown Creative Portland Development and Arts TIF district, as well as noting the limits if they were to apply:

- A. Total acreage of the municipality: 12,386 (taxable acres)
- B. Total acreage proposed for tax increment financing district: 50.6 acres
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.41%
- D. Total acreage of all existing and proposed TIF Districts in the municipality: 182 acres
- E. Percent line D of line A (cannot exceed 5%): 1.47%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____
 - 3. Acreage suitable for commercial siting = 50.6. Line F3 divided by line B = 100%.
- G. Enclosed municipal maps:
 - 1. Area map showing site location of the TIF District in relation to geographic location of municipality (Attachment C)
 - 2. Tax maps showing TIF District locations on each map (Attachment D)

IV. Financial Plan

A. *Costs and Sources of Revenues*

The TIF District comprises an area of approximately 50.6 acres of taxable real property with an original FY08 assessed value of \$231,979,370. The development within the District is estimated to add varying amounts in new

assessed value in its first two years as noted in Table 1 and then remain even thereafter.

The Development Program provides for the new tax revenues generated by the increase in assessed value of the real property of the District to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Development Program, with the understanding that the CPC will determine which specific projects to undertake that have been outlined in the Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval.

Attachment E details the projections based upon the anticipated assessed value of the real property increases within the District and is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

Table 1— TIF Allocation Schedule

OAV as of 3/31/2008: \$231,979,370

For FY10, FY11, and FY12, the "Values" are actual; thereafter, estimated.

Assume flat growth in value from FY13 to FY24.

Assume 2% Annual Tax Rate Increase beginning with FY13

Tax Year	Value	Total Increase	Est. Mil Rate	Total Incremental Tax
FY10	237,729,920	5,750,550	0.01774	102,002
FY11	238,296,520	6,317,150	0.01797	113,519
FY12	236,043,180	4,063,810	0.01828	74,287
FY13	239,371,100	7,391,730	0.01865	137,823
FY14	239,371,100	7,391,730	0.01902	140,580
FY15	239,371,100	7,391,730	0.01940	143,391
FY16	239,371,100	7,391,730	0.01979	147,259
FY17	239,371,100	7,391,730	0.02018	149,184
FY18	239,371,100	7,391,730	0.02059	152,168
FY19	239,371,100	7,391,730	0.02100	155,211
FY20	239,371,100	7,391,730	0.02142	158,316
FY21	239,371,100	7,391,730	0.02185	161,482
FY22	239,371,100	7,391,730	0.02228	164,712
FY23	239,371,100	7,391,730	0.02273	168,006
FY24	239,371,100	7,391,730	0.02318	171,366
Total				2,138,305

Note: In FY10, FY11, and FY12, a \$100,000 total maximum cap was in place. With this Amendment, the cap would be adjusted as described above.

B. Development Program Account

This Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Creative Portland Development TIF Program Account is established consisting of a project cost account ("Project Cost Account") pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the "City Cost Subaccount") pledged to, and charged with, payment to the City for the cost of approved economic development expenses, and Company Cost Subaccounts pledged and charged with payment to authorized companies under the terms of approved Credit Enhancement Agreements for reimbursement for eligible projects costs.

C. *Financing Plan*

The TIF District comprises an area of approximately 52 acres of taxable real property. The value of the real property within the district as of March 31, 2008 is established as the original assessed value. Attachment F is the Assessor's Certificate of the assessed value.

An assumption is made herein that developments within the Creative Economy TIF District will add new taxable value in the first three years and then remain relatively stable. TIF revenues will be allocated as described in II.A above to finance the costs of the Creative Portland Development Program. Actual payments to the Project Cost Account will be adjusted based upon the actual annual assessed value within the District.

V. **Financial Data**

Although downtown TIF districts are exempt from the State's limits for municipalities on value and size of TIF districts, the following provides details regarding the value of this downtown Creative Economy TIF district as well noting the limits if they were to apply:

- A. Total FY08 value of equalized property in the municipality: \$8,289,850,000.
- B. Original assessed value of all properties in all existing and proposed TIF districts:

Existing:	\$ 73,017,480
Proposed:	<u>\$231,979,370</u>
Total	\$304,996,850

Line B divided by line A = 3.68% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the development program: See Table 1 above.
- D. Percentage of increased assessed value to be applied to the development program fund: 100%.

- E. Estimated annual tax increment: \$142,553 (Average).
- F. Total average annual value of development program fund: \$142,553 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: The City of Portland only seeks to implement the Creative Economy Development Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this Development Program is voluntary and, notwithstanding any approvals from the appropriate State entity, can revoke its desire to implement the plan.
- I. State of impact on TIF on taxing jurisdictions within the county: See Attachment E.

VI. Tax Shifts

A. *Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$43,046
Municipal Revenue Sharing Tax Shift: \$5,326
County Tax Shift: \$2,460
Total Average Annual Savings: \$50,833

VII. Municipal Approvals

A. *Public Hearing Notice*

The City of Portland did give proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5253. The notice was published on Tuesday, May 8, 2012 in a newspaper of general circulation (see Attachment G).

B. *Public Hearing*

A Public Hearing at which the amendments to the municipal Creative Economy Tax Increment Financing District was discussed was held on Monday, May 21, 2012 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment H.

C. *Authorizing Votes*

An attested copy of the Order of the Portland City Council amending the Creative Economy Development Program and the TIF district created for the implementation of that program is included as Attachment I.

CREDIT ENHANCEMENT AGREEMENT

between

CITY OF PORTLAND, MAINE

And

BAXTER LIBRARY, L.P.

Dated as of Nov. 15, 2009

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THIS CREDIT ENHANCEMENT AGREEMENT dated as of _____, 2009, between the City of Portland, Maine (the "City"), a municipal body corporate and politic and a political subdivision of the State of Maine, a corporation duly organized and existing under the laws of the State of Maine, with a place of business in Portland, Maine and BAXTER LIBRARY, L.P. (the "Company"), a Maine limited partnership, having an office at One City Center, 4th Floor, Portland, Maine 04101.

WITNESSETH THAT

WHEREAS, the City designated the Creative Portland Development and Arts Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by action of the Portland City Council on November 17, 2008 (the "Vote"), and pursuant to the same Vote adopted a development program and financial plan for the District (the "Development Program"); and

WHEREAS, upon submission of an application to DECD, the City expects DECD to review and approve the Third Amendment to the District and the Development Program; and

WHEREAS, the City designated the District, adopted the Development Program and entered into this Agreement in order to induce the Company to build the Project by enabling the City to contribute toward the capital cost of the Project the amounts contemplated by the Development Program and this Agreement; and

WHEREAS, in connection with the Development Program, and as contemplated thereby, the City and the Company have agreed to execute and deliver this Agreement; and

WHEREAS, the City and the Company desire and intend that this Agreement be and constitute the credit enhancement agreement contemplated by and described in the Development Program;

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1. Definitions.

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise. All other capitalized terms not otherwise defined herein shall have the meaning given such terms in the Development Program.

"Account" shall mean the Company TIF Account, also known as the Baxter Library Development Program Account.

“Act” means Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

“Affiliate” means, with respect to any specified entity, any other entity in which the specified entity has a more 50% ownership interest or of which the specified entity controls more than 50% of the voting power.

“Agreement” shall mean this Credit Enhancement Agreement dated as of the date set forth above between the City and the Company, as such may be amended by the parties from time to time.

“Captured Assessed Value” means the annual percentage of Increased Assessed Value of the property in each tax year during the term of this Agreement, as specified in Section 3.1 hereof.

“City” shall have the meaning given such term in the recitals hereto.

“City Tax Increment Revenues” means in each year this Agreement is in effect, an amount of money equal to the percentage of Retained Tax Increment Revenues allocated to the City at the time and according to the schedule specified in Section 3.1 hereof.

“Company” shall have the meaning given such term in the first paragraph hereto, and shall also mean and include any assignee, successor, or Affiliate thereof.

“Company Debt” means debt that is secured by the Company Tax Increment Revenue due to the Company pursuant to this Agreement.

“Company TIF Account” means the account described in the Financial Plan section of the Development Program and established and maintained pursuant to the Development Program and Article II hereof.

“Company Tax Increment Revenues” means in each year this Agreement is in effect an amount of money equal to the percentage of Retained Tax Increment Revenues allocated to the Company at the times and according to the schedule specified in Section 3.1 hereof.

“Current Assessed Value” means the then current assessed value of the Property to be determined by the City’s Assessor as of April 1 of each year that this Agreement remains in effect.

“DECD” means the State of Maine Department of Economic and Community Development.

“Development Program” means the development program and financial plan for the District adopted by the City as amended and attached hereto as Appendix A.

“District” shall have the meaning given such term in the recitals hereto.

“Financial Plan” means the financial plan described in the “Financial Plan” section of the Development Program.

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

“Lender” means Bangor Savings Bank or any subsequent holder of TIF Loan Agreement.

“Original Assessed Value” means, the assessed value of the Property as of March 31, 2008.

“Project” means the renovations of the former approximately 22,000 square foot Baxter Library building into approximately 24,189 square feet of office space.

“Project Cost Account” means the account in the Development Program Fund described in Section 2.01 of the Development Program and established and maintained pursuant to the Development Program and Article II hereof.

“Project Costs” means all costs incurred by the Company on the Project within the meaning set forth in 30-A M.R.S.A. § 5222(14), as amended.

“Property” means the Baxter Library building and property, located at 619 Congress Street, Portland, Maine.

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

“Qualified Investments” shall mean any and all securities, obligations or accounts in which municipalities may invest their funds under applicable Maine law, and which are of the same type and tenor as the investments in which the City invests its own funds.

“Retained Tax Increment Revenue” means that portion of Property Taxes assessed by the City on the Captured Assessed Value.

“Tax Payment Date” means the later of the date(s) on which Property Taxes assessed by the City with respect to the Property are due or are paid, or if any such day is not a business day, the next succeeding business day.

“Tenant” means VIA Group, LLC.

“TIF Loan Agreement” means all documents related to the Company Debt between the Company and Bangor Savings Bank.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

- a. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.
- b. Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.
- c. Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.
- d. Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.
- e. All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.
- f. If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof except as expressly provided in Section 3.4.

