

**Housing & Economic
Development Committee Meeting**
Tuesday, September 20, 2022 at 5:30 PM



MEMBERS
Councilor Pious Ali, Chair
Councilor Tae Chong
Councilor Roberto Rodríguez
Councilor Andrew Zarro

To submit written public comment on an agenda item, email ljn@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Housing & Economic Development meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

REMOTE ACCESS INFORMATION

The Housing & Economic Development Committee will conduct this meeting remotely via Zoom pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live either in person or via Zoom, a recording will be available in the [Agenda Center](#) following the meeting.

For public comment via Zoom, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Please click the link below to join the webinar:

<https://portlandmaine-gov.zoom.us/j/82356283380?pwd=UmNvTEVPbFdDY0lvZGhPckptTC8ydz09>

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International numbers available: <https://portlandmaine-gov.zoom.us/j/kfYEo9SNE>

1. **Review and accept Minutes of previous meeting held on July 19, 2022.**
 - a. See attached draft meeting Minutes for approval.
2. **Update, review, Committee consideration, and possible vote to recommend to the City Council Re: Portland Tourism Development District Proposal**
 - a. See attached Memorandum and backup.

NOTE: Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go

into executive session to provide staff direction on negotiation for a Tourism Development District.

- b. Written public comment received - see attached.

3. Review and Committee direction to staff Re: Funding Requests Received through the Affordable Housing Development Applications (Jill C. Duson Housing Trust Fund and HOME Program Funds) and ARPA Housing Requests

- a. See attached Memorandum and backup.

NOTE: Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide staff direction on negotiation for funding requests.

4. Communication: 2022 Workplan and Schedule - No Vote or Public Hearing Required.

- a. See attached 2022 Workplan and Schedule.

Next Meeting Date: October 4, 2022

Minutes

Remote Housing and Economic Development Committee

July 19, 2022

NOTE: This meeting was held via Zoom and can be viewed at this link:

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, July 19, 2022, at 5:30 p.m. via Zoom. Present from the Committee were Chair Pious Ali, and member Councilors Tae Chong, Roberto Rodriguez, and Andrew Zarro. Present from the City staff were Acting Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Assistant City Manager Anne McGuire and Housing Program Manager Victoria Volent.

Item #1: Zoom Meeting Information – no Committee action required.

Item #2: Review and vote on June 21, 2022, draft meeting Minutes.

On motion made by Councilor Rodriguez and seconded by Councilor Zarro, the Committee voted (4-0) to accept the Minutes.

Item #3: (Public Hearing) Review and Vote to Approve Affordable Housing TIF CEA Application for the 45 Dougherty Project at 43 & 91 Douglass Street

Mary Davis, Interim Director of the Housing and Economic Development, introduced this item by noting this is the first of five funding proposals received in response to the March 5 Affordable Housing Development and Tax Increment Financing Application. The Szanton Company is requesting an Affordable Housing TIF to construct a five story elevator-assisted building with 63 rental units on the city-owned property known as 43 & 91 Douglass Street. The

building would be comprised of 35 one-bedroom, 18 two-bedroom, and 10 three bedroom apartments. Of the 63 units, 46 would be reserved for households earning at or below 60% AMI (i.e. \$67,000 for a family of four) while the remaining 17 units would be leased at market rate. The project would be called 45 Dougherty. The Szanton Company has requested an Affordable Housing Tax Increment Financing request of 75% for 30 years while staff, based on the recommendation of its underwriting consultant, is recommending a graduated Affordable Housing TIF financed through a Credit Enhancement Agreement at 75% of the increased assessed value tax revenue during years 1 through 10, at 50% of the increased assessed value tax revenue during years 11 through 20, and at 25% of the increased assessed value tax revenue during years 21 through 30, currently estimated at a 30-year annual average of \$72,829, with an estimated total of \$2,184,865 in captured increased assessed value tax revenue returned to the project/developer to off-set project operating costs. The remaining non-captured revenue would be approximately \$2,491,549 over the thirty-year term and would be general fund revenue.

Committee members expressed their excitement with the thoughtfully designed project noting the transformation of underused city-owned property into much needed housing bordering the Douglass Field.

The meeting was opened for public comment. Nathan Szanton, the developer of 45 Dougherty, spoke of the family friendly project located near schools, the Skate Park, and Dougherty Field. He also reminded the Committee of the work already put into the project (rezoning) and still to come (financing with MaineHousing). He also indicated he believed the recommended graduating AHTIF was an error as he had requested and was expecting a 75% AHTIF for 30 years. Mary Davis confirmed the applicant did request those terms which the underwriting consultant did not support. Rather, the consultant's final recommendation was based on terms that work best for

the project on behalf of the City. The Committee and Nathan Szanton discussed the terms and the timing of the AHTIF. Per Mr. Szanton, to avoid asking for more time to close on the Purchase and Sale Agreement, he would prefer the Committee to forward a recommendation to the Council in time for their August 15 meeting. Councilor Chong requested the recommendation to the Council include materials documenting the impact of inflation on development costs. The Committee agreed their recommended motion is based on the understanding that the consultant and developer will continue discussions which may impact the terms of the AHTIF request submitted to the Council.

On motion made by Councilor Chong, seconded by Councilor Rodriguez to approve an Affordable Housing TIF financed through a Credit Enhancement Agreement at 75% of the increased assessed value tax revenue for 30 years for the 45 Dougherty Project, the Committee voted 2-2 not to approve.

On motion made by Councilor Zarro, seconded by Councilor Rodriguez, to approve a graduated Affordable Housing TIF financed through a Credit Enhancement Agreement at 75% of the increased assessed value tax revenue during years 1 through 10, at 50% of the increased assessed value tax revenue during years 11 through 20, and at 25% of the increased assessed value tax revenue during years 21 through 30 for the 45 Dougherty Project, the Committee voted 4-0 to approve.

Item #4 (Public Hearing) Review and Vote to Approve Additional Funding Request for the Phoenix Flats Project at 83 Middle Street.

Mary Davis introduced this item by noting Community Housing of Maine (CHOM) is requesting an additional subsidy from the City of Portland for their project currently under construction at 83 Middle Street. In September of 2019, the City Council approved \$330,000 in

affordable housing development funding for this project and an Affordable Housing TIF Credit Enhancement Agreement. Due to the rising costs of construction and unexpected environmental remediation costs the developer is seeking an additional subsidy of \$255,800 to fill the gap created by these unforeseen costs.

Committee members expressed their support of this development, on formerly city-owned property, and request based on the recognition of rising costs.

The meeting was opened for public comment, seeing none, the public comment period was closed.

On motion made by Councilor Chong, seconded by Councilor Rodriguez, the Committee voted 4-0 to approve the additional funding request for the Phoenix Flats Project at 83 Middle Street.

Item #5 Communications: 2022 Work Plan and Schedule

Committee member did not offer changes to the 2022 Work Plan and schedule.

On motion made by Councilor Zarro, seconded by Councilor Chong, the Committee voted 4-0 to adjourn the meeting at 6:43p.m.

Respectively submitted, Victoria Volent



MEMORANDUM

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

FROM: Mary Davis, Interim Director

DATE: September 14, 2022

SUBJECT: Visit Portland's Request for City to Create a Portland Tourism Development District

I. ONE SENTENCE SUMMARY

Lynn Tillotson, Executive Director of the Greater Portland Convention and Visitors Bureau, d/b/a Visit Portland (VP), is requesting the City of Portland create a municipal development district for the tourism industry, i.e., a "Portland Tourism Development District (PTDD)", funded by assessments imposed on Portland area lodging properties with 40 or more rooms.

II. BACKGROUND

The Housing and Economic Development Committee (HEDC) heard presentations about the proposed PTDD from Ms. Tillotson, as well as VP Consultant Tiffany Gallagher of Civitas, at its July 20, 2021, and March 22, 2022, meetings. City staff noted that municipal legal review of the Development Program, District, and Agreement would be needed if the City were to move forward, as well as a review and understanding of the mechanics of the program. This review has not yet occurred since the City does not currently have funding for the effort. One local firm quoted a price of \$400/hour for the review. The City has begun a more limited review with our external bond counsel but that review has not yet concluded.

At previous HEDC meetings on this topic, VP noted a need for the PTDD as they noted they are under-funded compared with other Destination Marketing Organizations (DMO), the majority of which are funded by lodging taxes and/or tourism improvement districts. Historically, VP has been largely been funded by annual membership dues and advertising revenue. VP reported that their current annual budget is less than half-a-million dollars but pre-pandemic budgets have exceeded \$1M. Other DMOs of similar size to VP, based on Portland's hotel room count of approximately 3,600, have operating budgets of anywhere from \$2.3 Million to \$14 Million.

In order to be sustainable, VP is requesting this PTDD. VP estimates that it could generate at least \$2.9 Million annually with room assessment fees of 2% per room rented in the lodging houses included in the PTDD. This estimate is based on an estimate of rooms rented at an average daily rate of \$163.77 and an occupancy rate of 67.7% (or 32.3% vacancy rate). The larger lodging houses in the PTDD were identified due to the programming that would occur through the PTDD for leisure, meetings, and conferences.

With the PTDD in place, VP has indicated it would have sustainable funding to keep Portland competitive as a tourist and convention destination, and provide assurances for additional marketing efforts needed during seasonal or economic downturns. VP would target national audiences and capitalize on growth markets to drive high value, overnight, shoulder season travel to the area, and solidify Portland as a year-round destination. This, in turn, would bolster hotels, restaurants, and retail establishments, their employees, and the multitude of local business contracts needed to run these establishments.

VP indicated that it would be able to track results and show a return on investment as a result of the PTDD.

III. INTENDED RESULT- SUGGESTED OUTCOME

This proposal is being suggested by Visit Portland, not by City staff. In addition to the VP proposal, City staff have also suggested some alternatives to the proposal developed in full by Visit Portland (see attached matrix).

IV. FINANCIAL IMPACT

The financial impact to the City would be the administration of the program, including the monthly collection of room assessment fees from the 40 lodging houses in the PTDD. In a full year of implementation the project may result in excess of \$2.9M in revenue to Visit Portland. The PTDD proposal includes an administrative fee to the City of Portland of 2% of the assessment fee revenue collected, or \$56,000. Staff feels that this administrative fee could potentially cover the City's administrative costs of the program. A \$70,000 fee would cover both costs of the staff involved and employee benefits.

It is also worth noting that approval of this project could have financial implications down the road related to the City's TIF capacity. If approved, this project would utilize 21.5% of the City's remaining TIF capacity under Maine Revised Statutes (52 acres out of 243 remaining). This means the City may not have the capacity for / may be required to use other funding sources for future affordable housing TIF's, transit oriented TIF's, area wide TIF's etc. Assessed value increases are also less likely within these 52 acres than they would be within other forms of TIF investment so the City may lose some sheltering benefits (less reduction in State Educational Subsidy, Revenue Sharing, County Tax) vs deploying these TIF acres elsewhere.

V. RECOMMENDATION

Please see attached matrix showing the VP request and additional staff provided alternatives.

Should the Committee recommend that the City move forward to create the PTDD, staff would work on finalizing the documents needed and bring this to the Committee at its October 18, 2022, meeting for a recommendation to the full City Council.

Alternatively, the Committee may choose to recommend approval to the City Council of the VP request or one of the staff-provided alternatives.