ARTICLE II DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

The City hereby confirms the creation and establishment of a segregated account in the name of the City designated as the “Baxter Library Development Program Account” pursuant to, and in accordance with the terms and conditions of, the Development Program.

Section 2.2. Deposits into Account.

There shall be deposited into the Account contemporaneously with each payment of property tax by or on behalf of the Company an amount equal to that portion of the property tax payment constituting Company Tax Increment Revenue for the period to which the payment relates. Any and all revenues, if any, resulting from investment of monies on deposit shall be retained by the City and withdrawn from the Account contemporaneously with payment to the Company.

Section 2.3. Use of Monies in Account.

Monies deposited in the Account shall be used and applied exclusively to fund the City's payment obligation described in Article III hereof.

Section 2.4. Monies Held in Trust.

All monies required to be paid into the Account under the provisions hereof and the provisions of the Development Program, other than investment earnings thereon, shall be held by the City, in trust, for the benefit of the Company.

Section 2.5. Investments.

Any monies in the Account shall be invested and reinvested in Qualified Investments as determined by the City. The City shall have discretion regarding the investment of such monies, provided such monies are at all times invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the City shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of such account. The City shall have the sole and exclusive right to designate the investments to be sold and to otherwise direct the sale or conversion to cash of investments made with monies in the Account.

Section 2.6. Tax Payments.

The Company shall pay or cause to be paid when due all Property Taxes assessed by the City unless contested by the Company by appropriate proceedings pursuant to Maine law. No payments shall be made by the City under this Agreement at any time any such taxes or amounts are due and unpaid.

**ARTICLE III
PAYMENT OBLIGATIONS**

Section 3.1. Captured Assessed Value; Retained Tax Increment.

a. Annually, the Increased Assessed Value shall be retained as Captured Assessed Value. The real estate taxes on the Captured Assessed Value shall be retained as Retained Tax Increment Revenue, a portion of which Retained Tax Increment Revenue shall be deposited when received by the City into the Company TIF Account as the Company Tax Increment as set forth on Table 2 attached hereto, in accordance with the provisions of Section 2.2 of this Agreement and the priorities established by 30-A M.R.S.A. § 5227(3)(B), starting with taxes assessed as of April 1, 2010 and continuing for each of the next 9 years, ending with taxes assessed as of April 1, 2018.

b. Notwithstanding the foregoing, payments to the Company TIF Account shall be the lesser of (i) the Company Tax Increment Revenue as calculated above, or (ii) the amount necessary to service the Company Debt. However, should any default occur under the TIF Loan Agreement, the Lender shall nevertheless be entitled to the full Increased Assessed Value for the

remaining term of the CEA that is due to the Company pursuant to Section 3.1(a) hereof to offset principal, interest, and any fees due under the TIF Loan Agreement.

c. On the later of the seventh anniversary of the real estate closing, or the time when the Company is required to refinance both the first and second position mortgages placed on the Property for the purposes of the acquisition and redevelopment of the Project, the amount of Company Tax Increment Revenue placed in the Company TIF Account shall be reduced, for the remaining term of this Agreement, only if and to the extent of the savings on the total debt service realized by the Company as a result of a decreased interest rate on the combined debt after the refinancing, as calculated in Section 3.1(d) hereof.

d. The amount by which the Company Tax Increment Revenue shall be reduced shall be calculated by using the new "refinance loan" amount and amortization rate, and then comparing the annual debt service thereunder with the total annual debt service on both loans prior to such refinancing. For instance, if the refinancing results in a lower interest rate, and with that new rate, the debt service is \$10,000 less than the Company would have paid with the original interest rates on the original loans, then the Company Tax Increment Revenue, for the remaining term of this Agreement, shall be reduced by \$10,000. Notwithstanding the foregoing, should the Company default under the TIF Loan Agreement, the Lender shall be entitled to the full amount of Company Tax Increment Revenues, for the remaining term of the CEA, as calculated in Section 3.1(a) hereof.

Section 3.2. Completion of Development Program.

Prior to receiving the first payment under this Agreement, the Company shall provide evidence reasonably satisfactory to the City of the Company's ability to complete the Project in accordance with State law. Reasonably satisfactory evidence shall include the Company's having closed on the financing for the Project, or that Company will close on such financing subject only to the execution of this Agreement.

Section 3.3. Credit Enhancement Payments.

Within thirty (30) days following the end of each Fiscal Year, the City shall pay to the Company all Company Tax Increment Revenues due and owing pursuant to Section 3.1 and then on deposit in the Company TIF Account. The obligation of the City to make such payment shall be limited obligation payable solely out of monies on deposit in the Company TIF Account and shall not constitute a general debt or obligation on the part of the City or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine or any political subdivision thereof.

Section 3.4. Failure to Make Payment.

In the event the City should fail to, or be unable to, make any of the payments to the Company required under the foregoing provisions of this Article III, the item or installment so unpaid shall continue as a limited obligation of the City, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. The Company shall

have the right to initiate and maintain an action to specifically enforce the City's obligations hereunder, including without limitation, the City's obligation establish and maintain the Account and to deposit Company Tax Increment Revenues to the Account and its obligation to make required payment to the Company.

Section 3.5. Manner of Payments.

The payments provided for in this Article III shall be paid in immediately available funds directly to the Company in the manner provided hereinabove for its own use and benefit. Notwithstanding the above, no payments shall be made unless used to satisfy debt service on indebtedness incurred to finance qualified "Project Costs" as that term is defined under Chapter 206 of Title 30-A of the Maine Revised Statutes and as described as part of the Project in the Development Program or used to pay directly, or to reimburse the Company for payment of such Project Costs. The City shall make required payments in response to requests for payment submitted by the Company setting forth the amount of the payment and containing a certification in the form attached hereto as Exhibit B.

Section 3.6. Obligations Unconditional.

Except as otherwise expressly provided in this Agreement, the obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Company. Notwithstanding the above, the City reserves the right to terminate this Agreement upon a final judgment by a court of competent jurisdiction to the effect that the Agreement or Development Program adopted in connection herewith or any payment made thereunder is or would be illegal or invalid. In such event, the termination shall relate back to the original date of the Agreement which shall be deemed void ab initio, and neither party shall have any obligations or liability hereunder, under the Development Program or in respect of any of the transactions contemplated thereby, and shall be left in whatever positions, financial or otherwise, they may be in as of the date of termination. Such termination shall not, however, affect the Company's obligation to defend and indemnify the City, which obligation shall survive any such termination.

Section 3.7. Limited Obligation.

The City's obligations of payment hereunder shall be limited obligations of the City payable solely from Retained Tax Increment Revenues and any earnings thereon, pledged therefor under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation on the part of the City or a charge against or pledge of the faith and credit or taxing power of the City, but shall be payable solely from the Retained Tax Increment Revenues received by the City, and any earnings thereon. This Agreement shall not directly or indirectly or contingently obligate the City to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the City's obligation to assess property taxes upon the Project and the pledge of the Retained Tax Increment Revenues established under this Agreement.

Section 3.8. Administrative Fee.

The Company shall pay to the City an annual administrative fee to the City equal to 1% of the Company Tax Increment Revenue (net of any penalties) paid by the City to the Company as calculated pursuant to Section 3.1(a) hereof. Such payment shall be made by the City deducting the 1% fee from the Company TIF Account prior to distribution of the remaining funds to the Company. Notwithstanding the foregoing, if the Company Tax Increment Revenues are reduced as set forth in Sections 3.1(b) or 3.1(d) hereof, the 1% administrative fee shall be deducted from the entire Retained Tax Increment Revenue prior to the payment to the Company, such that due to the Company pursuant to Sections 3.1(b) or 3.1(d) hereof shall not be further reduced by such administrative fee.

**ARTICLE IV
PLEDGE AND SECURITY INTEREST**

Section 4.1. Pledge of Company TIF Account.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Company by the City, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the City's covenants and agreements contained herein, the City does hereby grant a security interest in and pledge to the Company the Company TIF Account and all sums of money and other securities and investments therein.

Section 4.2. Further Instruments.

The City and the Company shall, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement, provided, however that no such instruments or agreements shall pledge the credit of the City.

Section 4.3. Liens.

Except as permitted hereunder, the City shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Account and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part thereof not permitted hereby.

Section 4.4. Access to Books and Records.

All books, records and documents in the possession of the City relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Account shall at all reasonable times be open to inspection by the Company, its agents and employees.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

- a. Any failure by the City to pay any amounts due to Company when the same shall become due and payable;
- b. Any failure by the City to make deposits into the Company TIF Account as and when due;
- c. Other than as provided in paragraph (a) and (b) above, any failure by the City or the Company to observe and perform in all material respects any respective covenant, condition, agreement or provision contained herein on the part of the City or the Company respectively to be observed or performed, including any failure of the Company to use payments made under this Agreement as required in Section 3.6 of this Agreement, which failure is not cured within thirty (30) days following written notice thereof; provided, however, that this subsection (c) shall not be construed to include the Company’s failure to pay Property Taxes on the Property in the District for any reason as an Event of Default hereunder; and
- d. If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises shall appoint a conservator or receiver or liquidator for the City, or if any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings for the winding up or liquidation of the City's affairs shall have been entered against the City or if the City shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the City or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by the City or the failure by the City to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the City.

Section 5.2. Remedies on Default.

Whenever any Event of Default referred to in Section 5.1 hereof shall have occurred and be continuing, the non-defaulting party may take any one or more of the following remedial steps: (a) the non-defaulting party may take whatever action at law or at equity as may appear necessary or desirable to collect any amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the non-defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder; and (b) Baxter Library, L.P. shall also have the right to exercise any rights and remedies available to a secured party under the laws of the State of Maine. Neither party has the right to terminate this Agreement.

Section 5.3. Remedies Cumulative.

No remedy herein conferred upon or reserved by any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default or to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

Section 5.4. Enforcement Rights.

The City and the Company agree that each party hereto shall have the right to initiate a legal proceeding to enforce the specific performance of this Agreement, it being understood and agreed that this Agreement is a material inducement to the Company continuing its pursuit of the Project. The parties agree that in the event of any dispute or disagreement hereunder the Company and the City shall continue to make payment of all amounts due hereunder in the manner and at the times specified herein until final resolution of such dispute, whether by mutual agreement or final decision of a court, arbitrator or other dispute resolution mechanism.