VI. LIST ATTACHMENTS

- Matrix of VP Request and Staff Provided Alternatives
- Listing of Lodging Houses Proposed for District
- June 2022 Proposed Budget from VP
- Proposed District Development Program from VP

Proposed Tourism Improvement District

9/15/2022

Visit Portland (VP) Proposal	Staff Suggested Alternative #1 - Pilot Program	Staff Suggested Alternative #2 - Hotels contract directly with VisitPortland on marketing efforts
3-Year Agreement, followed by 3-Year Renewals.	1-Year Agreement as a Pilot Program beginning January 1, 2023; followed by 1-Year Renewals if recommended.	No Agreement with City necessary, Visit Portland contracts directly with interested hotels on marketing efforts
2% Room Assessment Fee, generating approximately \$2.8 Million	1% Room Assessment fee, generating approximately \$1.4 Million (not to exceed \$1.5M)	No Agreement with City necessary, Visit Portland contracts directly with interested hotels on marketing efforts
2% of Room Assessment Fee to City for administration purposes, generating approximately \$56,000.	5% of Room Assessment Fee to City for administration purposes, generating approximately \$70,000	No Agreement with City necessary, Visit Portland contracts directly with interested hotels on marketing efforts
Provide Finance Director with annual certified financial statement, within 6 months after the fiscal year ends related to the District listing all income and expenses.	During first year of Pilot Program, VP to provide Finance Director with a six-month statement of revenue and expenses on 6/30/2023, and, by 12/31/2023, a year's statement of revenue and expenses. If renewed for calendar year 2024, and subsequent years, provide the Finance Director with annual certified financial statements within 3 months after the calendar year ends related to the District listing all income and expenses.	No Agreement with City necessary, Visit Portland contracts directly with interested hotels on marketing efforts
Provide the City with an Annual Report reflecting all projects, expenses, and return on investment for the District.	No change	No Agreement with City necessary, Visit Portland contracts directly with interested hotels on marketing efforts
With approval of the District, VP Board of Directors reduced to 11 Directors, to include one ex-officio Director seat for the Portland Housing and Economic Development Director, or the City Manager's designee.	No change	No Agreement with City necessary, Visit Portland contracts directly with interested hotels on marketing efforts
Proposed District: 52 Acres	If this District were to be approved, this proposal uses 21.5% of the City's remaining 243 acres of TIF capacity, based upon statutory limitations.	No use of remaining City TIF capacity required

EXHIBIT B
LODGING PROPERTIES TO BE ASSESSED

Account Name	Billing Address	City	State	ZIP
AC Hotel by Marriott Portland Downtown/Waterfront	158 Fore St	Portland	ME	04101
Aloft Portland Maine	379 Commercial Street	Portland	ME	04101
Cambria Hotel Portland Downtown / Old Port	25 Hancock Street	Portland	ME	04101
Canopy by Hilton Portland Waterfront	9 Center Street	Portland	ME	04101
Clarion Hotel Airport	1230 Congress St	Portland	ME	04102
Courtyard by Marriott Portland Downtown/Waterfront	321 Commercial St	Portland	ME	04101
Embassy Suites by Hilton Portland Maine	1050 Westbrook St	Portland	ME	04102
Fireside Inn & Suites Portland	81 Riverside St	Portland	ME	04103
Hampton Inn Portland Downtown - Waterfront	209 Fore Street	Portland	ME	04101
Hampton Inn & Suites Portland West	1210 Brighton Ave	Portland	ME	04102
Hilton Garden Inn Portland Downtown Waterfront	65 Commercial St	Portland	ME	04101
Hilton Garden Inn Portland Airport	145 Jetport Blvd	Portland	ME	04102
Holiday Inn By The Bay	88 Spring St	Portland	ME	04101
Hyatt Place Portland-Old Port	433 Fore St	Portland	ME	04101
Inn At Diamond Cove	22 McKinley Ct	Portland	ME	04109
Inn At Portland	1029, 1150 Brighton Ave	Portland	ME	04102
La Quinta Inn & Suites by Wyndham Portland	340 Park Ave, Portland	Portland	ME	04102
Motel 6 Portland ME	1 Riverside St	Portland	ME	04103
Portland Harbor Hotel	468 Fore St	Portland	ME	04101
Portland Regency Hotel & Spa	20 Milk St	Portland	ME	04101
Ramada Plaza By Wyndham Portland	155 Riverside St	Portland	ME	04103
Residence Inn By Marriott Portland Downtown/Waterfront	145 Fore St	Portland	ME	04101
The Press Hotel, Autograph Collection	119 Exchange St	Portland	ME	04101
The Westin Portland Harborview	157 High St	Portland	ME	04101

ANTICIPATED PORTLAND TOURISM DEVELOPMENT DISTRICT (PTDD) BUDGET
(All projects subject to PTDD Board Approval)

SPECIAL NOTATIONS

Below is a projected tourism marketing budget based on anticipated revenues from a **full year** of collections.

Projects won't begin until 6+ months after formation in order to accumulate some of the funding.

With the district going into formation at the beginning of the shoulder season (Nov 1 - May 1), the anticipated revenues for the first year could be 50% of an anticipated full year.

Each year the anticipated budget will be based on **projected** year-round occupancy and average daily rates, however, the actual revenues will vary based on visitation.

Priority of projects will be determined by a needs assessment and the development of a Strategic Plan with final review and approval from the PTDD board.

Below is a sample of some of the marketing projects designed to reach the key markets of tourism:

Leisure Traveler | International Traveler | Motorcoaches | Meetings + Conferences | Sporting Events | Destination Weddings | Travel Media

Anticipated Assessment Revenues = \$2.8 million \$2,800,000

MARKET SEGMENT + PROJECT	EXPENSE	DESCRIPTION
Strategy & Brand Development Reporting Auditing	\$128,000 4.57%	
Using a practical approach to destination management is a multi-level strategy that addresses the success of a destination from multiple directions. This involves different levels of tourism planning, like marketing and tourism management of a destination, and having a solid vision for future tourism development. Including stakeholders is also an essential part of the destination planning process. For most stakeholders, they want a tourism management plan built on strong fundamental principles that have been researched thoroughly and are based on solid analytics. Strategic planning documents in the destination planning process should lay the groundwork for tourism growth and management for the destination. For tourism management, this means using a wide lens to plan for the long-term direction of the destination.		
Strategy + Brand: Analyze, Review, Determine & Develop	\$110,000	Strategy sessions with DMO, Stakeholder Interviews, Competitive Review, Communication Audit, Transition Plan, Personas and Affinities Developed, Brand Strategy, Identity and Guidelines Finalized, Brand Launch across all Communication Channels
Annual Report Design & Development	\$8,000	Annual report prepared and presented to the City showing marketing initiatives and ROI.
Annual Audit & Insurances	\$10,000	

Group Marketing			\$312,000	11.14%
Face-to-face meetings and events are critical to local economies across the globe and influence how cities are shaped, including who lives there, who works there and who visits year-to-year. The Meetings Mean Business research demonstrates the economic impact of in-person conferences, conventions, trade shows and exhibitions. https://www.meetingsmeanbusiness.com/case-studies-and-research Despite convention cancellations, postponements, and budget adjustments due to the COVID-19 pandemic, Visit Portland staff must remain supportive and innovative to, and for, the meeting planner. Accommodating rescheduling and format adjustments planners may be facing is, and will be, a priority. Meeting recruitment remains a priority for the destination. It will be more important as ever for staff to help facilitate this segment by providing planners with assistance and services that benefit and enhance events meeting social distance needs and calming concerns of future meeting attendees. Meeting planners often have a misperception of Maine, and it’s our job to build awareness of the wealth of amenities and resources available for meetings and conventions in our destination. Portland’s walk-able downtown with dining and entertainment, close proximity to the Portland International Jetport with nonstop services, and surrounding regional attractions, are strong value propositions for planners. We will continue to build brand awareness of Portland, foster relationships with qualified meeting planners looking for support during a recovery particularly small market meetings, citywide events, and reunions, and service groups with high levels of customer satisfaction and event execution during a recovery reassuring planners that Portland is open and safe for attendees.				
Small Market Meetings Conference Digital Print			\$10,000	Small Market Meetings Conference is a national organization for small to medium sized groups. The conference is produced by Small Market Meetings Magazine, dedicated to serving small to medium markets in America. The package also includes digital/print; reaching 16,000 planners in the corporate, association, educational, sales, and technology sectors: Dedicated e-blast to meeting planners, full-page ad in Small Market Meetings Magazine, Leader board digital ad.
Northstar Meetings Group : Small & Boutique Meetings Conference			\$6,000	As the meeting industry’s most important – and most influential – source of research, analysis, media and marketing services in the U.S. and worldwide, Northstar Meetings Group’s events are result-driven and unparalleled in the industry. This event is designed to connect top suppliers and destinations with planners looking for creative solutions to elevate their small and boutique-sized meetings in the U.S. and around the world. The planners who will be approved to attend plan business events with under 100 rooms on peak night. (Registration \$4500 + expenses)
Northstar Meetings Group : Independent Planner Education Conference (IPEC)			\$8,000	The first and the best event tailored to the unique needs of independent planners that are not associated with any Third Party Organizations. Each Independent Planner works with upwards to 50 clients, Includes a print ad in M&C Magazine as well. (Registration fee is \$6000 + expenses)
Northstar Meetings Group : Destination EAST Conference			\$6,000	The planners who will be approved to attend have future business events that will be executed in the EAST. (Registration fee is \$4500 + expenses)
Connect: Marketplace			\$7,000	Connect Marketplace is a hosted-buyer event that brings together the most active planners, suppliers and experts in corporate, association, specialty, and citywide meetings and events. Attendees meet only with the destinations and venues that are good fit for their future meetings, conferences and events. These short meetings will be the building blocks for site selection on events for the next several years.

HelmsBriscoe : Featured Partner	\$10,000	HelmsBriscoe is the leader in third-party planning companies. In 2019, HelmsBriscoe booked \$442,305 in definite booked hotel room business resulting from 2,305 room nights into Portland proper - this partnership could increase this significantly
HelmsBriscoe : Meeting Planner FAM Tour	\$6,000	Host HelmsBriscoe for a FAM tour.
Luxury Meetings : Summits (Boston, NYC, DC)	\$7,000	3 separate events focusing on corporate, association, and independent planners. (Registration - \$1,000 per show + expenses)
Smart Meetings : Conference + print ad	\$15,000	Smart Meetings events provide meeting planners and suppliers alike, with the opportunity to meet with targeted prospects. Suppliers can network with qualified meeting planners who have active RFPs, while planners can convene with preferred hotels and destinations. Smart Meetings offers 1-day events and 3-day events across the U.S. targeting different regions. 1-day events are held regionally (Ex: Boston) and 3-day events allow us to broaden our reach. (Ex: DC) Registration for 1-day is \$3,000 and 3-day is \$6,000 + expenses)
Cvent : Featured Partner	\$10,000	Cvent offers software solutions to event planners and marketers for online event registration, venue selection, event management and marketing, virtual, hybrid, and onsite solutions, and attendee engagement. Being a featured partner provides us with a higher exposure rate when planners are searching for destinations and locations to host their event. Between June 2020 - April 2022 Visit Portland received 734 leads from Cvent resulting in 137,345 room nights and a value of \$48 million. Of that, we were awarded with 165 leads, 13,871 room nights, resulting in an economic impact of \$5,417,862.
Print Advertising : in industry publications	\$10,000	M&C Magazine, Smart Meetings Magazine, Small Market Meetings Magazine, Meetings Today, Facilities & Conventions, Convene Magazine, BizBash, etc.
Collateral: Event Planner's Guide & Distribution	\$50,000	The Event Planner's Guide offers an oversight of available meeting space in Greater Portland. The guide is distributed to approximately 4,000 - 5,000 event planners throughout the year.
Virtual Tour : Implementation + Hosting	\$25,000	Create Virtual Tours of all hotels and venues in Portland with event space allowing the meeting planners to view options without a site visit - would include all city facilities

Regional Partnerships:		
New England Society of CVBs (NESCVB)	\$3,000	Networking Planner Events
MPI New England Chapter	\$3,000	Networking Planner Events
Professional Convention Management Association (PCMA) Boston Chapter	\$3,000	Networking Planner Events
New England Society of Association Executives (NESAE)	\$3,000	Networking Planner Events
Hosting site visits for planners	\$5,000	
Staff Support		
Director of Group Sales + Group Sales Manager	\$125,000	The Director of Group Sales + the Sales Manager handle attending all selected tradeshow, implementation of FAM Trips and Sales Missions; all while developing relationships with planners, selling Portland as a viable destination, handling all inquires, leads, site visits, planning assistance, reporting, and follow up. As well as oversee meetings-focused marketing campaigns.

Motorcoach International Weddings Sports	\$159,000	5.68%
New England, Maine, and Portland are iconic destinations that make us a perfect group-friendly destination for domestic and international travelers. Portland’s proximity to other destinations within New England and Maine make it a perfect stop on a group tour itinerary. Amid COVID-19 concerns, social distancing requirements and travel restrictions, Visit Portland staff will work with regional and state partners to monitor this segment while continuing to foster partnerships with domestic and international tour operators. As staff monitor the domestic and international landscape in a pandemic, they will consider marketing opportunities through organizations like; The American Bus Association, Discover New England, and the United States Travel Association. Economic Impact of the International Market in Maine's District 1 equaled \$3 billion in 2019 https://industryimpact.ustravel.org/#me-1 Economic Impact of the Motorcoach Industry for Maine's District 1 equaled \$73 million in 2019 https://abafoundation.guerrillaeconomics.net/reports/1eb1c568-43c7-4d14-b617-b5456a09368c? In addition, positioning the City of Portland as a sports events destination will remain a priority for Visit Portland with staff looking at new partner opportunities with the Maine Sports Commission that will shape the future of sports events and sports tourism. Sports Tourism generated \$5.1 billion in 2019, which generated \$103.3 billion in business sales in the U.S. https://www.sportseta.org/portals/sportscommissions/Documents/Reports/TourismEconomics%20-%20Sports%20ETA%20SOTI%20-%20FINAL_82620.pdf And finally, destination weddings are a key market for Maine. With 29% of the weddings that happen in Maine being from out-of-state, this market provides a significant economic impact to our community. From hotels, transportation, florists, caterers, and more. Maine's wedding industry in 2017 contributed \$205.9 million in direct spending with a conservative estimatation of 29% being from out-of-state. https://drive.google.com/drive/folders/1XaOYRgyPV7pazkXLINOO__JE7N2RhJdW		
Motorcoach: American Bus Association Marketplace	\$5,000	The ABA Marketplace is an appointment-based show for Motorcoach Tour Operators and Travel Industry Suppliers. Working together, the tour operator and the destination create or enhance individualistic experiences for passengers in the group travel industry.