ARTICLE VI EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

This Agreement shall become effective upon its execution and delivery by the parties hereto and shall remain in full force from the date hereof and shall expire on the later of the end of the 2019-2020 fiscal year of the City or upon the performance of all obligations on the part of the City and the Company hereunder, including without limitation payment of all amounts to be paid to Company, unless sooner terminated under Section 3.7 or 7.2 hereof.

Section 6.2. Cancellation and Expiration of Term.

At the termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the City and the Company shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII ASSIGNMENT AND PLEDGE OF COMPANY'S INTEREST

Section 7.1. Consent to Pledge, Collateral Assignment Or Grant of a Security Interest.

The City hereby acknowledges that the Company may pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on the Company to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of all the Company's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Company hereunder, to third parties as collateral or security for indebtedness related to the Project, on one or more occasions during the term hereof. The City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective pledgee or assignee, including without limitation recognition of the pledgee or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledgee or assignee the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to the pledgee or assignee such rights and/or remedies as it may deem necessary for the establishing, perfection and protection of its interest herein.

Section 7.2. Assignment.

Except as provided in Section 8.1, this Agreement and the obligations of the City hereunder are personal to the Company and may not be assigned or transferred by the Company or Tenant without the consent of the City which consent may be withheld for any reason or for no reason; *provided, however*, that the City will not unreasonably withhold, condition or delay its consent to a transfer of the rights of Company hereunder to a subsequent owner of the Property. For the purposes of this Agreement, City hereby consents to the assignment of this Agreement to Company's Tenant pursuant to the purchase option contained in the lease between the Company and such Tenant.

ARTICLE VIII MISCELLANEOUS

Section 8.1. Successors.

In the event the City or the Company are dissolved, merged into or consolidated with another entity, or undergo any form of corporate reorganization, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Company any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and the Company; provided, however, that if the payment obligations of the City to the Company hereunder are held by a final and binding proceeding to be illegal or invalid, this Agreement shall terminate. In such event all obligations of the parties shall terminate, and no party shall have any further liability to the other hereunder.

Section 8.3. Severability.

Except as otherwise provided herein, in case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 8.4. No Personal Liability.

(a) No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither the members of the City Council of the City, or any official, officer, agent, servant or employee of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation or agreement of the Company contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future director, member, officer, agent, servant or employee of the Company in his or her individual capacity and neither the directors, members, officers, agents, servants or employees of the Company shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.6. Governing Law.

The laws of the State of Maine shall govern the construction and enforcement of this Agreement in all respects.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Company pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, or, for any notice of an Event of Default, by registered or certified mail, return receipt requested, addressed as follows:

If to the City:

City of Portland
389 Congress Street
Portland, ME 04101
Attn: City Attorney

If to the Company:

Baxter Library, L.P.
C/O Northland Enterprises, LLC
One City Center, 4th Floor
Portland, ME 04101
Attn: Rex S, Bell, Manager

With copies to:

Drew A. Anderson
Murray, Plumb & Murray
75 Pearl Street
PO Box 9785
Portland, ME 04101-5085

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 8.8. Amendments.

Neither this Agreement nor the Development Program may be amended without the express written consent of all of the parties hereto, which consent shall not be unreasonably withheld. Provided, however, the parties agree to amend this Agreement in order to fulfill such reasonable requirement that a lender may require in connection with financing of the Project. This Agreement may only be amended in compliance with the provisions of 30-A M.R.S.A. §5211 et seq., as amended.

Section 8.9. Net Agreement.

This Agreement shall be deemed and construed to be a “net agreement,” and the City shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without abatement, or setoffs; provided, it is understood that the City's payment obligations are to be satisfied solely from Retained Tax Increment Revenues actually paid in by the Company and received by the City, and earnings thereon and provided further that the City may offset the administrative fee described in Section 3.9 hereof.

Section 8.10. Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and the Company relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.11. Project Responsibility.

The Company and the City agree, and the City hereby acknowledges that the Company shall have no obligation to go forward with the Project referred to herein or in the Development Program. Such Project is subject to final approval by the Company.

Section 8.12. Indemnification.

a. The Company agrees to defend, indemnify and hold harmless the City, its officers, agents and employees from any and all claims and expenses, including its attorney fees, arising out of or associated with the City's approval of the District and its preparation of and participation in this Agreement, including expenses arising from any default hereunder by the Company but excluding any such claims or expenses as may relate to actions or proceedings resulting from a default hereunder by the City. This indemnification obligation shall survive termination of this Agreement or a finding that this Agreement is void or invalid.

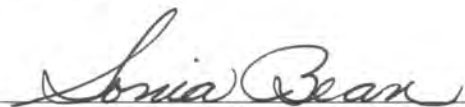
b. The City agrees to defend, indemnify and hold harmless the Company, its officers, agents and employees from any and all claims and expenses, including its attorney fees, arising out of or associated with any default hereunder by the City. This indemnification obligation shall survive termination of this Agreement or a finding that this Agreement is void or invalid.

Section 8.13. Waiver of Recapture if Agreement Found Void.

In the event this Credit Enhancement Agreement is found void “ab initio” by a Court of law with final jurisdiction over this Agreement City agrees to waive its rights to recapture all TIF proceeds paid to Company pursuant to this Agreement.

IN WITNESS WHEREOF, the City and the Company have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers or members, as the case may be, all as of the date first above written.

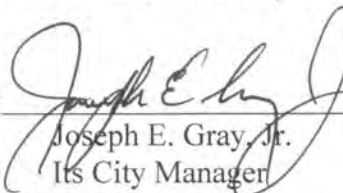
WITNESS





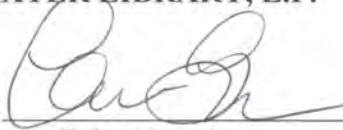
Josh Bennett

CITY OF PORTLAND, MAINE

By: 

Joseph E. Gray, Jr.
Its City Manager

BAXTER LIBRARY, L.P.

By: 

(Print Name)
REX BELL
Its MANAGER

Exhibit A to Credit Enhancement Agreement

Table No. 1

A	B	C	D	E
Year No.	Tax Year	Estimated Increased Assessed Value Retained as Captured Assessed Value	Allocation of Retained Tax Increment	
			% to Company	% to City
1	April 1, 2010	1,250,000	65%	35%
2	April 1, 2011	2,500,000	65%	35%
3	April 1, 2012	2,500,000	65%	35%
4	April 1, 2013	2,500,000	65%	35%
5	April 1, 2014	2,500,000	65%	35%
6	April 1, 2015	2,500,000	65%	35%
7	April 1, 2016	2,500,000	65%	35%
8	April 1, 2017	2,500,000	65%	35%
9	April 1, 2018	2,500,000	65%	35%

Exhibit A to Credit Enhancement Agreement**Table No. 2****Baxter Library TIF Spreadsheet**

TIF Years	Tax Year	Estimated Increased Assessed Value (Cumulative)	Est. Tax Rate (plus 2% per year)	Est. Real Estate Taxes from Captured Value	TIF Revenue to Developer	Revenue to City	Developer Share	City Share
1	April 1, 2010	1,250,000	0.01809	22,619	65%	35%	14,702	7,916
2	April 1, 2011	2,500,000	0.01846	46,142	65%	35%	29,992	16,150
3	April 1, 2012	2,500,000	0.01883	47,065	65%	35%	30,592	16,473
4	April 1, 2013	2,500,000	0.01920	48,006	65%	35%	31,204	16,804
5	April 1, 2014	2,500,000	0.01959	48,966	65%	35%	31,828	17,138
6	April 1, 2015	2,500,000	0.01998	49,945	65%	35%	32,464	17,481
7	April 1, 2016	2,500,000	0.02038	50,944	65%	35%	33,114	17,830
8	April 1, 2017	2,500,000	0.02079	51,963	65%	35%	33,776	18,187
9	April 1, 2018	2,500,000	0.02120	53,002	65%	35%	34,452	18,551
TOTAL							272,124	146,528
NPV @8%							198,148	

EXHIBIT B to Credit Enhance Agreement

Request for Payment

The undersigned does hereby request payment in the amount of \$_____ from the Development Program Fund and does hereby certify that the amount requested will be used to pay Project costs as that term is defined in Chapter 206 of Title 30-A of the Maine Revised Statutes, as follows: (indicate applicable provisions)

- Debt service on indebtedness incurred to finance project costs contemplated by the Development Program ("Project Costs"), in the amount of \$_____; and/or
- Direct payment of Project Costs in the amount of \$_____; and/or
- Reimbursement to the undersigned for Project Costs previously incurred, in the amount of \$_____.

There are attached hereto invoices showing the incurring by the undersigned of Project Costs in the amount of \$_____. None of these invoices has been the subject of a previous request for payment from the Development Program Fund.

BAXTER LIBRARY, L.P.

Date: _____

By: _____
Its



Mary Davis

Division Director, Housing & Community Development Division

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

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: November 7, 2014

SUBJECT: Review and Recommendation to Proceed with a RFP for the Sale and Development of 65 Munjoy Street (former Adam's School Parking Lot)

SUMMARY

As requested by the Committee at your October 22nd meeting, a notice of the meeting to be held on November 12th was mailed to neighbors within a 500 foot radius of the project. A total of 209 notices were sent out. As previously reported, staff attended the October 13, 2014 meeting of the Munjoy Hill Neighborhood Association Board of Directors and presented an overview of the proposed redevelopment of 65 Munjoy Street. Staff answered questions regarding the site plan process, feasibility study, affordability and parking.

Based on previous information provided to the Committee along with the information in the study included in this packet, staff is requesting that the Committee make a determination on the issuance of an RFP for development of this site.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while ensuring that there is a suitable balance of housing opportunities among those sectors. Objective: Complete assessment of and, as appropriate, begin to offer city owned property to construct affordable housing.

FINANCIAL IMPACT

Land cost is not reflected in the financial feasibility analysis presented. This site has an approximate assessed value of \$162,000. Any additional funds would be made available through the FY 2014-2015 HUD HOME funds set aside for affordable housing or the Housing Trust Fund.

STAFF ANALYSIS

In 2006 the Adams School closed and the City Council established the Adams School Reuse Committee. The Reuse Committee was charged with preparing recommendations for the reuse of the former school site. After extensive community outreach, the Adams School Reuse Committee issued a report which was accepted by the City Council in September of 2007. The vision of the Reuse Committee was to create the possibility of



Mary Davis

Division Director, Housing & Community Development Division

life-cycle living on Munjoy Hill by creating a variety of unit types and sizes in a mixed-income development. The committee wanted to create the maximum number of possible homeownership units that would be affordable at all different income levels. A Request for Proposals was issued in 2007 and Avesta Housing was the only developer to submit a proposal. The Avesta proposal included a 40 unit affordable residential development and community park. Due to market issues in 2008, it was difficult to obtain financing for the whole project and Avesta asked to divide the property into two parcels. The main parcel was developed into the existing 16 unit Adams School Condominium project. Avesta requested an option to develop the second parcel (which included the parking lot and the green space adjacent to the new playground) at a later date. The City elected not to grant the option to Avesta.

As noted above, the parking lot at 65 Munjoy Street was part of the original Avesta proposal. Currently, the site is used by the neighborhood for off-street and snow-ban parking. There has been neighborhood opposition to development of this site because of the loss of parking. Existing snow ban parking options include East End School, Cutter Street, Ocean Gateway Garage. Last year parking was allowed along the water side of the Eastern Prom from Turner to East End School which created approximately 100 spaces.

STAFF RECOMMENDATION

Staff is seeking direction and approval from the Committee to issue a Request For Proposals.

As mentioned above, the Bluestone Planning Group prepared the Munjoy Street Affordable Housing Feasibility Study. The study identifies two triple-decker styled flats with flat roofs as the most viable design option. This design would yield 8 units – two 2-bedroom units on the ground floor of approximately 800 net square feet and one 2- 3 bedroom unit of approximately 1,000 square feet on the 2nd and 3rd floors. The design would include two surface on-site parking spaces.

At the September 24th meeting, the HCDC asked for a re-evaluation of the design in response to the concerns raised in regards to parking. Staff is suggesting that any proposed design should include one practical tandem space per unit be included on site.

Based on this design scenario, the financial analysis indicates that these units would be more feasible as affordable home ownership units targeted to households between 100% to 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760). The analysis suggests a sales price of \$217,000-\$235,000 for the two bedroom units and \$245,000-\$285,000 for the three bedroom units.

Portland, Maine



Yes. Life's good here.

Mary Davis

Division Director, Housing & Community Development Division

Housing and Community Development staff is seeking a recommendation from the Committee to proceed with an RFP process to solicit interest in this site for residential development. Staff is also seeking Committee approval of the RFP with discretion to staff to make minor edits.

ATTACHMENTS

Munjoy Street Affordable Housing Feasibility Study dated August 28, 2014

Draft RFP for the Development of 65 Munjoy Street September 2014



**City of Portland
Request for Proposals
For the Sale and Reuse of Property
Located at
65 Munjoy Street**

RFP # XXXX

Notice and Specifications

Sealed proposals for furnishing the City of Portland with the Development of Affordable Housing, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until XXXday, XXXX, 2014 at 3:00 p.m. 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 AND REUSE OF 65 MUNJOY STREET.”** Proposals that are late and/or submitted via fax or electronic communication will not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

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 of Portland.

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 or all proposals. *All proposers are advised that the property will be sold “as-is” and “where-is”, in its existing condition, with no warranties either 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.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City of Portland, please contact (207) 874-8654 to ensure that your firm is listed as a vendor for this RFP.

GENERAL INFORMATION

The City of Portland, Maine seeks proposals from qualified developers for the purchase and development of the former Adams School parking lot site located at 65 Munjoy Street (hereafter, “the lot”). The site is designated on the City of Portland Tax Assessor’s Map as Map 3, Block M, Lot 5.

Summary of Request

The City of Portland is committed to provide a balance of housing opportunities and has set a goal to evaluate the use of city-owned property to construct affordable housing. As one step in accomplishing this goal, the City of Portland will accept proposals for the development of affordable housing on the lot located at 65 Munjoy Street, Portland, Maine (Map 3, Block M, Lot 5).

An environmental assessment was conducted at the lot by Credere Associates, LLC through a subcontract with the City. Polycyclic aromatic hydrocarbons (PAHs), lead, and arsenic were detected in soil exceeding Maine Department of Environmental Protection (DEP) regulatory guidelines, which should be considered during preparation of proposals. The property is currently being reviewed for inclusion in the Maine DEP Voluntary Response Action Program (VRAP) and the VRAP Work Plan is attached to this RFP as Exhibit 2.

To facilitate the development of this site, the City of Portland may make funding available from the following City resources:

1. FY 2014-2015 HUD Home Investment Partnership Program (HOME) Funds (which may include a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification). The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).
2. Brownfield Revolving Loan Funds through the City of Portland’s Economic Development Department.
3. FY 2014 City Housing Trust Funds

The City of Portland’s Division of Housing and Community Development uses the RFP process to ensure that public resources are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants.

General Guidelines

Developments shall provide affordable rental or home ownership units. Note that “affordability” is defined by the standards outlined in Division 30 Section 14-485 of the City’s Land Use Code. Proposals which include the use of HOME funds must meet the income and/or rent restrictions of the HOME program. Rental developments shall provide units to households earning no more than 60% of the area median income and ownership developments shall provide units to households earning no more than 80% of area median income.

Proposals which include the use of City Housing Trust Funds must meet the income and rent restrictions outlined in City Ordinance Chapter 14, Division 30, Section 14-485 which requires that rental developments shall be affordable to households earning no more than 80% of the area median income and ownership developments shall be affordable to households earning no more than 120% of the area median income.

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed.

Redevelopment should incorporate costs and measures to properly manage contaminated soil in compliance with state and federal regulations. In general, any soil disturbance should be conducted in accordance with the requirements of the Maine DEP VRAP Work Plan.

The proposed use of funds, leveraging of other public and private resources, terms of affordability, design compatibility, readiness, financial feasibility, development experience, management capacity, and unit mix are among the scoring factors to be used in the review process.

This RFP outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the proposals.

I. Background

The site at 65 Munjoy Street contains approximately 6,771 square feet. It is located on Munjoy Hill, on the southeast end of the Portland peninsula, in a neighborhood which is largely defined by 19th and early 20th century buildings. A public playground is adjacent to the site. The site is zoned R-6.

An ASTM E 1527-13 compliant Phase I Environmental Site Assessment (ESA) was conducted for the lot by Credere Associates, LLC dated July 1, 2014. The ESA identified surface staining, documented petroleum impacts, and historical industrial use of the lot and surrounding area as conditions of environmental concern. These conditions were assessed during a Phase II ESA conducted in July 2014. Results of the investigation identified approximately 150 to 200 cubic yards of petroleum impacted soil at a depth of approximately 5 to 7 feet, and approximately 950 to 1,250 cubic yards of PAH, lead, and arsenic impacted soil. These results were submitted to VRAP for review and inclusion in the program. These contaminated soils will likely require offsite disposal as special or hazardous waste during development in accordance with the VRAP Work Plan.

II. Goals for This RFP

The goal for the sale and development of the property at 65 Munjoy Street is to promote the development of affordable housing with a high standard of quality, design, and livability. Proposals should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration). Design principles should promote efficient use of land to create infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and

design elements that are reflective of the surrounding traditional neighborhood. Heights shall be less than or equal to the surrounding buildings and should minimize the impact of shadows on the adjacent public playground. They should also incorporate high standards of energy efficiency and “green” design criteria.

Proposals should consider the recommendations outlined in the Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group a copy of which is included as Exhibit #3. In summary, the study identifies the preferred design concept as two triple-decker styled flats with flat roofs. The design would create 8 home-ownership units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760). The design concept suggests four units in each building – two 2-bedroom units on the ground floor of approximately 800 net square feet and one 2- 3 bedroom unit of approximately 1,000 square feet on the 2nd and 3rd floors and include two on-site surface parking spaces. Based on a subsequent review of the study at the September 24th meeting of the Housing and Community Development Community, design proposals should include one practical tandem space per unit be included on site.

SCOPE OF SERVICES

General Specifications

All proposals submitted for this funding must meet the following selection criteria to be considered further in the review process.

A. Eligible Projects

- 1) Projects must create affordable ownership housing units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760).
- 2) Projects requesting HOME funds must provide home ownership units to households that meet the income the HOME Program.
- 3) Projects receiving funding through this RFP must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the resident service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.
- 4) Projects that will properly manage contaminated soil in accordance with state and federal regulations.

B. Site Information and Criteria

- 1) Purchase Price: The City of Portland is willing to consider the value of the property as a subsidy source for projects that provide at least six (6) with a preference of eight (8) or more ~~XXXX~~ of affordable units. The use of the City's Housing Trust Fund will be considered, however, strong preference will be given to proposals where the value of the property is the only source of subsidy by the City of Portland.
- 2) Local Approvals: Local land use approval is not required prior to submittal of the proposal.
- 3) The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- 4) Proposals must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration).
- 5) Proposal must include language indicating the applicant has considered the environmental conditions of the lot and understands the implications of these conditions. The proposal may include a plan summary for addressing said environmental conditions and any planning institutional controls to be applied to the property.

C. Financial Feasibility

- 1) Financial Projections: Financial proposals must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.
- 2) Use of City funding resources: All projects will be reviewed for the proposed use of City funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. In the case of a proposal for home ownership housing, applicants must demonstrate capacity to market the units for the sale. All proposals must provide evidence of a development team with the capacity to successfully complete the project including;

- 1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
- 2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.

- 3) An environmental consultant to ensure proper management and handling of contaminated soils as well as establish an environmental management plan after development.
- 4) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project and/or effectively market affordable home ownership housing.
- 5) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.
- 6) A portfolio of current affordable housing projects that are financially sound and meeting their established goals. Projects that successfully redeveloped contaminated properties should be highlighted.
- 7) Support Services: Proposals containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents.