Motorcoach: National Tour Association Travel Exchange	\$5,000	Travel Exchange brings together packaged tour professionals from all over North America and around the world. The National Tour Association’s annual conference features buyers of all type and specialties who meet with tour suppliers and DMOs to build partnerships, collaborations, and creative itineraries
Motorcoach: FAM Tours with the Maine Motorcoach Network	\$3,500	Working with the Maine Motorcoach Network we will host key tour operators to get a chance to see what's new.
Motorcoach: value brochure for downtown Portland	\$3,000	Map showcasing participating small business and restaurant stops who cater to the motorcoach passengers
Sports: Travel, Events, and Management in Sports (TEAMS)	\$6,000	TEAMS is the world’s leading conference and expo for the sports-event industry. Sports-related travel generates 90 million room nights and \$32 billion in direct spending every year. Sports is one of the strongest segments in the entire travel industry. Economic Impact of Sporting Events.
Sports: U.S. Sports Congress Conference	\$5,000	The US Sports Congress, attracts top level decision-makers from the world of amateur sport and sports events. The attendees of this unique conference are senior level executives who represent sport Rights Holders and Olympic NGB's, the destinations who desire to host their events as well as many suppliers to this industry. (Registration \$3,000 + expenses)
Sports: Event Bid Fees	\$30,000	Hosting sporting events can be incredibly lucrative for a community. Many sporting events are not owned by a corporation but instead a local "rights holder" plans the event. Many of those rights holders request assistance with their event by requesting a "bid fee" - this fee typically goes towards marketing the event or expenses to put on the event. Criteria would be established by the board that would put a minimum overnight capacity for consideration.
International: IPW	\$5,000	The leading inbound travel trade show connecting U.S. travel exhibitors with travel buyers from all across the globe, and media to promote their product and negotiate future business, securing America’s position as a foremost global travel destination and showcasing the best of what the U.S. has to offer.
International : Discover New England	\$3,500	Discover New England invites more than 60 tour operators from the United Kingdom, Germany, France, Italy, other European countries, Australia, Japan and China. Additionally, US receptive operators are invited to the DNE Summit to meet and build relationships with more than 200 New England travel suppliers. At the DNE International Marketplace, New England travel suppliers have the opportunity to participate in one-on-one meetings with these important international buyers.
International : Key destination information in different languages	\$5,000	Working with Portland-based company, House of Languages, we will translate some key information about our destination in French, German, Spanish, Italian, Japanese, and Mandarin

Weddings: Wedding Shows, Digital campaign & social	\$30,000	Includes the Knot, digital outreach + wedding shows
FAM Support: Hosting Domestic or International Tour Operators on a FAM	\$3,000	
Staff Support		
Niche Group Sales Manager	\$55,000	This Group Sales Manager Handles would focus on all Motorcoach, International, Travel Agent, and Destination Wedding outreach, relationship building, selling, inquiries, planning, implementation, and follow up.

Public Relations & Creative Content	\$100,000	3.57%
Throughout the year, Visit Portland will continue to build relationships with influencers and journalists that will help grow the brand and inspire travel. Attending events such as Public Relations Society of America Travel and Tourism Conference and North America Travel Blog Exchange have increased contacts in the past and allow the team to build the influencer program. Visit Portland will proactively reach out to appropriate media and influencers with original, relevant, and timely stories. As a result of journalists and influencers visiting the destination, Portland has received incredible media coverage highlighting the experiences and favorites of the destination.		
Media: shows & pitches	\$15,000	Attending shows like TravMedia Marketplace allows us to reach travelwriters, journalists, and influencers and pitch new story ideas on the City of Portland.
Media: Hosting Media, Travel Writers, Influencers	\$10,000	A key element of getting media coverage is to get them in-market to experience it for themselves.
Media tracking: Meltwater	\$10,000	Meltwater offers comprehensive media monitoring and analysis across online news, social media, print, broadcast, and podcasts , capturing more content and conversations than anyone else in the industry. Provides assistance with Press connections and real-time alerting, to name just a few benefits. (All media mentions would be shared with Jessica Grondin)
Logo branded swag for planners, media, etc.	\$10,000	
Staff Support		
Public Relations Manager	\$55,000	The PR Manager pitches story ideas to media, works with all inquiries about the destination in order to get the maximum exposure. Handles all Media/Influencer press trip organization and implementation. Attends media shows designed to encourage media/influencers/bloggers to write and promote the destination.

Leisure Digital Social Media Marketing Web			\$614,000	21.93%
Visit Portland’s social media, blog, and website, and email channels act as storytelling tools, serving content that is as timely and relevant as it is practical and inspirational. Never has this been more important, as people are seeking out inspiration and hope during this pandemic. The Visit Portland’s social channels are encouraging followers to dream of future travel plans and remember special memories spent in Portland, while also giving them relevant and up-to-date information regarding travel information specific to COVID-19.				
Visit Portland’s digital and social media strategy is focused on sharing the destination’s story in a compelling, consistent and editorial manner, thus strengthening awareness for Portland’s culture and heightening its position within the online space and among its competitive set. This will continue to be critical as travelers once again start planning their getaways.				
Visit Portland’s owned channels will continue to rely on an integrated editorial content calendar. The content calendar provides the opportunity to plan and prepare content (e.g. copy, photos, videos, etc.) ahead of time, month-by-month – streamlining social content development efforts across all channels and seeing how they all interrelate (i.e. from e-newsletters to a robust digital media outreach strategy). It will further facilitate the integration of seasonal messaging, key events, new local businesses, etc.				
Content Development : Blog, Video, Photo			\$75,000	
Visitors Guide: Print, Distribution & postage			\$120,000	200,000 copies of the Visitor's Guide gets distributed across the state
Print Marketing : Regional or Niche Consumer Publications			\$50,000	Yankee Magazine, Conde Naste, Bon Appetite, etc.
On-Line: Social, Digital Advertising , and Retargeting			\$125,000	Digital awareness and retargeting ads + social media ads - plus funds for campaign strategy & development (TripAdvisor, Sojern, Adara, etc.)
Google : Adwords Campaign			\$30,000	Key word advertising based on Google searches designed to drive traffic to Portland.
Engagement: Crowdriff			\$12,000	Program designed to easily source and secure the rights to user-generated content (UGC), allowing us to build content image libraries as well as increase engagement on social and web
Website: Development / Maintenance			\$35,000	Continual development of the website, ADA compliant, multi-lingual, enhancement of small businesses and neighborhoods , etc.
Website: Search Engine Optimization			\$12,000	Monthly work on www.visitportland.com
Staff Support				
Director of Digital Marketing + Digital Marketing Manager + Creative Director			\$155,000	Overseeing the digital media department involves oversight of media strategy, campaign concepts, campaign implementation and reporting. Day-to-day implementation of social media posts, newsletters, web content development and edits, reporting of all digital campaign spending to show increases in engagement, and click thru rates. Creative Director handles all creative for publications, guides, digital, social, marketing materials, reports, and advertising.

Community Collaborations Niche Campaigns		\$315,000	11.25%
Working collaboratively with the community adds value to several small businesses and events. Engaging passengers to fly to Portland drives more overnight visitation, travelers who love art/culture tend to spend more while on vacation, and promoting the restaurant scene, live music, and theatre during the shoulder season, when all of those options for travelers are alive and well in Portland, will help small businesses and work to level out the seasonal workforce in hospitality.			
City initiative Grant (approx. 5%)		\$140,000	Grant application(s) from the City of Portland to be approved by the board yearly and must directly affect or benefit tourism businesses
Airport Partnership		\$20,000	Focus digital & social media outreach on destinations that airlines fly to PWM from in order to gain maximum air lift and overnight stays.
Creative Portland Cultural Campaign / Cultural App		\$20,000	Partnership with Creative Portland focusing on arts/culture & the cultural app through a cultural social media campaign
Online: Expedia Marketing Campaign		\$15,000	Campaign with a key OTA to drive traffic during the shoulder season
Live Music / Theatre Collaboration		\$10,000	Packaging campaign with hotels & art/culture/live music shoulder season campaign
Food + Beverage Scene		\$10,000	Promotion of Maine Restaurant Week, Portland Wine Week, and Harvest on the Harbor
Residential: "The Real Portland" Sweepstakes		\$5,000	Campaign to get locals to share what they love about Portland
Workforce generation Collaboration w/ Immigrant Welcome Center,etc.		\$10,000	Working with organizations like the Immigrant Welcome Center and their iEnglish Project. Connecting hoteliers to the immigrant community by putting potential employees through the IWC programs and assisting them with job placement.
Local community event sponsorships		\$5,000	To be approved by PTDD Board
TourismDiversityMatters.org		\$10,000	Responsible tourism is about reducing social and economic inequalities and building awareness. Tourism Diversity Matters (TDM) is committed to empowering the tourism and events industry to change and evolve as we work to advocate for an inclusive and diverse workforce and guest experience. We will work to create content that share's the diversity of our community and ensures all visitors feel welcome and safe.
Staff Support			
Director of Marketing		\$70,000	A Chief Marketing Officer is responsible for overseeing the planning, development and execution of an organization's marketing and advertising initiatives alongside the CEO and the Board. This position will oversee the Marketing Department, Creative, and PR.

Research Training		\$285,000	10.18%
Marketing has evolved. Gone are the days of gut decisions, and hoping for the best. Now, we have a new weapon in our arsenal - data-driven decision making. Here’s how to utilize data in your marketing, to switch from actions you think will work, to actions you know that will. Data is the marketer’s best friend. It gives you the capabilities to target campaigns to segmented audiences, create content based on what we know consumers love, build messages that we know will engage. Data-driven decision making is our most powerful marketing tool, it allows us to evaluate, analyze, strategize, monitor, and report the results.			
Destination's International		\$30,000	Destinations International represents a powerful forward-thinking, collaborative association: exchanging bold ideas, connecting innovative people, and elevating tourism to its highest potential. Covers at least 6 travel trend educational conferences which provides industry insight, trends, and education in areas such as: Marketing, Convention Sales, Visitor Services, Advocacy, Technology, etc.
Zartico		\$50,000	Zartico uses geolocation data to understand visitor movement allowing us to answer and better anticipate where, when and how people move throughout a destination as well as captures all credit card expenditures in Portland . When you understand this, you gain awareness of the visitor and resident effect and create a better experience for everyone. They also collect anonymized data from over 5,000 financial institutions, 90M cards and growing, amounting to roughly 25% of all domestic transactions daily. With over 10B transactions annually, including both credit and debit cards, this data stream is a core component to the Zartico Integrated Data Model showing visitor spending in a destination. This system helps, not just the DMO, but can help the Economic Development office, local businesses, and the mayor's office. They are all about helping destinations not just market their destinations but now Manage their destinations.
Smith Travel Report (STR)		\$8,000	STR reports allow us to measure performance by benchmarking our market against rival destinations as well as provide data allowing us to analyze year over year increases/decreases in occupancy and ADR.
Airdna		\$5,000	AirDNA provides solutions that empower DMOs to accurately track the entire lodging landscape and make smart, data-driven decisions. AirDNA data provides the complete picture when combined with traditional lodging industry reports and allows us to gauge the economic impact of short-term rentals on our market with reports on seasonality, revenue, and tax revenues. (Data would be shared with the city)
Destination's International Economic Impact Calculator		\$6,000	The Event Impact Calculator measures the economic value of an meeting, event, conference, and sporting event and calculates its return on investment to local spending and taxes.
Visit Portland + City Econ. Dev. Dir. City Nation Place Conference		\$6,000	City Nation Place breaks down the silos between tourism, economic development, and city management in order to foster a dialogue on how cities can work better together to attract talent, tourism, and investment to your communities. (Registration & Expenses for Visit Portland + Econ. Dev. Director)

Dues & subscriptions	\$20,000	Annual dues for all association partnerships outlined above: Destinations International, ABA, NTA, U.S. Travel Association, NESCVB, MPI, ASAE, PCMA, and Simpleview Lead Distribution System.
Staff Support		
50% of CFO/CEO, and a Research & Reporting Coordinator	\$160,000	The Research & Reporting Coordinator will analyze all data to report out to the DMO, the City, and the Hotels to make data driven decisions. The Coordinator will also oversee all marketing projects in order to gather collateral, project details, ROI, spend, etc., for a collective look at the marketing year and it's successes. This will all be reflected in the Annual Report.