E. Term of Affordability

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed. Term of affordability shall be defined by the standards outlined in Division 30 Section 14-485 of the City's Land Use Code. Proposals However, proposals which include the use of HOME funds for home ownership projects must have a plan for long-term affordability that meets HOME Program recapture or resale regulations.

F. Design Compatibility

Projects must be designed to contribute to the character of the neighborhood and adhere to the following guidelines.

- 1) **Connect the Neighborhood** The development should not be an island unto itself, but rather blend into and enhance the surrounding Munjoy Hill community.
- 2) **Design Considerations**
 - a. **High Quality Design** Excellence in architectural and landscape design is expected.
 - b. **Traditional Design** Design shall be reflective of the surrounding traditional neighborhood and shall create an infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements of the neighborhood. Buildings should orient to the street.
 - c. **Green Design** The site and buildings shall be designed to meet the City's Green Building Code.
 - d. **Streetscape** The development shall enhance the pedestrian experience and the public realm. Alternative transportation modes shall be accommodated and incorporated in the project.

~~e. **Height** Heights shall be less than or equal to the average of structures in a 2 block radius.~~
Heights shall be less than or equal to the average of structures in the surrounding block and should minimize the impact of shadows on the adjacent public playground.

e.f. **Permeability** Design shall be permeable or porous. View corridors are encouraged.

f.g. **Heterogeneity** Design of the buildings on the site shall be heterogeneous, not homogenous.

g.h. **Accessibility** Universal Design principles shall be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users.

G. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

PROPOSAL REQUIREMENTS

Complete responses to this RFP, should include eight (8) complete copies of each proposal including one original bearing the hand written signature of an officer or employee having authority to bind the organization and the following, in the order outlined below.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal.

i. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the proposal meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

ii. All Proposals Must Provide The Following:

- 1) Conceptual architectural and site plans
- 2) A soil management plan or provision to prepare one including who shall prepare the document and their qualifications upon award
- 3) A project schedule showing critical path events and their timeframe for completion;
- 4) Map showing location of site
- 5) Corporation/partnership articles and by-laws

- 6) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years
- 7) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking HOME CHDO funds)
- 8) A brief development team summary, including:
 - The type of organization/ownership structure
 - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
 - Brief description of similar projects completed
 - A list of all projects currently in development with status and projected timeframe
- 9) A sources and uses funding statement
- 10) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.
- 11) Applicant must include a marketing plan for the sale of home ownership units.
- 12) An analysis and discussion of market demand justifying the need for the proposed project.

SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the proposals.

I. Point System for Evaluating and Scoring Proposals (Maximum Points 100)

1. Proposed use of resources to achieve the City of Portland's goals and address demonstrated need. **25 points**

Maximum points will be awarded for those proposals that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, ~~and~~ include a policy prohibiting smoking and where the value of the property is the only source of subsidy by the City of Portland.

2. Financial feasibility, including cost, development budget, operating pro forma and the provision of secured and leverage funds. **25 points**

Maximum points will be awarded for those proposals that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets.

3. Applicant's ability to complete project, including development team, experience, capacity, project readiness and timeframe for completion. **20 points**

Maximum points will be awarded for those proposals that demonstrate a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and capacity to fulfill their responsibilities and the readiness of the project to proceed.

4. Impact on surrounding neighborhood, including design compatibility and environmental issues. **30 points**

Maximum points will be awarded for those proposals where the design is consistent with neighborhood design characteristics and minimizes the impact of shadows on the adjacent public playground, amenities and unit design are well thought out and appropriate, meet the requirements of the City of Portland's Green Building Code, and where provisions to protect the surrounding community during contaminated soil disturbance are proposed.

II. RFP Evaluation and Selection Process and Timeframe

Proposals will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- 1) Upon closing of the RFP application period, all proposals will be reviewed for completeness.
- 2) Complete proposals will be reviewed under the scoring factors in order to recommend the most qualified proposals based on the information submitted. The proposal review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.
- 3) Recommendations, along with all proposals and scoring information, will be forwarded to the City Council's Housing and Community Development Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval. Public presentations may be required.
- 4) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
- 5) The evaluation and review process should be substantially complete by XXXXXX, 2014. Applicants will be notified of their proposal status as soon as possible.
- 6) Based on City Council approval, a purchase and sale agreement will be negotiated (see legal requirements) and as appropriate, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to

set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

INSTRUCTIONS AND OTHER INFORMATION

- A. The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for city funding, 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 of Portland may extend deadlines and timeframes, as needed.
- B. Confidentiality: Proposals received by the City of Portland 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
- C. Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.
- D. **All applications seeking HOME Program funding must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92 and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 (PL 112-55).**

LEGAL REQUIREMENTS

The selected developer will be required to provide a performance guaranty in the form of a letter of credit or a performance bond, the performance of the developer's obligations outlined in this Request for Proposal and subsequent contract to be negotiated with the City. This performance guaranty is separate from any performance guaranty that will be required as a result of the City's site plan review process.

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer. Any deed from the City will contain a restriction in the deed that the property must meet the permanent affordability requirements as described in this Request for Proposals.

In the event the City makes a financial contribution to a developer and to secure the developer's obligations, the City shall have a security interest in the form of a mortgage in the real estate to be developed. The terms of the mortgage shall be negotiated with the developer at the time of the commitment of funds.

EQUAL EMPLOYMENT OPPORTUNITIES

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals 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 of Portland may extend deadlines and timeframes, as needed.

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

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations. Additionally, all contaminated soil should be managed in accordance with state and federal regulations.

The successful bidder shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

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

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, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. In submitting bids under these specifications, bidders should take into account all discounts, both trade and time allowed in accordance with this payment policy and quote a net price. The City of Portland is exempt from the State's sales and use tax as well as all Federal excise taxes.

XXXXX, 2014

Matthew F. Fitzgerald
Purchasing Manager

Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

Exhibit #2. VRAP Work Plan

Exhibit # 3 Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group

PROPOSAL***THIS PAGE MUST BE INCLUDED***

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, 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 there from, 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 of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland 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).

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: _____

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

EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;
5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;
8. Maintains accountability to low-income community residents by:
 - i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

- ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.



Mary Davis

Division Director, Housing & Community Development Division

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

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: November 7, 2014

SUBJECT: Rosa True School – 140 Park Street

I. SUMMARY OF ISSUE

The Housing and Community Development Office received a request to (1) approve the acquisition of the leasehold interest of the Rosa True School Limited Partnership from LearningWorks to Developers Collaborative, (2) allow the forgiveness of debt from LearningWorks and (3) approve the allocation of new funding to the Developers Collaborative.

II. REASON FOR SUBMISSION

Since changing their name from Portland West to Learning Works, the organization has been shifting the focus of their mission to education based programming. They are in the process of divesting the organization of their affordable housing portfolio. The Rosa True School property is one of the assets they are interested in selling.

This is a unique property. The Rosa True School located at 140 Park Street is owned by the City of Portland. The building was originally constructed in 1844 for use as the Park Street School. In 1972, when it was converted to house community programs, it held the distinction of being the oldest continuously used school in the country. The property is part of the Spring Street Historic District. In 1988 the City agreed to allow Portland West Neighborhood Planning Council to redevelop the site into affordable rental housing. The City retained fee simple ownership of the property and entered into a leasehold agreement with the Rosa True School Partnership. Currently the building consists of eight (8) units of affordable housing. The city is the fee simple owner of the property. Learning Works as the general partner of the Rosa True School Partnership has a 67 year leasehold interest in the property. The lease terminates on March 24, 2059.

Staff is seeking direction from the Committee on three issues: (1) acquisition of the leasehold interest of the Rosa True School Limited Partnership by the Developers Collaborative, (2) forgiveness of debt from LearningWorks and (3) allocation of new funding to the Developers Collaborative.



Mary Davis

Division Director, Housing & Community Development Division

III. INTENDED RESULT

Provide staff with direction and authorization to negotiate terms related to the property lease, debt forgiveness and allocation of new funding.

IV. COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors.

V. FINANCIAL IMPACT

The Project pro-forma budget provided by the developer indicates a request for approximately \$95,000 in HOME funding for this project in the form of a 0% interest loan, deferred for 30 years or until sale or transfer.

In addition, the developer is requesting forgiveness of the balance of existing debt to the City in the amount of \$32,556. The city has a leasehold mortgage on the property, loan terms noted below. Loan payments are current as of October, 2014, with a balance remaining of \$32,556.

Dated January 5, 1994

Original Principal Amount: \$83,000

Term: 30 years

Interest: 2%

Monthly Payment: \$306.78

VI. STAFF ANALYSIS AND RECOMMENDATION

The Rosa True School Partnership is experiencing financial difficulties. The acquisition of this project by Developers Collaborative will ensure that the condition of the building and the affordability of the units are maintained.

If approved, a new HOME loan will be funded through a portion of the FY 2014-2015 Affordable Housing Development Budget leaving a balance of \$296,709 for future projects.



Mary Davis

Division Director, Housing & Community Development Division

Staff analysis:

1. Currently, the Rosa True School project is not performing well financially which places the property in danger of failing.
2. All parties will need to make financial concessions in order for this proposal to work, including all other lenders and the existing limited partnership.
3. The transaction will ensure that 8 units of affordable housing remain on the market and necessary repairs are completed.
4. Reaffirms the security of the city's interest in this property.
5. Allocation of new funding will assist in the creation of two new affordable units.

At this time, staff is requesting Committee input and direction regarding the:

1. Transfer of the leasehold interest from LearningWorks to the Developers Collaborative
2. Forgiveness of the remaining debt owed by LearningWorks (\$32,556)
3. Allocation of HOME funds to Developers Collaborative in the amount of \$95,000.
4. Net Proceeds to LearningWorks

Attachments

Proposed Pro-Forma

Tax Information

ROSA TRUE FAMILY HOUSING
140 PARK ST., PORTLAND

SOURCES AND USES OF FUNDS					
SOURCES OF FUNDS	Permanent	Construction Period	Terms/Comments		
			Rate	Term	Paymnt
Amortizing Debt					
MSHA RLP	635,000		5.50%	30	\$34,925
FHLBB Debt	-		6.00%	30	\$0
<i>Subtotal Amortizing Debt</i>	635,000				\$34,925
Soft Debt					
City FedHome	95,000	95,000	0.0%	30	\$0
MSHA RLP		-	0.0%	30	\$0
MSHA Part E	-	-			
		-			
<i>Subtotal Soft Debt</i>	95,000	95,000			
Construction Loan		1,197,727			
Total Debt Financing	730,000	1,292,727			
Deferred Fee	-	-			
LIHTC Syndication Proceeds	303,442	60,688			
Federal Historic Credit Proceeds	211,203	42,241		Total Fed	514,645
State Historic Credit Proceeds	289,718	55,046	234,672	Total Hist	500,921
TOTAL SOURCES	1,534,363	1,450,702			
USES OF FUNDS	Total	Construction Period			
Acquisition/Demo	270,800	270,800			
Construction	798,402	798,402			
Soft Costs	157,000	157,000			
Financing Fees	62,000	62,000			
Other Soft Costs	47,500	47,500			
Development Fee	115,000	115,000			
Reserves	83,516	-			
TOTAL USES	1,534,218	1,450,702			
DEVELOPMENT CONTINGENCY (GAI	145	-			

TDC 153,422

ROSA TRUE FAMILY HOUSING
140 PARK ST., PORTLAND

DEVELOPMENT BUDGET AND LOW INCOME HOUSING TAX CREDITS				Office % 0.000%	
Development Budget	Total	4% Basis	9% Basis	Historic	270,800
ACQUISITION/DEMOLITION		-			
Land	88,105				
Buildings	182,695	182,695	-		
Commissions		-	-		
Subtotal Acquisition/Demo	270,800	182,695			
CONSTRUCTION					
Site Work	28,464	28,464			Construction
		-			GMP
		-			725,820
Structures	697,356	697,356		697,356	
				-	Abatement
Construction Contingency	72,582	72,582		72,582	GMP
	-	-		-	-
				-	
FFE					
Subtotal Construction	798,402	798,402		769,938	
SOFT COSTS					
Permits & fees	10,000	10,000		10,000	
Engineer/Survey	5,000	5,000		5,000	
Architect	25,000	25,000		25,000	
Real Estate Attorney	45,000	45,000		45,000	
Title Insurance & Recording	12,000	12,000		12,000	
Accounting/ Cost Certification	10,000	10,000		10,000	
Soft Cost Contingency	15,000	15,000		15,000	
TIF Consultant	-	-		-	
Const. Taxes & Insurance	35,000	35,000		35,000	
Subtotal Soft Costs	157,000	157,000	-	157,000	
FINANCING EXPENSES					
Constr. Loan Orig. Fee	15,000	15,000		15,000	
Construction Legal & Inspection	20,000	20,000		20,000	
Construction Interest	20,000	20,000		20,000	
Other Financing Expenses	-	-		-	
Perm. Loan Orig. Fee	7,000	7,000	-		
Subtotal Financing	62,000	62,000	-	55,000	
OTHER SOFT COSTS					
Market Study	-	-		-	
Property Appraisals	6,000	6,000		6,000	
Environmental Report & Testing	5,000	5,000		5,000	
Historic Consultant	15,000	15,000		15,000	
Tax Credit Fees	13,500	-			
Organizational Legal	8,000	-			
Subtotal Other	47,500	26,000	-	26,000	
DEVELOPER'S FEES					
Developer's Ovhd. & Profit	115,000	115,000		115,000	
Consultant		-	-		
Subtotal development fees	115,000	115,000	-	115,000	
PROJECT RESERVES					
Rent Up & Marketing Reserve	-	-	-		Rosa True
Operating Reserve	58,882	-	-		Replacement \$4,876.39
Replacement Reserve	6,974	-	-		
Prepaid Taxes & Insurance	11,661	-	-		Tax & Insurance \$5,339.16
Prepaid Monitoring	6,000	-			
Subtotal Reserves	83,516	-	-		
TOTAL PROJECT COST	1,534,218	1,341,097	-		
ELIGIBLE BASIS		1,341,097	-		
LESS FEDHOME				-	
LIHTC ELIGIBLE BASIS		1,341,097		1,122,938	1,122,938
APPLICABLE FRACTION	100.00%		less fed HTC	20%	30%
QUALIFIED BASIS		1,116,509		224,588	336,881
QUALIFIED CT ADJUSTMENT	100%				
CREDIT PERCENTAGE		3.23%			
ANNUAL LIHTC ELIGIBLE		36,063		95.00%	86.00%
				213,358	289,718
ANNUAL LIHTC ALLOCATED					
NET PROCEEDS	85.00%	98.99%	303,442	211,203	289,718
					500,921

TPC/unit 153,422

credit/unit 4,508

ROSA TRUE FAMILY HOUSING

Affordability Analysis & Rent Schedule					
Affordable Rents					
Unit Type	HHLDSize	Fed Home	LIHTCRent	UA	Max. Net Rent
2 BR @ 50%			1,053	51	\$1,002
3 BR @ 60%			1,217	64	\$1,153

Rent Schedule					
Unit Type	# Units	Net Rent	Utility Allow.	Gross Rent	Afford. @ % Med. Inc.
n/a	0	\$0	0	\$0	
2 BR @ 50%	2	\$1,002	0	\$1,053	
3 BR @ 60%	8	\$1,153	0	\$1,217	
n/a	0	\$0	0	\$0	
n/a	0	\$0	0	\$0	
TOTAL	10				
Bedroom Mix	0 BR	1 BR	2 BR	3 BR	Total
			2	8	10
Income Mix	30%AMI	40%AMI	50%AMI	60%AMI	Sec8
Number	0	0	0	10	0
Percent	0.0%	0.0%	0.0%	100.0%	0.0%

ROSA TRUE FAMILY HOUSING

Operating Income & Expense			
Effective Gross Income	Monthly	Annual	
Gross Potential Rental Income	11,228	134,736	
Less Vacancy & Collection Loss 5.0%	(561)	(6,737)	
Laundry Revenue	90	900	
TIF			
Effective Gross Income	10,757	128,899	
Annual Expenses	Per Unit	Total	Percent of Budget
ADMINISTRATIVE EXPENSES			
Management Fee	1,061	8,488	
Legal	54	1,500	
Audit	196	5,000	
Marketing	50	500	
Site Manager	214	2,140	
Resident Services	336	5,460	
Broadband Service	-	-	
Other	200	2,000	
Subtotal Administrative	2,111	25,088	30%
OPERATING EXPENSES			
Water/Sewer	350	3,500	
Electric	480	4,800	
Heat/HW	2,000	12,000	
Subtotal Operating	2,830	20,300	30.3%
MAINTENANCE			
Building Maintenance	700	7,000	
Janitorial	220	2,200	
Supplies/Exterminating	140	1,400	
Painting/Decorating	75	750	
Grounds	75	750	
Snow Removal	220	2,200	
Trash Removal	165	1,650	
Subtotal Maintenance	1,595	15,950	24.5%
GENERAL EXPENSES			
Property taxes	1,125	9,000	
Insurance	800	8,000	
Management Broadband	-	-	
Subtotal General	1,925	17,000	19.3%
REPLACEMENT RESERVE			
Housing	450	4,500	
TOTAL RESERVES	450	4,500	
TOTAL EXPENSES PLUS RESERVES	8,284	82,838	
Net Income Calculation		Annual	
Net Operating Income		46,061	
Debt Service		\$34,925	
Cash Flow		11,136	5.4%
Debt Service Coverage		1.32	
Cash Flow as % of Expenses		13.4%	79.5%
Cash Flow PUPA		1,114	
Income/Expenses ratio		1.56	

ROSA TRUE FAMILY HOUSING

15-YEAR PROFORMA OPERATING INCOME AND EXPENSE STATEMENT																	
	Trend	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
INCOME	2.00%																
Gross Rental Income	2.00%	67,368	134,736	137,431	140,179	142,983	145,843	148,759	151,735	154,769	157,865	161,022	164,242	167,527	170,878	174,295	177,781
Office	2.00%																
Vacancy & Collection Loss	5.00%	(3,368)	(6,737)	(6,872)	(7,009)	(7,149)	(7,292)	(7,438)	(7,587)	(7,738)	(7,893)	(8,051)	(8,212)	(8,376)	(8,544)	(8,715)	(8,889)
Laundry Income	2.00%	-	900	918	936	955	974	994	1,014	1,034	1,054	1,076	1,097	1,119	1,141	1,164	1,188
EFFECTIVE INCOME		64,000	128,899	131,477	134,107	136,789	139,525	142,315	145,161	148,065	151,026	154,046	157,127	160,270	163,475	166,745	170,080
EXPENSES																	
Administrative	3.00%	17,562	25,088	25,841	26,616	27,415	28,237	29,084	29,957	30,856	31,781	32,735	33,717	34,728	35,770	36,843	37,948
Operating	3.00%	14,210	20,300	20,909	21,536	22,182	22,848	23,533	24,239	24,966	25,715	26,487	27,282	28,100	28,943	29,811	30,706
Maintenance	3.00%	11,165	15,950	16,429	16,921	17,429	17,952	18,490	19,045	19,616	20,205	20,811	21,435	22,079	22,741	23,423	24,126
General	3.00%	11,900	17,000	17,510	18,035	18,576	19,134	19,708	20,299	20,908	21,535	22,181	22,847	23,532	24,238	24,965	25,714
Replacement reserve	3.00%	3,150	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871	6,048	6,229	6,416	6,608	6,807
TOTAL EXPENSES		57,987	82,838	85,324	87,883	90,520	93,235	96,032	98,913	101,881	104,937	108,085	111,328	114,668	118,108	121,651	125,300
NET OPERATING INCOME		6,013	46,061	46,154	46,224	46,269	46,289	46,283	46,248	46,184	46,089	45,961	45,800	45,602	45,368	45,094	44,779
DEBT SERVICE		17,463	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925	34,925
CASH FLOW		(11,450)	11,136	11,229	11,299	11,344	11,364	11,358	11,323	11,259	11,164	11,036	10,875	10,677	10,443	10,169	9,854