Reserves, Formation Pay-back, Admin	\$887,000	31.68%
Reserves / Contingency 7%	\$196,000	It is essential to build up a healthy reserve account designed to handle economic downturns, public relations crisis management situations, unexpected shifts in visitation, and marketing opportunities that arise throughout a year and is not accounted for in the marketing plan.
Formation pay-back to Visit Portland (Est. \$215,000)	\$215,000	Estimated expense for Visit Portland for Civitas
Admin 15%	\$420,000	Visit Portland admin for office operations expenses and overhead, non-marketing staff, employee benefits for all employees
City Administrative fee 2%	\$56,000	Administrative fee for fund pass-through in City of Portland Finance Dept.

TOTAL	\$2,800,000	100.00%	\$2,800,000
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Remaining to spend \$0

PORTLAND TOURISM DEVELOPMENT DISTRICT DEVELOPMENT PROGRAM

Created pursuant to the Maine Development Districts Law, MRS Title 30-A, Chapter 206

Prepared by:



(800) 999-7781

www.civitasadvisors.com

Presented to:

Portland City Council

Insert Date

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I. INTRODUCTION

A. The Site and Development District

This is the development program (the “Program”) as that term is defined pursuant to the Development Districts Law, MRS Title 30-A, Chapter 206 (“Development Districts Law”), for the Portland Tourism Development District (“PTDD”). All terms used herein, except as otherwise defined, shall have the meanings provided in the Development Districts Law.

B. Establishment of the Development District

The City of Portland (“City”) hereby establishes the PTDD beginning <Insert Date>, and is more fully described below in this Development Program. The PTDD is depicted on the map attached as Exhibit A. The City plans to assess all lodging properties with forty (40) rooms or more located within the boundaries of Portland to provide programs, services and improvements as described in this Program. Assessed lodging property owners shall receive the benefit of increased sales activity and room night revenue as a result of PTDD services and improvements. Benefit is equally and uniformly proportional to the contribution of assessment related to the occupancy of the hotel.

C. Advantages of The PTDD

Co-ordination of services to support The City of Portland is necessary in order to ensure effective delivery and proper support for tourism promotion. A development district provides a vehicle free of common political and financial constraints; it builds on existing revitalization efforts; it provides protection of public and private investment.

The travel industry is a major economic driver for the City of Portland (“City”) and Maine. Visitor spending not only supports tourism-related businesses but also our local artists, lobster/fishing community, cultural institutions, food & beverage establishments, and small businesses that residents alone could not support year-round; therefore, it is in the public interest of the City, and vital to the welfare of the City’s economy, to facilitate and encourage cooperating public-private partnerships for the enhancement and expansion of the travel economy and to provide for increased business activity, tourism, economic development and job creation throughout the proposed PTDD.

In addition, local government faces constrained budgets, while under obligation to provide equivalent levels of service throughout the entire community. It is politically and fiscally difficult for local government to provide additional services for assessed lodging properties in the City of Portland.

This Program represents the work of City of Portland lodging property owners within the proposed PTDD; and the Board of Directors of the non-profit, with administering the PTDD pursuant to the Enabling Law; Greater Portland Convention and Visitors Bureau, doing business as Visit Portland (Visit Portland).

II. DEVELOPMENT PROGRAM NARRATIVE

A. The Projects

Formation of the PTDD is intended to contribute to the economic growth and wellbeing of the City, and to the betterment of the health, welfare or safety of the inhabitants of

the City. To accomplish this intention, the City desires to support the costs described below using PTDD revenues. The City shall not reduce services to assessed properties because of the implementation of the PTDD. Projects and services approved and executed by the PTDD shall be in addition to and not in the place, of municipal projects and services. Assessment revenues must be spent in accordance with the financial plan. The costs of forming the PTDD shall be repaid from PTDD assessment revenues.

Sales, Marketing, Promotions, Destination Development, and Special Events

A strategic sales, marketing, promotions, destination development, and special events program will be aimed at promoting the City of Portland; maximizing overnight stays in assessed hotels, increasing visitor spending in lodging establishments and other tourism-related businesses, all while injecting tourism spending into small businesses throughout the city.

All program of work will be focused on targeting leisure visitors, meetings, conferences, sporting events, weddings, media, and domestic & international trade with an overarching goal of driving increased overnight visitation to the benefit of the assessed lodging properties.

The programming may include, but not limited to:

- Research & Development of a marketing plan designed to outline a strategy for attracting the right people at the right time with the right message;
- Regional and national leisure marketing and convention trade marketing programs inclusive of broadcast, social, digital, audio, print, pay-per-click and out-of-home channels, designed to increase awareness of and drive overnight traffic to the destination – in turn, benefitting the assessed lodging properties through increased consumer demand and increased room night bookings;
- Public Relations and media programs that enhance the profile of Portland as a visitor, meetings and event destination – in turn, benefitting the assessed lodging properties through increased consumer demanded increased room night bookings;
- Dedicated funds to support incentives, hosting fees and other offsetting costs associated with securing strategic industry events, incremental group and convention business, and/or large-scale events for the destination that generate room nights for the assessed lodging properties;
- Strategic partnerships, sponsorships, or other alliances that reinforce the City of Portland as a destination of choice within the travel marketplace for meetings, events and leisure travel – in turn, generating greater room night sales to the assessed lodging properties;
- Attendance at tradeshow, conferences, and professional industry/partner events to promote the destination and the assessed lodging properties;
- Sales missions, client events, site inspections, and familiarization tours showcasing the destination and the assessed lodging properties;

- Visitor services programs designed to extend stays at assessed lodging properties and increase visitor spending;
- Preparation, production, mailing, and distribution of collateral promotional materials such as brochures, flyers, maps, and videos featuring assessed lodging properties;
- Research on current and new markets that would result in additional room night sales to assessed lodging properties;
- Destination industry advocacy and communications to educate elected officials, affected stakeholders and the public on initiatives designed to increase overnight visitation and room sales to assessed lodging properties;
- Development and maintenance of the Visit Portland equipment, website, digital design, and technology;
- Educational meetings & conferences designed to provide insight on industry trends and new innovative marketing ideas for the travel & tourism industry;
- Destination development that enhances the overall visitor experience and will attract overnight visitors to assessed lodging properties;
- Capital improvement projects which improve the visitor experience and will attract overnight visitors to assessed lodging properties; and
- Understanding that the proposed sales, marketing, promotions, and special events services are based on delivering enhanced and/or new programs and businesses opportunities, the sales and marketing portion of the budget shall be utilized for staffing costs.

Administration

The administration portion of the budget shall be utilized for administrative costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

Return on Investment/ Quarterly and Annual Reporting

The PTDD will account for the expenses of the PTDD specific to the services and programming and the return on investment to be recorded in room nights sold, lodging properties occupancy percentages, and revenues generated.

Contingency/Reserve

A portion of the budget will be allocated to a contingency fund to account for lower than anticipated collections. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or administration costs at the discretion of the Visit Portland board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Visit Portland board.

B. The PTDD

1. Physical Description

The proposed PTDD include all lodging properties with forty (40) rooms or more located within the boundaries of Portland. A list of the lodging properties to be assessed is included herein as Exhibit B.

“Lodging property” as used herein means: any parcel that contains a lodging business on the premises.

“Lodging business” as used herein means: any reputable place operated by responsible persons of good reputation, where the public obtains sleeping accommodations for a consideration and where meals may or may not be served, whether or not under one roof.

2. Duration of the Program

The District will begin <Insert Date>.

C. The Development Program

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. Subsequent to a public hearing and City Council vote, adoption of this Development Program will be effective upon approval by the Council.

D. Operational Components

1. Commercial Improvements Financed Through Development Program

Please refer to Section II.

2. Relocation of Displaced Persons

Not applicable.

3. Transportation Improvements

Not applicable.

4. 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.

5. Plan of Operation

Pursuant to the Development Districts Law, the City shall enter into a contractual arrangement with a private entity to administer activities. The PTDD will be administered by the existing non-profit corporation, Visit Portland. The Visit Portland Board of Directors shall include a representative from the proposed PTDD. Visit Portland shall be responsible for all administrative matters concerning the implementation and operation of the PTDD.

6. Collections and Remittance

Pursuant to the Development Districts Law, assessments must be collected by the City at the same time and in the same manner as municipal or plantation taxes. Municipal procedures as outlined by the City of Portland. The constable or municipal tax collector or plantation assessor has all the authority and powers by law to collect the assessments. If any lodging property owner fails to pay any assessment or part of an assessment on or before the dates required, the municipality or plantation has all the authority and powers to collect the delinquent assessments vested in the municipality or plantation by law to collect delinquent municipal or plantation taxes. City will serve as agency for funds collected from hotel guests via PTDD assessment on the guest receipt. City shall forward to Visit Portland all PTDD assessment funds collected within thirty-days of collection, less a two (2) percent City administrative fee as authorized in this PTDD Development Program. The assessments shall be collected on a monthly basis, and remitted to Visit Portland within thirty (30) days of collection. Assessments may be remitted in advance of the municipal or plantation tax billing.

III. FINANCIAL PLAN

A. Cost Estimates for the Development Program

All lodging properties with forty (40) or more rooms that are within the boundaries of the City of Portland that meet the assessed property criteria shall be assessed. The assessment assumes 100% occupancy based on STR reported Average Daily Rate (ADR). Actual assessment is two percent (2%) of gross monthly lodging room rental revenue.

Based on the benefit received, assessments will not be collected on any exemptions dictated by the 36 Maine Revised Statutes §1811.

The PTDD is expected to have a first year budget of approximately \$2,895,108.32 in the first year of operations, based on the cost of programs detailed in Section II and the assessment rate as described hereinabove.

B. Public Indebtedness

The City reserves the right to incur bonded indebtedness for approved projects in the future, provided that the timing and funding of any bonded projects complies with all statutory requirements for paying bonded indebtedness with PTDD revenues.

C. Sources of Revenues

It is anticipated that all services provided by the PTDD will be funded through the special assessment described in this Program.

D. Related Contract, Agreements, and Obligations

There are no existing terms and conditions of any agreements, contracts, or other obligations related to this Program.

IV. MUNICIPAL APPROVALS

A. Notice of Public Hearing

Attached as Exhibit C is a copy of the Notice of Public Hearing regarding the establishment of the PTDD and adoption of this Development Program for the PTDD, published in the Portland Press Herald, a newspaper of general circulation in the City on a date at least ten (10) days prior to the public hearing. The public hearing on the District designation and Development Program, was held on *Hearing Date*, in accordance with the requirements of 30-A M.R.S.A. § 5226(1).

B. Minutes of Public Hearing Held by City Council

Attached as Exhibit D is a certified copy of the minutes of the public hearing held on *public hearing date*, at which time the proposed PTDD and Development Program were discussed by the public.

C. Authorizing Votes

Attached as Exhibit E is a copy of the Portland City Council Order designating the PTDD and adopting this Development Program, which Order was adopted by the Council at a meeting of the Council duly called and held on *Meeting Date*.

V. DISSOLUTION

On the third (3rd) anniversary of the inaugural PTDD formation, there will be a thirty (30) day period in which lodging property owners representing the majority of the available rooms in the PTDD may petition the City to dissolve the PTDD. Subsequently, a thirty (30) day period to petition for the dissolution of the PTDD may take place every two (2) years thereafter. This thirty (30) day window shall always begin on the anniversary of the formation of the PTDD, and shall end thirty (30) consecutive days from that date. If a qualifying dissolution petition is received by the City, the City shall notice a public hearing on dissolution of the PTDD.