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:

HISTORIC DISTRICT	LOCATED IN HISTORIC DISTRICT
CBL	045 A006002
Land Use Type	FIVE TO TEN FAMILY
Verify legal use with Inspections Division	
Property Location	140 PARK ST
Owner Information	ROSA TRUE SCHOOL LIMITED PARTNERSHIP 181 BRACKETT ST PORTLAND ME 04101
Book and Page	
Legal Description	45-A-6 PARK ST 140-146 19485 SQ FT LEASEHOLD INTEREST
Acres	0.4473

Current Assessed Valuation:

TAX ACCT NO.	6708	OWNER OF RECORD AS OF APRIL 2014
LAND VALUE	\$122,950.00	ROSA TRUE SCHOOL LIMITED PARTNERSHIP
BUILDING VALUE	\$254,950.00	181 BRACKETT ST
NET TAXABLE - REAL ESTATE	\$377,900.00	PORTLAND ME 04101
TAX AMOUNT	\$7,558.00	

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

Building Information:

	Building 1
Year Built	1900
Style/Structure Type	SCHOOL
# Units	8
Building Num/Name	1 - ROSA TRUE SCHOOL APT
Square Feet	16590

[View Sketch](#)

[View Map](#)

[View Picture](#)

Exterior/Interior Information:

	Building 1
Levels	B1/B1
Size	5530
Use	MULTI-USE STORAGE
Height	9
Heating	NONE
A/C	NONE

	Building 1
Levels	01/01
Size	5530
Use	APARTMENT
Height	12
Walls	BRICK/STONE
Heating	HW/STEAM
A/C	NONE

	Building 1
Levels	02/02

Services

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Best viewed at 800x600, with Internet Explorer

Size	5530
Use	APARTMENT
Height	12
Walls	BRICK/STONE
Heating	HW/STEAM
A/C	NONE

Other Features:

	Building 1
Structure	SPRINKLER - WET
Size	11060X1

Outbuildings/Yard Improvements:

	Building 1
Year Built	1900
Structure	ASPHALT PARKING
Size	14000
Units	1
Grade	C
Condition	3

	Building 1
Year Built	1900
Structure	FENCE CHAIN
Size	1X2400
Units	1
Grade	C
Condition	3

New Search!

CONGRESS ST

901-911 PARK ST
091-911

STATE ST



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: November 7, 2014

SUBJECT: **Second Amendment to Corporate Guaranty - Federated Companies Midtown Project Partnership Document Amendments**

I. Summary of Request

The redesign of the Federated Companies Midtown Project requires amendments to one Federated Companies and City of Portland Midtown Project partnership document which includes a Second Amendment of the Corporate Guaranty.

Midtown Project Approved versus Redesigned Project. A side by side comparison includes:

Approved Project	Redesigned Project
Housing: Phase One: Minimum of 174 Units* All Phases: 650 to 850 Units	Housing: 440 Units
Retail: Phase One: Not less than 37,486 sq. ft.* All Phases: 100,000 sq. ft.	Retail: 90,000 sq. ft.
Parking: Phase One: Minimum of 700 Spaces* Phase Two: 400 Spaces	Parking: 800 Spaces

*Federated Guaranty Provided

Attached is the Second Amendment of Corporate Guaranty Agreement with detailed Redesigned Project description and one rendering for the entire Project.

II. Reason for Submission

A HCDC vote in the form of a recommendation to the City Council and City Council approval is needed to amend the Corporate Guaranty Agreement.

III. Intended Result

The intended result is for the HCDC to recommend and the City Council to approved the Second Amendment of Corporate Guaranty Agreement and authorize the City Manager to sign the document.

IV. Financial Impact

A comparison of the build-out value of the approved versus redesigned Midtown Project is provided below.

Approved Project	Redesigned Project
Estimated Project Cost: Phase One: \$45-\$50* Million All Phases: \$150-160 Million	Estimated Project Cost: \$85 Million

*Minimum of \$38 million, in municipal assessed valuation, is needed for the City to cover HUD and City Debt Service associated with city investment in Somerset Street.

It is noted that Federated Companies has agreed to construct the entire Project in one phase and the Second Amendment to the Corporate Guaranty maintains the corporate guaranty until a municipal assessed taxable value of \$45 million is achieved.

V. Recommendations

Staff recommends approval of the Second Amendment of Corporate Guaranty Agreement.

VI. Attachments

Second Amendment of Corporate Guaranty with Exhibit A

SECOND AMENDMENT OF CORPORATE GUARANTY AGREEMENT

THIS AGREEMENT dated _____, 2014 is made by and between **THE CITY OF PORTLAND, MAINE**, a body politic and corporate with a place of business at 389 Congress Street, Portland, Maine 04101 (the “City” or “Seller”), **LEGACY PARK APARTMENTS, LLC**, a Florida limited liability company with a place of business at 3301 NE 1st Avenue, Suite M-302, Miami, Florida 33137 (“Legacy” or “Buyer”), **THE FEDERATED COMPANIES LLC**, a Florida limited liability company with a principal place of business at 3301 NE 1st Avenue, Suite M-302, Miami, Florida 33137 (“Federated”), and **FEDEQ DV001, LLC**, a Maine limited liability company with a mailing address of PO BOX 370008 , Miami, Florida 33137 (“FEDEQ”).

RECITALS

WHEREAS, The City and Federated entered into a certain June 3, 2011 Purchase and Sale Agreement, as amended by a First Amendment to Purchase and Sale Agreement dated October 15, 2012 (the “P&S”) and a Second Amendment Of Purchase And Sale Agreement And Amendment of Guaranty And Parking Garage Contribution And Funding Agreement dated October 14, 2014 (the “Second Amendment”) (the P&S, as amended, is referred to herein as the “P&S”), and

WHEREAS, Federated has assigned its rights as buyer under the P&S to Legacy pursuant to a certain Assignment and Assumption Agreement dated June 27, 2011 (the “Assignment”), and Legacy has assigned its right to purchase the Property to a Maine limited liability company known as FEDEQ DV001, LLC by a certain Assignment and Assumption Agreement dated October 14, 2014 (the “FEDEQ Assignment”); and

WHEREAS, the City, Legacy, Federated, and FEDEQ are parties to a certain October 15, 2012 Corporate Guaranty Agreement dated October 15, 2012, as amended by the Second Amendment (the Corporate Guaranty Agreement, as amended, is referred to herein as the “Guaranty Agreement”); and

WHEREAS, the City, Legacy, and FEDEQ are parties to a certain Parking Garage Contribution and Funding Agreement dated October 15, 2012, as amended by the Second Amendment (the Parking Garage Contribution and Funding Agreement, as amended, is referred to herein as the “Parking Garage Agreement”); and

WHEREAS, as a result of a pending lawsuit filed by certain Portland residents against the City, Federated, and Legacy, Federated has submitted to the City’s Planning Department a site plan application and amended subdivision plan with a redesigned plan for the development of its Midtown Project on the Property. The redesigned Midtown Project is described in a certain “Midtown Project Description” by CBT Architects, a copy of which is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City, Legacy, Federated and FEDEQ now wish to amend certain provisions of the Guaranty Agreement and the Second Amendment as set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guaranty Agreement and the Second Amendment are hereby amended as follows:

1. Section 1 of the Guaranty Agreement and sections 3(a) & (b) of the Second Amendment are hereby deleted and the following is added to the Guaranty Agreement as section 1:

Subject to Planning Board approval, FEDEQ shall construct the Midtown Project in a single phase in substantially the form described in the Midtown Project Description. The parties agree that the Midtown Project shall consist of four buildings and will include not less than four hundred (400) residential apartments, not less than 85,000 square feet of retail space, and a parking garage containing not less than 800 spaces. Notwithstanding anything to the contrary in the Midtown Project Description, the parties agree that the specifications shown on a plan as may be approved by the Planning Board shall be deemed to satisfy the design guidelines and specifications required by the terms of the Guaranty, provided that the Midtown Project, as approved, is in substantially the form described in the Midtown Project Description. The Midtown Project shall be substantially complete within three years after the date on which the Buyer shall have requisitioned a total of one million dollars (\$1,000,000.00) in City Grant Funds, exclusive of funds requisitioned by the City or by the Buyer for environmental remediation costs (the "Guaranty Deadline"). The annual penalty for not meeting the Guaranty Deadline shall be limited to Guarantor paying to City, on an annual basis for a maximum term of seventeen (17) years, the annual difference between the actual tax revenue realized from the Midtown Project, as constructed, and the Midtown Project's tax revenue the City would have received had the Midtown Project been substantially completed (the "Midtown Project Value") by the Guaranty Deadline. The Midtown Project Value shall be the City of Portland Assessor's estimated assessed value of the Midtown Project property (real and personal) made on the April 1 following the Guaranty Deadline, and based on the Midtown Project as it may be approved by the Planning Board. Notwithstanding anything in the forgoing, this Guaranty is contingent on the full \$9,007,000.00 in City Grant Funds being contributed to Guarantor for the construction of the Garage. Guarantor's aggregate, maximum penalty liability under this Guaranty shall not exceed \$9,007,000.00. Finally, regardless of when substantial completion of the Midtown Project is achieved, this Guaranty shall automatically terminate, Guarantor shall have zero financial liability under this Guaranty and City shall provide Guarantor with a release from any financial liability under this Guaranty effective as of the earlier of the date that the City of Portland Assessor's estimated assessed value of the Midtown Project reaches \$45,000,000.00 or as of the date of the timely and valid exercise of the City's right of repurchase under Section 9 of the Parking Garage Agreement, as amended. For purposes of this Guaranty, "substantial completion" is deemed to mean all structures having received a Certificate of Occupancy from the City of Portland, and the complete 'fit-out' of all commercial portions of the Midtown Project.

The rights and obligations under the P&S and under the Parking Garage Agreement are cumulative and in addition to the rights described herein.

2. The parties recognize that the definition of the Land subject to the P&S, as set forth in section 2(a) of the Second Amendment, is likely to change following review by the Planning Board of the new site plan application and amended subdivision plan. The parties hereby agree to execute a further amendment to the P&S and any other documents that may be required to document such a change.
3. All terms capitalized but not defined herein shall have the meanings defined in the P&S, the Guaranty and the Parking Garage Agreement.
4. Except as amended hereby, the P&S, the Guaranty, the Parking Garage Agreement and the Job Creation Agreement shall remain in full force and effect and are hereby ratified. In the event of any conflict between the terms of this Agreement and the terms of the P&S, the Guaranty and the Parking Garage Agreement, the terms of this Agreement shall govern and control.
5. This Agreement may be signed in counterparts, which shall be construed together as one document.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and sealed by their respective duly authorized undersigned officers as of the date first mentioned above.

CITY OF PORTLAND

By: _____
Name: Sheila Hill-Christian
Its: Acting City Manager

Approved: Acting Finance Director

Approved to Form: Corp. Counsel

LEGACY PARK APARTMENTS LLC

By: _____
Jonathan Cox
Its: Manager

THE FEDERATED COMPANIES LLC

By: _____
Jonathan Cox
Its: Manager

FEDEQ DV001, LLC

By: _____
Jonathan Cox
Its: Manager

EXHIBIT A

MIDTOWN PROJECT DESCRIPTION

ATTACHMENT A

MIDTOWN PROJECT DESCRIPTION

The proposed project is a mixed-use residential/retail development in the Bayside area of Portland. It consists of four buildings designated “midtownOne”, “midtownTwo”, “midtownThree”, and midtownFour” further described below. The project will contribute about 87,200 square feet of direct street access retail space at the ground level, about 440 new apartments ranging from 400 square foot studios to 1,050 square foot two-bedroom units, and structured off street parking for about 800 vehicles.

The project site is bound on the north by the Bayside Trail, on the East by Pearl Street, on the South by Somerset Street, and on the West by Elm Street, Chestnut Street bisects the site. Immediately neighboring uses consist of Whole Foods to the southeast at Somerset and Franklin, warehousing and open land along Somerset Street opposite the project and low-rise retail and commercial development supported by surface parking extending from the Bayside Trail to Marginal Street to the North. Low and mid-rise residential development extends up the slope from Somerset Street to Portland’s downtown district along Congress Street.

The proponent’s intent is to lead the way in creating a compact walkable mixed-use residential “main street” anchoring the Bayside neighborhood with continuous retail frontage along Somerset Street, while also improving the trail.

Concurrent with the project, both Somerset Street and the Bayside Trail will be raised above flood level from Pearl Street to Elm Street. Future projects may be expected to raise this infrastructure to the East and West of the project site. Pearl Street to the north of Somerset Street has been designed in such a way as to allow its extension to Marginal Street in the future.

midtownOne and Two are located between Pearl and Chestnut Street. They are separated by a mews and courtyard providing public access between Somerset Street and the Bayside Trail. midtownOne will be a six-story building containing 80 dwelling units in a mix of studio, one, and two bedroom apartments with a main entrance on Pearl Street and a secondary entrance on the courtyard. The ground floor retail space is provided with frontage on Somerset Street, the mews, and the courtyard. midtownOne’s façade will be a mix of cement fiberboard and enameled metal panels.

midtownTwo is a seven story-parking garage. The entire ground floor is retail space accessible from Somerset Street, Chestnut Street, and the Trail. Elevator and stair cores are located in the northeast and southwest corners to provide access and egress to the mews/courtyard at one end and the corner of Somerset and Chestnut streets at the other. Garage vehicular entrance and retail service access is located at the eastern end to allow the greatest flexibility in retail leasing. Building B’s facades will consist of architectural precast concrete, painted railings, and “green screen” living plant panels.

The four buildings abut public space on all sides and therefore do not have “fronts” and “backs”. All facades of each building are composed of the same materials.

midtownThree is located between Chestnut Street and the Bayside Trailhead connection at the intersection of Elm and Somerset Streets. It consists of 260 apartments in a mix of one and two bedroom dwelling units in a pair of five story buildings over a continuous one-story retail base. The retail space has frontage on all four sides, although access to/from the trail is prevented by a six-foot high berm

containing contaminated soil abutting the building along most of its trailside facade. Apartments are accessed through a lobby and elevators on Chestnut Street. Service is located at a single point along Somerset Street contiguous with the apartment building cores. The unobstructed retail space west of these core functions allows the greatest possible flexibility to attract the variety and high quality of merchants who will make the project a success and contribute to the pedestrian desirability of Somerset Street.

midtownFour is of similar construction to midtownOne and Three; five stories of residential development over one story of retail space. This building will have 100 studio or loft apartment units with a lobby entry facing Elm Street near the trail. Retail frontage will face Elm Street and the trail. The buildings service entrance will be located to the east adjacent to the building's entrance. Move in/move out, delivery and trash/recycling vehicles will use the pull-off provided on Elm St for convenient access to these entrances. This building's façade will also be composed of a combination of enameled metal panels and cement fire boards constructed as an energy efficient "rain-screen" enclosure.

In total the project will consist of approximately 87,200 square feet of retail space in the four buildings, approximately 440 new apartments in three building to provide housing for 500-600 residents, and about 800 off-street parking spaces, providing one space per dwelling unit and four spaces per thousand square feet of retail space. The development of the midtown buildings will provide essentially continuous active street frontage along Somerset, Chestnut, Pearl, and Elm Streets and along the Bayside Trail. The height of the residential buildings at 72 feet, and of the parking garage at 92 feet, are substantially lower than the 105 and 125 foot heights allowed by the B-7 height overlay for these parcels. The design of the buildings will be in keeping with planning guidelines for the district. This project will bring great enhancement to Somerset Street, provide residential development immediately adjacent and overlooking the Bayside Trail, and will provide the catalyst for a walkable retail district from Whole Foods to Trader Joe's in the spirit of Portland's other great streets.

Prepared by

David Hancock
CBT Architects



midtown
Portland, ME

Site perspective view

A1 16 October 2014 **cbt**



Portland, Maine



Yes. Life's good here.

Planning & Urban Development Department

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: November 7, 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 November 7, 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 Cityowned 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 (Meeting Canceled):

August

August 13 Meeting:

Continuation and final policy direction on new Downtown TOD/Arts TIF District.
Disposition process recommendation to staff for tax-acquired property on Cliff Island
Review and vote to recommend to City Council action on Federated Companies Midtown Project documents, including Somerset Street Cost Share Agreement Executive Session:

- Proposed Ready Seafood Company Lease Amendments;
- Proposed Shucks Maine Lobster Lease Amendments;

- Proposed new tenant and lease terms for use of second floor office space located in Portland Ocean Terminal.

August 27 Meeting

Disposition process recommendation to staff for tax-acquired property on Cliff Island

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 Reed

School Re-Use

September

September 10, 2014 (Meeting Canceled)

September 24, 2014

65 Munjoy Street – Update and Review of Draft RFP

157 Brackett Street – Review of Draft RFP

For Review and Comment: Consolidated Annual Performance Evaluation Report (CAPER) due to HUD September 30.

For Review and Comment/ Recommendation to Council if necessary: Recommendations for improvement to CDBG process.

Update on Portland Economic Development Plan 2014-2014 Work Plan activities, including the 2014/2015 Portland Economic Scorecard.

Executive Session:

- Proposed Development on Spring Street/Cotton Street
- Proposed new tenant and lease terms for use of second floor office space located in Portland Ocean Terminal

October

October 8

Communication: CDBG Application is available/Process Update.

India Street Plan

Portland Company/58 Fore Street Update

Bay House TIF District termination vote and recommendation to City Council PACTS

Land Use and Transit Technical Assistance

October 22

Fore/India Middle Street TIF District termination vote and recommendation to City Council

Bayside TIF District Expansion Amendment – vote and recommendation to City Council

65 Munjoy Street – Update, Review, and Possible Approval of RFP

Affordable Housing Development Application – Review of Proposal Received

Midtown Project – Executive Session

November

November 12

~~65 Hanover/52 Alder Street – Update, review of feasibility study and draft RFP~~

~~71 Hanover Street – Review of draft RFP~~

~~Riverwalk TIF District Reduction Amendment – vote and recommendation to City Council;~~

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

~~Annual Accomplishment Report/review and recommendation to City Council~~

~~Start discussion related to Riverside Street area-wide needed public infrastructure status and improvements.~~

~~157 Brackett Street – Update, Review and Possible Approval of RFP~~

~~Tentative: Shucks Maine Lobster and Ready Seafood Company Lease Amendment vote and recommendation to City Council.~~

~~Housing Study Report/Inclusionary Zoning~~

~~New Downtown TOD/Arts TIF District vote and recommendation to City Council, including:~~

- ~~- Creative Economy & Arts TIF District – vote and recommendation to City Council to reduce boundary.~~

~~65 Munjoy Street Update, Review and Recommendation of RFP~~

~~Rosa True School – Update and Review of new owner, lease, city funding~~

~~Review and recommendation to City Council on amendments to Federated Midtown Agreement~~

~~Recommendation to City Council on award of proposal for tax-acquired property on Cliff Island.~~

November 26 Canceled

December

December 10

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

~~Annual Accomplishment Report/review and recommendation to City Council~~

~~Tentative: Shucks Maine Lobster and Ready Seafood Company Lease Amendment vote and recommendation to City Council.~~

~~New Downtown TOD/Arts TIF District vote and recommendation to City Council, including:~~

- ~~— Creative Economy & Arts TIF District – vote and recommendation to City Council to reduce boundary.~~

~~157 Brackett Street – Update, Review and Possible Approval of RFP~~

~~65 Hanover/52 Alder Street – Update, review of feasibility study and draft RFP~~

~~71 Hanover Street – Review of draft RFP~~

~~Housing Study Report/Inclusionary Zoning~~

December 24 Canceled

Future Work Plan Items

Update on city-owned lot at 98 High Street

Area-wide Affordable Housing TIF District discussion

Short Term Rentals

India Street Lot

Police Parking Lot

Consideration of Portland Company as a TOD TIF

Wilmot Street

Start discussion related to Riverside Street area wide needed public infrastructure status and improvements.

Affordable Housing Development Application Review – 73 Powsland Street Update and possible Conditional Commitment

Riverwalk TIF District Reduction Amendment - vote and recommendation to City Council;

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