EXHIBIT A BOUNDARY MAP

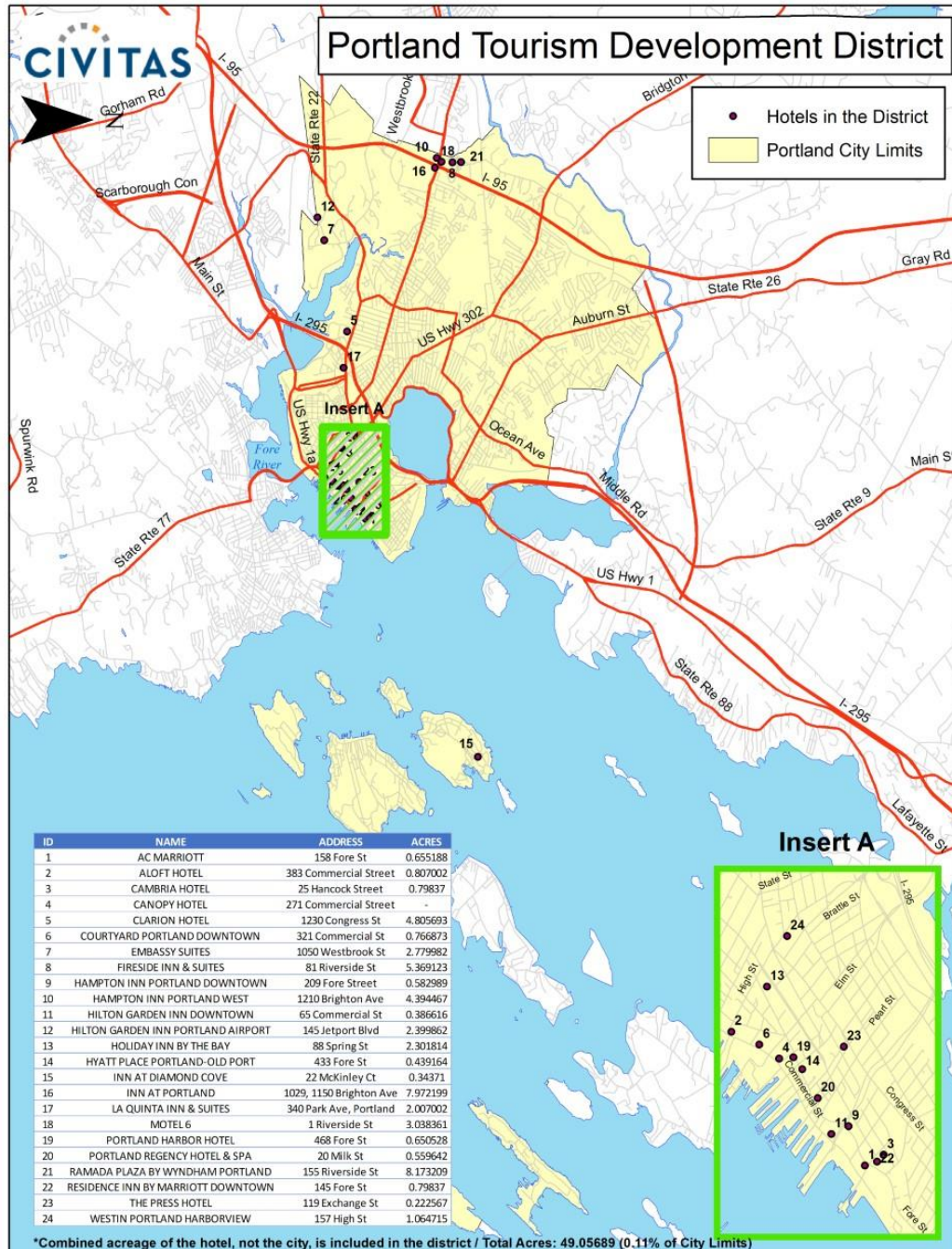


EXHIBIT B
LODGING PROPERTIES TO BE ASSESSED

Account Name	Billing Address	City	State	ZIP
AC Hotel by Marriott Portland Downtown/Waterfront	158 Fore St	Portland	ME	04101
Aloft Portland Maine	379 Commercial Street	Portland	ME	04101
Cambria Hotel Portland Downtown / Old Port	25 Hancock Street	Portland	ME	04101
Canopy by Hilton Portland Waterfront	9 Center Street	Portland	ME	04101
Clarion Hotel Airport	1230 Congress St	Portland	ME	04102
Courtyard by Marriott Portland Downtown/Waterfront	321 Commercial St	Portland	ME	04101
Embassy Suites by Hilton Portland Maine	1050 Westbrook St	Portland	ME	04102
Fireside Inn & Suites Portland	81 Riverside St	Portland	ME	04103
Hampton Inn Portland Downtown - Waterfront	209 Fore Street	Portland	ME	04101
Hampton Inn & Suites Portland West	1210 Brighton Ave	Portland	ME	04102
Hilton Garden Inn Portland Downtown Waterfront	65 Commercial St	Portland	ME	04101
Hilton Garden Inn Portland Airport	145 Jetport Blvd	Portland	ME	04102
Holiday Inn By The Bay	88 Spring St	Portland	ME	04101
Hyatt Place Portland-Old Port	433 Fore St	Portland	ME	04101
Inn At Diamond Cove	22 McKinley Ct	Portland	ME	04109
Inn At Portland	1029, 1150 Brighton Ave	Portland	ME	04102
La Quinta Inn & Suites by Wyndham Portland	340 Park Ave, Portland	Portland	ME	04102
Motel 6 Portland ME	1 Riverside St	Portland	ME	04103
Portland Harbor Hotel	468 Fore St	Portland	ME	04101
Portland Regency Hotel & Spa	20 Milk St	Portland	ME	04101
Ramada Plaza By Wyndham Portland	155 Riverside St	Portland	ME	04103
Residence Inn By Marriott Portland Downtown/Waterfront	145 Fore St	Portland	ME	04101
The Press Hotel, Autograph Collection	119 Exchange St	Portland	ME	04101
The Westin Portland Harborview	157 High St	Portland	ME	04101

EXHIBIT C
NOTICE OF PUBLIC HEARING

EXHIBIT D
PUBLIC HEARING MINUTES

EXHIBIT E
ORDER ESTABLISHING THE PTDD



April 19, 2022

Honorable Members of the Housing and Economic Development Committee –

As we enter our thirtieth year, Portland Downtown is in a unique position to testify to the benefits of an Improvement District. While it's easy to forget, at our founding in 1992, downtown Portland wasn't the international destination we know now. We recognize that making a place a destination requires management. We also know that management requires resources. Tourism is the foremost driver of Maine's economy but without continued management and marketing, there is the real potential to lose visitors to the innumerable destination choices throughout both the US and the world. It is for these reasons among many others that we support Visit Portland's efforts to form a Tourism Improvement District (TID).

We take great comfort in the fact that our downtown (and community) hoteliers are supportive of this effort. They, more than anyone, know the positive impact a TID can bring to our community. Enhanced promotion of our community provides an opportunity for reputational benefits, encouraging both visitation and potentially aiding in the relocation of both workers and businesses. Tourists have a positive economic benefit, spending money on everything from our world-class restaurants to retail to our extraordinary arts scene and beyond.

We hope you will support this effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Cary Tyson". The signature is fluid and cursive, with a long horizontal line extending to the right.

Cary Tyson
Executive Director

COMMUNITY SUPPORT FOR A TOURISM IMPROVEMENT DISTRICT

	Name	Company Name	Your thoughts on the importance of tourism to our community or your business.
1	Tracy Michaud	USM Tourism & Hospitality Program	Tourism is vital to the economy and communities of Maine. It adds to the quality of life and makes this a place that people want to live. Funding support from a TID to Visit Portland is vital to keep the good work they do going. Their work not only brings money into Maine but supports local community life as well. As a Professor of Tourism and hospitality I have studied sustainable tourism throughout the world and the funding models that support it. This TID is a good approach.
2	Matt Lewis	HospitalityMaine	As President of HospitalityMaine, I wholeheartedly support Tourism and the adoption of a Tourism Improvement District for Portland, Maine. Portland deserves to have these funds to promote and market this beautiful city. These funds will help continue to attract leisure and business travelers for years to come. Lynn Tillotson and the team at Visit Portland have a robust and thorough plan to utilize these funds to compete against other cities for Groups and Conventions and without them, Portland will lose visibility and marketing opportunities. I fully support the Tourism Improvement District for Portland.
3	Norman Patry	Summer Feet Cycling	
4	Tony Payne	MEMIC	Attracting visitors leads to Portland being considered for residency. We need to use every tool in the box to replenish Maine's workforce and the TID is a powerful tool.
5	Jason Briggs	VIP Tour & Charter Bus Co	Well over 70% of our business is Tourism related, Conventions, Cruise Ships, Destination Weddings, Reunions.
6	Donato Giovine	Gorgeous Gelato	Our business, without tourism, could not even think to be able to survive and thrive.
7	Tom Largay	Old Port Card Works	Tourism is so important to Portland. Because of tourism we have all these great shops, restaurants, breweries, distilleries, art galleries, and so much more. With a TID, Portland businesses will only grow stronger and employ more Mainers. Now, more than ever, this will help rebuild our great city. The collateral damage from Covid includes the closing of so many businesses. Having a robust stream of tourists will help keep existing businesses thriving and encourage new business to come. It will help to ensure that we are here year-round for the local, friendly faces we see daily. We have something very special here in Maine, and the millions that continue to visit allow so many of us the opportunity to grow, flourish, and create.
8	Sue Pingree	Wellness Connection of Maine	Tourism is critical to drive revenue in the state of Maine. It impacts small businesses, start ups, job stability, and business development. Tourism is also very competitive. New investments in tourism marketing and sales resources are needed to attract leisure and business travelers year-round and strengthen our local economy.
9	Sheila Brennan Nee	Maine Sports Commission	Our nonprofit organization helps strengthen Maine's economy through sports tourism. Sports ranging from professional teams based on the peninsula to collegiate games, grassroots events and national tournaments choosing Greater Portland venues as a host is critical to increasing Maine's share in the sports market. Marketing our largest city is essential to growing the brand awareness of our state as a four season sports and recreation destination. Greater Portland's budget in comparison to other similar-sized markets is shocking. A more sustainable funding model is a must for the future of Greater Portland's tourism growth and workforce development.

10	Kristen Levesque	Kristen Levesque PR & Marketing	As the largest industry in the state, Maine's tourism industry benefits our community and local businesses by creating and supporting jobs at attractions, accommodations, and restaurants which boasts our local economy. The lives of both tourists and locals are enhanced with funds from the tourism industry creating a better place to live, work, and visit. A vibrant tourist community attracts national and regional media coverage (e.g. Portland's nationally recognized restaurant scene) attracting more visitors to the area resulting in an increase in revenues for local businesses.
11	Scott Marn	Westin Portland Harborview	As business leaders within the community, this is a must to allow Portland to become relevant and competitive within the New England region. Summer leisure demand is not sufficient to maintain the quality and quantity of talented employees.
12	Michael Briggs	Inn by the Sea	Tourism, according to recent surveys, represents nearly 20% of all employment in the state. The trickle down is far greater when considering the vast number of vendors hotels, resorts, and restaurants alike use on a daily basis. Tourism in our community is a material economic driver and will continue to be.
13	John Schultzel	The Olympia Companies	Maine is vacationland. The travelers that fill our hotels, shop and eat, rent homes, fill their tanks, visit our sites are the cornerstone of the our region's economy.
14	Gerard Kiladjian	Principal Hospitality	Economic growth in the state of Maine is driven by the success of the tourism industry. The decision to move a business to Maine, or to relocate to Maine always starts with a vacation in Maine, that turns into a relocation. These marketing funds will ensure Maine tourism stays robust for years to come, regardless of what life throws our way.
15	Steve DiMillo	DiMillo's On the Water	Our local tourism economy allows us to employ over 100 people year-round. Without the seasonal influx of visitors to our state, our business would not be able to employ half the people we currently do. It's vital that we continue to promote Maine as a destination any way that we can.
16	Shawn Sullivan	LLBean	Tourism is a key contributor to the traffic flow in our Stores which we rely on heavily. We love seeing visitors from around the country and the world every year! Keep them coming!
17	Alen Saric	Hyatt Place Portland Old Port	Very important effort for our whole community not only for hotels, local shops and restaurants.
18	Bill Frappier III	Portland Discovery Land & Sea Tours	Portland Discovery Land & Sea Tours strongly support this initiative to create a Tourism Improvement District. The vibrant community that is Portland, with all of the amenities and attractions we enjoy, is in large part fueled by tourism and the dollars that visitors spend here. Locals alone cannot support all that Portland has become. It is time for Portland's government to fully recognize the impact that tourism as an economic engine, plays in Portland's success and vitality. Dedicated funding to organizations like Visit Portland, that attract both individual visitors and conferences is essential to a healthy local economy and should be a foundational element of local governance. Please support this effort.
19	Jeff Gambardella	Nonesuch River Brewing	Tourism is a major component to the success of our local economy. I am in full support of enacting a Tourism Improvement District.
20	Pamela Laskey	mainefoodietours.com	Tourism is so vital to Portland supporting our tax base and creating so many jobs. Visit Portland does so much for local tour operators and hoteliers and attractions, and the potential to do so much more remains unrealized without some funding. Like so many DMOs across the country, it's time for greater Portland to have a well- funded organization, to remain competitive and pay better salaries to attract key staff and compete for Maine reputation on a global scale.

21	Matthew McCagg	Olympia Hotel Management	As a brand new member of the Portland community but a long time member of the hospitality industry, it is immediately evident to me that tourism supports the Portland economy in a direct and material way
22	Paul Drinan	Friends of Fort Gorges	Our business relies heavily on tourism marketing and our membership with Visit Portland has been key to our success in meeting new supporters. Please consider the creation of a Tourism Improvement District here in Portland so that we can all benefit from a level playing field with our out-of-state competitors. Paul Drinan Executive Director Friends of Fort Gorges
23	Jill Perry	Allagash Brewing Company	Tourism is huge driver in the success of our business, and many other businesses in Portland. It fuels job creation, entrepreneurship, and provides economic impacts that benefit the entire community.
24	Casey Oakes	Portland Ovations	Portland, and Maine as a whole, thrives or fails on summer returns. Or at least that was the thinking for many years. Now we know Portland can be a destination year round - just as attractive for leaf peeping in the fall as skiing and eating in the winter. We have it all year, we just need the resources to be able to share that message. We must fully support this initiative to continue to grow our tourism industry and bring people to Maine from throughout the country and around the world. We've got the goods, now let's show them off.
25	David Turin	David's restaurants	Visit Portland is essential to the Portland economy. By supporting tourism and hospitality it improve the lives of many, many Portland residents. There are more people and industries who benefit from visitors that we could possibly count in this limited forum, but know that the average person living in Portland has a better life because of tourism. Visit Portland's ability to survive and thrive is directly connected to competitive funding. Please support it!
26	Lauren Wayne	State Theatre / Crobo LLC	As an operator of two of the largest and most active music venues in Portland, we not only rely on local patrons but on ticket buyers all throughout New England and down the East coast to support and enjoy our events throughout the entire year. We love to show off what we do and our amazing town to locals, tourists and the national artists and musicians we bring to our venues 365 days of the year.
27	David Coffin	Headlight Audio Visual, Inc.	Tourism is the most critical Industry today to drive revenue growth in the state of Maine. It impacts small businesses, Community growth, and business development. Tourism is also a very competitive Industry. Continuous investments in tourism marketing are needed in our region to attract leisure and business travelers in every season to strengthen our local economy.
28	Angie Helton	Northeast Media Associates	I have had my own PR firm for more than 15 years and over the years many of my clients have been in the tourism industry. This industry feeds so many small businesses with complimentary work that it is a crucial economic engine for businesses like mine.
29	Linda Varrell	Broadreach Public Relations	For a state that is as diverse and geographically dispersed, tourism is vital for our survival. For Maine's largest DMA, It serves as the training ground for our young people, provides careers and clients for our savvy professionals and most importantly, builds community through healthy place-making. This can't happen in just a few warm months in the summer, it must be nurtured over the course of the year, through consistent investment, focus and intention.
30	Matthew Nolan	Residence Inn by Marriott Portland Downtown	Any addition tourism marketing dollars will have such positive impacts to so many sectors of our local economy where profit margins are already slim. If we do not keep Portland on top of all the travel guides and RevPAR begin to shift downwards will drive down the confidence of restate developers/investors and local chefs and business owners with hopes and dreams of created a successful business here in Portland. It is crucial for Portland to have additional resources to keep us competitive with secondary markets. Cities such as Providence, Manchester and Portsmouth are equally as attractive with similar price points and economic growth.

31	Brian Tremblay	People's United, a division of M&T Bank	Tourism is an integral part of the community. Without tourism dollars, the potential is there to drive away local businesses. It impacts small businesses, start ups, job stability, and business development.
32	Paula Mahony	Words@Work	With a population of 65,000 residents, Portland can't sustain our vibrant food, brewery, and environmental businesses without the addition of customers from other regions. By attracting visitors we also attract new workers, new residents, and new revenues; both direct and indirect. Assisting our tourism association is critical. None of this happens without hard work and effective marketing. VisitPortland is essential to the success of our business community. Please support VisitPortland.
33	Kristin Bingham	Dean's Sweets	Tourism keeps our business going, not just during the summer months, but year-round. Families come through our stores, buying chocolates to eat on the spot or picking out gift boxes to bring home. Foodie Tours bring by vacationers, often many groups daily. We talk to people traveling in every season, from New York, Massachusetts, California, everywhere. We also work directly with several hotels in the Greater Portland area, which has become the bread and butter of our business, keeping us busy in the best possible ways. We can predict sales, maintain cash flow, and most importantly, keep our top-notch team employed! Tourism is the key to it all. Without it, our business would be a fraction of what it is.
34	Dugan Murphy	Portland by the Foot	As somebody who has managed many nonprofits, I know how much staff time can be spent on fundraising. As an entrepreneur, I highly value the work Visit Portland does to support small businesses like my walking tour company. As somebody with a background in urban planning, I understand the potential for a TID to stabilize Visit Portland's funding and free up their staff time to be more effective at bringing visitors to the region. I support this proposal.
35	Anne Weiss	SKORDO	Portland needs healthy, dependable tourism every year to maintain its unique group of businesses and to continue to attract innovation and new businesses. It has grown our business in immeasurable ways, not only locally but across the country. We acquire the majority of our online customers from tourists visiting our Portland shops and that online business has created manufacturing jobs throughout other parts of the state.
36	Peter Delgreco	Maine & Co.	Having a vibrant Portland contributes greatly to the economic opportunities for the city, its residents, and those of the entire region. At Maine & Co., we work with companies who expressly state that they want to locate in vibrant communities. Over the last few years, we have seen companies like WEX, Sun Life Financial, and others make significant investments in Portland because it is a vibrant community. Establishing a Tourism Improvement District can help continue this momentum without taxing the residents of Portland. I hope this Tourism Investment District is established. A Tourism Investment District can help even out Portland's economy by encouraging year round visitors, allowing employers to hire people for full-time positions, rather than seasonal only positions. It can also help buffer the economy in the face of an economic slow down that affects the summer season. Judging by the support of the hotel community (the group responsible for collecting this assessment), this is a policy that makes a lot of sense.
37	Adam Goldbert	Maine Mariners	I am in full support of a Portland area Tourism Improvement District. This initiative will not only help the essential tourism industry here in Greater Portland, but also will improve the lives of residents. Greater Portland prides itself on locally owned businesses and this TID will allow those owners and staff members to succeed year-round. We cannot just maintain. We must develop, innovate and grow the tourism of the area. I view the TID as a program that will raise the tide and lift all ships in Portland.
38	Gillian Britt	Eat Drink Lucky	Visit Portland needs a larger marketing budget to be able to successfully promote the City. The benefits are clearly outlined in ED Lynn Tillotson's TID proposal. I hope the proposal becomes reality; it is a logical solution to attracting year-round visitors.

39	Brewster Harding	Shipwreck & Cargo	If you consider all the shops, hotels, restaurants and their local suppliers that have filled in what was a forlorn city in 1970 when the Prince of Fundy line attracted Portland's first substantial tourist trade, one can see the impact of the tourism industry. Jobs have been created, buildings erected and attractions developed as a result firstly, as the Rouse Company study concluded in 1981, because Portland is an attractive place where people want to be and explore. The business success and revenue follows.
40	Peter Twachtman	Lark Hotels	Tourism and Maine go hand-in-hand, one doesn't exist without the other. Competition for visitor dollars is fierce and the funding to attract those dollars is limited and getting smaller by the moment. The best way to fund the regions DMO is through a TID and not have the burden of funding be on members who are rebuilding their businesses. My life in Maine only exist because of Tourism, mine and so many others.
41	Rick Lowell	Casablanca Comics	Tourism sales are a big segment of our business. We still have a very dedicated local following, but the tourism sales on top of that allow us to thrive, not merely survive.
42	Mary Allen Lindemann	Coffee By Design	Covid impacted our community and businesses and continues to do so. This on top of the ever rising cost of doing business and living in Portland. Yes, we are busy now for which we are grateful but as the winter season is just around the corner, I worry how will we make ends meet. How when customer counts decline dramatically do I keep my loyal and hardworking staff gainfully employed? We all know Portland is a unique all season destination but the public at large does not. We are known for our award winning restaurants and other specialty food and beverage venues, but what about the world class arts which are in full swing! Something we locals can be proud of no matter what genre you prefer should not be our best kept secret! We need a budget to promote Portland's doors are open to everyone year round. In doing so, we add dollars to our bottom line and ensure we all thrive, not merely survive!
43	Lucas Laidlaw	Westin Harborview	There is an incredible need to market the traditional tourism season and expand that reach into the shoulder season-leveling out visitation throughout the year. This would allow us to maintain staff year-round rather than be forced to lay off and gear up again each Spring.
44	Mark Murrell	Get Maine Lobster	It is imperative to support tourism in the state of Maine. Not only does it fuel small businesses, it is the first impression of potential businesses moving their operations to Portland. If we want more businesses to move to Maine, we need to support the marketing efforts of the state. Portland has an amazing opportunity to grow into something amazing and sustainable. In addition, tourism supports our working waterfront! If we didn't have people here eating in the restaurants we would have to rely on nearly 100% exportation of our fish and lobster products.
45	Darcy Smith-O'Neil Christopher O'Neil	Boone's Fish House & Oyster Room	According to Smith Travel Research, Portland hotel summer occupancy rates are among the highest in the country. But we all know how slow it can get after leaf peeping season! Lots of vacant hotel rooms, uninhabited streetscapes, empty restaurant tables, and lower paid or laid off residents. Portland could - and should - be a four seasons destination, not just for tourists, but for business travelers too. If we better equip our visitation marketing professionals, we can fill more rooms year-round, which will smooth out this high peak/low valley economy which we all have endured for so long. A TID is a low impact & high benefit tool which will help Portland attain the revenues that we are now leaving on the table.

46	Brit Vitalius	Vitalius Real Estate Group	In a state with an aging population, we must continue marketing our community to drive future residents. People don't move to a place unless they have visited it and had a great experience that makes them consider the destination a viable option to live and work. A vibrant destination drives innovative mixed-use development and assists in retaining or boosting home values. In addition, destinations prone to seasonal tourism fluctuations are prone to employment fluctuations, difficulties in maintaining economic status, and revenue instabilities. However, driving visitation year-round allows for our residents who work in the hospitality industry and will help to mitigate these issues.
47	Krista Cole	Sur Lie	It's known that tourism causes significant economic activity within a community. In a state with small cities and rural communities, such as Maine, we depend heavily on the influx of people and revenue that the tourism industry brings.
48	Steve Bromage	Maine Historical Society	Tourism is an essential part of Maine's economy and identity. Drawn by Maine's powerful mystique, people come from around the globe to discover and experience Maine; ultimately, inevitably, they fall in love. Tourists bring enthusiasm and infectious joy that contributes to and nurtures Maine's special sense of place. Tourism will continue to play a key role in Maine's future--we need to plan for it, invest in it, grow it, and ensure that Maine has the infrastructure and capacity to manage and support it. As the Executive Director of the Maine Historical Society, it's imperative that visitors experience and share Maine's history. The preservation of our history is a key element of sharing where we've been and tells the story of our heritage, keeping our destination relevant for years to come.
49	Scott Reischmann	Portland Schooner Co	This looks great and looks like something that could really help our local economy. The funding comparison made showing how little marketing dollars Visit Portland has available comparatively to other regions is eye opening, to say the least. Thank you for your work on this.
50	Ian Bannon	Mayo Street Arts	Tourism has always been a major component of Maine's economy. It's wonderful to see the state embracing the promotion of cultural tourism on top of the natural beauty that we have to offer.
51	Dana Eidsness	Maine Northern Atlantic Development Office (MITC)	I have brought several international trade and diplomatic events to Portland, resulting in hundreds of visitors experiencing Portland for the first-time. With additional funding Visit Portland could afford an economic impact calculator tool that will provide all of us with helpful information on the importland metrics that meetings and conferences generate for our economy. Understanding the ROI of these activities will help us to allocate resources and capacity to support activities with the highest impact.
52	Brian Corcoran	Shamrock Sports & Entertainment	Shamrock has enjoyed driving economic, community and charitable impact via bringing world class events such as Professional Bowler's Association, PGA Korn Ferry Tour and Carnaval Maine to Portland – in all an estimated \$25+ Million in direct economic impact over the past decade. However, the growth and sustainability of these and new events, as proven successfully in other markets, is not possible without incentives make possible by the TID.
53	William Wenzel	Focus Photography	Maine has grown to be the third most popular state in the country for destination weddings. While it has huge impact statewide (weddings in Maine generate 1 billion in services, food and beverage, and rooms) it is particularly meaningful for my business. 75% of the wedding couples we work with in Maine come from out of state. Wedding tourism is real, and it's bringing in hundreds of millions of dollars into Maine Annually.



Lori Paulette <ljn@portlandmaine.gov>

Fwd: FW: Letter of Support--Tourism Improvement District

Mary Davis <mpd@portlandmaine.gov>
 To: Lori Paulette <ljn@portlandmaine.gov>

Tue, Sep 20, 2022 at 9:47 AM

Another public comment for the HEDC packet.

Mary P. Davis
 Interim Director, Housing and Economic Development Dept.
 207-874-8711



----- Forwarded message -----

From: **Lynn Tillotson** <ltillotson@visitportland.com>
 Date: Tue, Sep 20, 2022 at 9:46 AM
 Subject: FW: Letter of Support--Tourism Improvement District
 To: Mary Davis <mpd@portlandmaine.gov>

Mary,
 Would you like me to put this in a word document to make it easier to include in the information rather than the e-mail format it is currently in?

Lynn

-----Original Message-----

From: Dana Eidsness [mailto:eidsness@mitc.com]
 Sent: Monday, September 19, 2022 6:35 PM
 To: Lynn Tillotson
 Subject: Letter of Support--Tourism Improvement District

Dear Lynn,

I understand that you will be presenting to the City of Portland tomorrow regarding Visit Portland's proposal for a Tourism Improvement District. I am currently on business travel, otherwise I would attend the meeting.

We have worked together consistently over the past 6 years, since my program, the Maine North Atlantic Development Office (MENADO) hosted the Arctic Council Senior Arctic Officials Meeting in Portland in 2016. Through the work of MENADO, my program facilitates visits from international delegations, and attracts high-visibility international industry and diplomatic events. Two weeks ago, I hosted Seagriculture USA-Europe's largest seaweed innovation conference for its first North American event. It was a sold-out event with 300 registrants, and we've estimated a nearly \$1M local economic impact from this 2-day international conference. This estimate doesn't include other ROI for the event such as business conducted with Maine companies attending the event, and business attracted. We have confirmed but have not yet quantified foreign investment coming out of this event from Australia. This is a company that will move its AI-empowered company to Portland in January of 2023. We also have a strong manufacturing prospect from Pennsylvania looking to move their food production business to Portland coming out of the Seagriculture event.

You and I have talked about the importance of having access to technology that will enable us to comprehensively assess the economic impacts of events

and visiting delegations quickly and accurately and we both know how prohibitively expensive the apps are. And yet, having the ability to tell a data-driven story about the impacts of an event are important for attracting more funding for programs and economic development support for local businesses-and for attracting more events serving the very industries that we are trying to bring to the greater Portland region. My program provides a global audience and elevates Maine's work in education, aquaculture, life sciences, manufacturing, blue economy, and forest bioeconomy development among other sectors. For inbound groups and events, I rely on you and your team to support me and my international partners in our Greater Portland-based projects. I want to see Visit Portland consistently well-funded to provide the services we need, and to also grow your service resources for other members and partners. You have convinced me that restructuring as a Tourism Improvement District could get you there.

Visit Portland is a key partner supporting my program's work in the Greater Portland area. My role in the state supports trade, investment, and business development-and tourism clearly supports business development. With strong, consistent funding for your work, we can really make a difference!

I hope that my note adequately conveys my support for your proposal. I am grateful for your leadership.

Sincerely yours,
Dana

[cid:image001.jpg@01D8CC4F.44E39D80]
Dana Eidsness, Director
MENADO at Maine International Trade Center
Pronouns: She, Her, Hers
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TO: Councilor Ali, Chair
Members of the Housing and Economic Development Committee

FROM: Mary P. Davis, Interim Director
Housing and Economic Development Department

DATE: September 16, 2022

SUBJECT: Update on 2022 Affordable Housing Development Program

Overview – Available Funding and Requests for Funding

At the May 3rd Housing and Economic Development Committee meeting, staff reviewed the Affordable Housing Development and Tax Increment Financing (TIF) funding requests (See 4/29/2022 memo attached). A total of \$2,670,990 was made available through the application. An additional \$1,000,000 was available through an allocation from the first tranche of City ARPA funding (see 2022 Affordable Housing Development Funding Requests Balance Sheet attached).

Five applications were received with a total funding request of \$3,398,000. In addition, one request was received for a Credit Enhancement Agreement through the Affordable Housing Tax Increment Financing Program and one request for additional funding from a previously funded project.

Total Available Funding \$3,670,990

New Funding Requests \$3,398,000

45 Douglass Street (Dougherty Court) (Co-Op)	\$769,500
Lambert Woods (Co-Op)	\$1,228,500
95 Front Street (Phase 3) (PHA-Homeownership)	\$400,000
2 Riverton Drive (PHA)	\$600,000
21 Randall Street (Community Land Trust)	\$400,000

Additional Funding Request (\$255,800)

83 Middle Street – currently under construction	\$255,800 (approved by Council on 9/1)
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ARPA Funding Requests (2nd Tranche) \$11,900,000 (See back-up from 8.24.2022 Finance Committee attached)

Avesta Winchester Woods	\$5,000,000
Greater Portland Community Land Trust	\$250,000
GPCOG Center for Regional Prosperity	\$5,000,000
331 Cumberland Ave (PHA)	\$900,000
Harbor Terrace (PHA)	\$750,000

Affordable Housing TIF

45 Dougherty (scheduled for 1st read at the 10/3 City Council Meeting)

Affordable Housing Development and TIF Funding Allocation Process

Jill C. Duson Housing Trust Fund (JCD HTF): Housing Trust Fund revenue is generated from fees triggered by the Housing Preservation and Replacement Ordinance, a portion of the revenue from the Short-Term Rental Registration Program, fee-in-lieu contributions from the Inclusionary Zoning Ordinance (including hotel inclusionary zoning fees), and other funding resources allocated by the City Council. As of September 6, 2022, the current unencumbered balance in the JCD HTF is \$2,708,194.29. When the 2022 Jill C. Duson Housing Trust Fund Annual Plan was adopted, the encumbered balance in the fund was \$2,672,194. The City Council voted to approve the annual plan (Order 179-21/22) and appropriated the use of \$2,172,194 in the Affordable Housing Development Application. The appropriation included a provision to maintain a \$500,000 balance in order to have resources to act quickly if there is an emergency need.

HOME Program: The Housing Program budget approved by the City Council on April 25, 2022, included \$498,796 in HOME funding for the Affordable Housing Development Program.

Initial Challenges with the Use of ARPA Funding for Housing Development: Treasury's Final Rule for the use of State and Local Fiscal Recovery Funds for affordable housing initially created some complications which impacted the City's ability to use ARPA funding with projects financed through Low Income Housing Tax Credit Program (LIHTC). The plan approved by the City Council, allocated \$1 million from the first tranche of ARPA funding to maximize the City's ability to leverage Housing Trust Fund resources. There were six projects with JCD HTF commitments, five of which were LIHTC projects. The City joined state and local governmental agencies in lobbying for changes to the Final Rule, which were announced on July 27, 2022. The Final Rule changes will allow the City to use ARPA funding in projects that are also receiving LIHTC and clarified income eligibility requirements.

The Council may consider additional funding for the JCD HTF when allocating funding from the second tranche of ARPA monies.

Underwriting: Before a funding request is brought forward to the Housing and Economic Development Committee for a recommendation to the City Council, staff undertakes an underwriting process to evaluate the financial need for each project. This underwriting process is a requirement of the HOME Program and the Housing and Community Development Division implemented the process as a best practice for our programs over six years ago. In addition, the City's Tax Increment Financing Policy requires that all applicants for Credit Enhancement Agreements must demonstrate that the City's participation is financially necessary in order for the project to proceed and that the applicant has the financial capacity to support the project.

The City has a contract with a consultant who performs the underwriting on all funding requests. The consultant, Anne Boynton of Urban Ventures, has three decades of underwriting and development consulting experience and has been working with the Housing and Community Development Division since 2016. Depending on the thoroughness and completeness of a developer's application, the

underwriting process can take, on average, about 18-20 hours per project. Staff time to review, evaluate and work with the underwriter is not included in that average.

Next Steps:

On Thursday, September 22nd, the City Council will hold a workshop at 5:00 pm and the Finance Committee will hold a meeting at 6:00 pm to discuss ARPA requests. The above information will be presented at those meetings. Staff is seeking direction from the City Council on how to prioritize investment of city resources. \$15,553,800 would be needed to fully fund all of the requests noted above. As noted above, the City Council may consider additional funding for the JCD HTF when allocating funding from the second tranche of ARPA monies.

Attachments:

Staff Memo dated April 29, 2022, Affordable Housing and TIF Development Funding Requests
2022 Affordable Housing Development Funding Requests Balance Sheet
Housing Projects submitted in Second Tranche ARPA Pre-Application
Avesta Winchester Woods Proposal



CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Ali, Chair
Members of the Housing and Economic Development Committee
FROM: Victoria Volent, Housing Program Manager
Housing and Community Development Division
DATE: April 29, 2022
SUBJECT: Affordable Housing and TIF Development Funding Requests

Introduction

On March 5, 2022, the *Affordable Housing Development and Tax Increment Financing Application* was released with a due date of April 4. In response to the request, five funding requests were received. This memo introduces those requests. A second memo which will include the financial analysis, will be provided to the Committee during their May 17 meeting.

Affordable Housing Development and Tax Increment Financing (AHTIF) requests were received for review for the benefit of:

- 45 Dougherty Street
- 43 Douglass Street (Dougherty Court)
- Lambert Woods South
- 95 Front Street (Front Street Phase 3)
- Riverton Park

45 Dougherty Street

The Szanton Company is requesting an Affordable Housing TIF (75% for 30 years) to construct a five story elevator-assisted building with 63 rental units for low income households on the city-owned property known as 43 & 91 Douglass Street (i.e. the location of the former West School). The developer has signed a Purchase and Sale Agreement with the City of Portland to acquire the site along with Maine Cooperative Development Partners.

The building would be comprised of 35 one-bedroom, 18 two-bedroom, and 10 three-bedroom apartments. Of the 63 units, 46 would be reserved for households earning at or below 60% AMI (i.e. \$59,940 for a family of four) while the remaining 17 units would be leased at market rate. The property would feature an on-site property manager, resident services coordinator, fitness room, and community room. After completion, the project would be managed by Saco Falls Management. The building would meet or exceed Portland's Green Building Ordinance. The project would be named 45 Dougherty.

According to the developer's application:

This project will address the needs of households facing surging rents and a critical shortage of affordable housing in Portland. With the increased demand placed on residential real estate brought on by the work-from-home trend during the COVID-19 Pandemic, prices have soared. Those who have relocated to Maine from more expensive regions of the country have also placed an increasing demand on housing in our area, pushing up prices and increasing demand for workforce housing.

43 Douglass Street (Dougherty Court)

Maine Cooperative Development Partners is requesting an Affordable Housing TIF (75% for 30 years), and \$769,500 from the Housing Trust Fund to construct; a three-story row house containing 12 units; three townhouses, the first of which would contain 6 units, the second and third buildings would contain 4 units each for a total of 8 units; three courtyard flats made up of 2 three-story buildings containing a total of 20 units; and a third three-story building containing 11 units on the city-owned property know as 43 & 91 Douglass Street (i.e. the location of the former West School). The developer has signed a Purchase and Sale Agreement with the City of Portland to acquire the site along with the Szanton Company.

The 57 unit site would be comprised of 1 efficiency unit, 18 one-bedroom, 15 two-bedroom, and 23 three-bedroom cooperative units. Of the 57 units, 16 would be reserved for households earning at or below 80% AMI (i.e. \$89,350 for a family of four), and 41 units at 100% AMI (i.e. \$111,700 for a family of four). The Green New Deal requires all developments of ten or more units to provide at least 25% of the dwelling units for sale or rent at 80% AMI. Twenty-five percent of 57 units equals 15 units (as already noted, the applicant would provide 16 units at 80% AMI). All units would have in-home washer and dryers, and either a balcony or private patio. Two courtyard flat buildings would have social lobbies with tea station and function rooms that can be programmed by the cooperative to be a toddler playroom, a gym, a meeting space or dinner party room, or a music or movie room. The housing would be governed by the Cooperative's Board made up of residents, and professionally managed through a contract with Portland Housing Authority. Areas of the property shared with the Szanton Company would be managed collaboratively. Buildings would be constructed to achieve LEED Sliver certification as well as the Better Roof Requirements. Each structure would have a super-insulated building envelope, which would use triple-glazed windows and doors and utilize a fossil fuel-free, efficient mechanical system in order to exceed required energy standards. The project would be named 45 Dougherty.

According to the developer's application:

Dougherty Court is a workforce housing development that has been thoughtfully designed to incorporate walkability, transit, energy- efficient buildings, indoor and outdoor community spaces, safe space for children to play, access to nature, and has incentives for people to stay and invest in the neighborhood long term. We are utilizing the Limited Equity Cooperative form of ownership to ensure permanent affordability, inclusivity, neighborhood stability, and community capacity building. The 80% AMI homes will be priced to accommodate Housing Choice voucher holders, increasing the width of economic

diversity. The Dougherty Court Site is served by the #9, #4, and #5 metro buses, some of the most frequent bus lines in Portland. The #9 serves all the high school students in the city and all major hospitals, and many employers.

The proposed development supports all the goals of the One Portland vision by creating a more equitable, universally designed mix of homes than just single family homes. The diversity of housing combines with the preservation of more natural space to ensure that a broad range of households have equitable access to the city's natural spaces.

Lambert Woods South

Maine Cooperative Development Partners is requesting an Affordable Housing TIF (75% for 30 years), and \$1,228,500 from the Housing Trust Fund to construct; two three-story row houses containing a total of 20 units; two two-story townhouses each containing four units for a total of 8 units; and six three-story condominium flats with 10 to 11 units per building for a total of 63 units. Altogether a total of 91 units are proposed on the city-owned property know as 165 Lambert Street. The developer has signed a Purchase and Sale Agreement with the City of Portland to acquire the site.

The 91 unit site would be comprised of 3 efficiency unit, 34 one-bedroom, 30 two-bedroom, and 24 three-bedroom apartments. Of the 91 units, 23 would be reserved for households earning at or below 80% AMI (i.e. \$89,350 for a family of four), and 68 units at 100% AMI (i.e. \$111,700 for a family of four). The Green New Deal requires all developments of ten or more units to provide at least 25% of the dwelling units for sale or rent at 80% AMI. Twenty-five percent of 91 units equals 23 units (as already noted, the applicant would provide 23 units at 80% AMI). All units would have in-home washer and dryers, and either a balcony or private patio. Three condominium flat buildings would have social lobbies with tea station and function rooms that can be programmed by the cooperative to be a toddler playroom, a gym, a meeting space or dinner party room, or a music or movie room. There are community gardens, central greens, shared outdoor grilling and eating areas, and storage for bikes, kayaks, and strollers. The housing will be governed by the Cooperative's Board made up of residents, and professionally managed through a contract with Portland Housing Authority. Buildings would be constructed to achieve LEED Sliver certification as well as the Better Roof Requirements. Each structure would be have a super-insulated building envelope, which would use triple-glazed windows and doors and utilize a fossil fuel-free, efficient mechanical system in order to exceed required energy standards.

According to the developer's application:

The Lambert Woods South will bridge between the current uses of single family homes, large townhome PRUD developments, light industrial, office, and commercial use, highway, and forest. We will be improving the walkability throughout the neighborhood by providing sidewalks along Washington Avenue Extension, and trail connections throughout the wooded areas. Our project will include easements for Portland Trails to connect to the surrounding trails network. The Lambert Woods South Site is served by the #9 metro bus, one of the most frequent bus lines in Portland, and that serves all the high school students in the city and all major hospitals, and many employers.

Lambert Woods South is a workforce housing development that has been thoughtfully designed to incorporate walkability, transit, energy- efficient buildings, indoor and outdoor community spaces, safe space for children to play, access to nature, and has incentives for people to stay and invest in the neighborhood long term. We are utilizing the Limited Equity Cooperative form of ownership to ensure permanent affordability, inclusivity, neighborhood stability, and community capacity building. The 80% AMI homes will be priced to accommodate Housing Choice voucher holders, increasing the width of economic diversity. The proposed development supports all the goals of the One Portland vision by creating a more equitable, universally designed mix of homes than just single family homes. The diversity of housing combines with the preservation of more natural space to ensure that a broad range of households have equitable access to the city's natural spaces.

95 Front Street Phase 3

Portland Housing Development Corporation is requesting an Affordable Housing TIF (75% for 30 years), and \$400,000 from the Housing Trust Fund to construct 8 condominium units within two buildings.

The 8 unit site would be comprised of 4 two-bedroom, 2 three-bedroom, and 2 four apartments. Of the 8 condominium units, 6 would be reserved for households earning at or below 120% AMI (i.e. \$134,050 for a family of four), and 2 would be at market rate. 95 Front Street is not required to meet the standards of the Green New Deal as the project was approved prior to the Ordinance changes. Additionally, per the Planning Board's Inclusionary Zoning conditions of approval for Front Street, the master plan indicates Phase III is the location of the Inclusionary Zoning units *if* the developer fails to meet and maintain the affordability restrictions outlined in the subdivision application for Phases I and II. As long as Phase I and Phase II maintains their affordability restrictions at the time Phase III is completed, Phase III is not required to be the location of inclusionary zoning units.

According to the developer's application:

Portland currently has a large need for homes across all spectrums. This development targets middle income families currently getting priced out or unable to purchase a home due to limited supply and overwhelming competition. A recent Portland Condo Report released by Vitalius Real Estate Group stated that last year the median number of days on the market for condominiums was 10 days, and the average price for existing condos was \$408 per square foot and average for new construction was \$546 per square foot. Off-peninsula the average sales price was \$378,900, which is 16% higher than the proposed sales price for 6 of the 8 condos in the Front Street Phase 3 development. There are several condominium developments just completed or under construction. None are townhouse style. The lowest price per square foot range of all the new construction condominiums range from \$325 – \$458 and the upper range extends from \$526 - \$1,346. The proposed sales prices of Front Street Phase 3 are set to be affordable and will provide good short-term and long-term economic diversity to a neighborhood in such an amenity rich location.

Riverton Park Redevelopment & Renovation

Portland Housing Development Corporation is requesting an Affordable Housing TIF (50% for 30 years), and \$600,000 to construct one four-story building containing 59 units and the rehabilitation of 123 units. This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing.

The 182 unit site would be comprised of 8 efficiency unit, 13 one-bedroom, 38 two-bedroom, 71 three-bedroom, 26 four-bedroom, 20 five-bedroom and 6 six-bedroom apartments. Of the 182 units, 141 would be reserved for households earning at or below 50% AMI (i.e. \$55,850 for a family of four), 24 units at or below 60% AMI (i.e. \$59,940 for a family of four), and 17 market rate units. Following rehabilitation, the existing townhome units will be in like-new condition: all units will enjoy new finishes and fixtures; mechanical systems will be upgraded; high-performing water- and energy-efficient equipment will be installed; the siding will be replaced with integrated insulation; and landscaping will improve property aesthetics and marketability. The design, construction and rehabilitation of the Riverton Park project will be in accordance with the City's Green Building Ordinance.

According to the developer's application:

High occupancy rates and long waitlists indicate significant pent-up demand for rental housing in Portland. Portland Housing's whole portfolio of over 900 rental units has a current occupancy rate of over 98%, and is often 99%. Our waitlist for rental apartments is $\pm 1,500$ households. This is especially true for Very Low Income (VLI) and Extremely Low Income (ELI) households.

PHA also manages the local Section 8 program of $\pm 2,100$ vouchers. There are currently thousands of households on our voucher waitlist. After applying, it typically takes 8 years on average before a household will be assigned a voucher. Moreover, many voucher-holders experience significant difficulty locating an available dwelling unit because of Portland's tight, competitive and expensive rental market. Riverton Park would have 141 Project Based Vouchers guaranteeing that these households continue to pay no more than 30% of their income towards housing costs. Riverton Park is next to a bus route (METRO route 2), thereby promoting smart growth and transit-oriented development.

Attachments:

45 Dougherty: Project Summary
43 Douglass Street (Dougherty Court): Project Summary
Lambert Woods South
95 Front Street Phase 3
Riverton Park Redevelopment & Renovation

2022 AFFORDABLE HOUSING DEVELOPMENT FUNDING REQUESTS BALANCE SHEET

Available Funding	
HOME Funds Available (5-13-22)	\$ 498,796
Housing Trust Funds Available (\$2,672,194 - \$500,000 = \$2,172,194)	\$ 2,172,194
1st Tranche ARPA Funds	\$ 1,000,000
TOTAL AVAILABLE FUNDING	\$ 3,670,990
NEW Funding Requests	
43 Douglass Street (Dougherty Court) (Co-Op)	\$ 769,500
Lambert Woods (Co-Op)	\$ 1,228,500
95 Front Street (Phase 3) (PHA -Homeownership)	\$ 400,000
2 Riverton Drive (PHA)	\$ 600,000
21 Randall Street (Comm Land Trust)	\$ 400,000
	\$ 3,398,000
Funding Gap Requests	
83 Middle Street - HEDC approved; Council Approved 9/1	\$ 255,800
	\$ 255,800
ARPA Funding Requests (2nd Tranche)	
Avesta Winchester Woods	\$ 5,000,000
Greater Portland Community Land Trust	\$ 250,000
GPCOG Center for Regional Prosperity	\$ 5,000,000
331 Cumberland Ave (PHA)	\$ 900,000
Harbor Terrace (PHA)	\$ 750,000
	\$ 11,900,000
TOTAL FUNDING REQUESTS	\$ 15,553,800
TOTAL AVAILABLE FUNDING - TOTAL FUNDING REQUESTS	\$ (11,882,810)

EXPENDITURE CATEGORY 2: NEGATIVE ECONOMIC IMPACTS

(26 pre-applications, \$20.2M of requests - slide 1 of 3)

ARPA 2nd Tranche Pre-Applications Received

Organization	Project Title	Amount Requested	ARPA Expenditure Category
Maine Language Connect	Increasing Economic Opportunity and EID for Immigrant Communities by Expanding Transportation Access	\$152,369	2.10 - Assistance to Unemployed or Underemployed Workers
Boundless Good Project	Family Advocacy Maine	\$100,000	2.13 Services to families involved in the child welfare system
Palaver Strings Inc	Palaver Music Center and Palaver Strings	\$50,000	2.14 - Healthy Childhood Environments: Early Learning
Avesta Housing Development Corporation	Winchester Woods	\$5,000,000	2.15 - Long Term Housing Security - Affordable Housing
Greater Portland Community Land Trust	21 Randall Street Affordable Housing Project	\$250,000	2.15 - Long Term Housing Security - Affordable Housing
Center for Regional Prosperity (non-profit arm GPCOG)	Transitional Housing Campus: 200 Housing Units + Community Space	\$5,000,000	2.15 - Long-Term Housing Security: Affordable Housing
Portland Housing Development Corporation	331 Cumberland Avenue	\$900,000	2.15 - Long-Term Housing Security: Affordable Housing
Portland Housing Development Corporation	Harbor Terrace	\$750,000	2.15 - Long-Term Housing Security: Affordable Housing

Note: Expenditure categories are based on initial pre-applications received and have not yet been reviewed / corrected by City staff

Proposal Summary

Avesta Housing has entered into a purchase and sale agreement to purchase a 48-unit rental housing development called Winchester Woods. The property is currently under construction and is located on Sherwood and Dalton Streets in Portland, Maine. It was being developed by a private developer with the intent to rent the homes at market rates (\$1,800-\$2,400/month). Avesta's intent is to purchase the development when construction is completed in late 2022 and make the 48 homes available exclusively to asylum seeker households who are currently living in area hotels and shelters.

The development includes four 12-unit buildings, each comprised of six one-bedroom and six two-bedroom apartments. The buildings will be ready for occupancy starting in October 2022, with the final building scheduled to be completed two to three months later.

Avesta has secured a preliminary commitment from the State of Maine to pay for two years of rental assistance for all 48 apartments, so that the asylum seeker households who move in would not need to rely on municipal General Assistance. These households are ineligible for traditional section 8 voucher assistance and are also unable to have personal income until they secure work permits. However, we expect that the two years of rental assistance would provide them with sufficient time to file their asylum claims and gain work authorization, after which they would be able to join Maine's workforce and pay the rent on their own.

Because this development is already under construction, traditional affordable housing finance options such as tax credits or Federal HOME block grant funds are not feasible. Instead, Avesta is seeking to finance the development with public purpose loans from MaineHousing and from subsidy providers including the City of Portland, Cumberland County, and MaineHousing.

This development is unique and exciting because it will be available very *quickly* and will lessen the *huge* financial burden to both Portland and the State of paying expensive nightly hotel rates for 48 asylum seeking households. Additionally, hotels and shelters are not intended to be long-term housing. Each apartment at Winchester Woods will include a kitchen, bath and laundry facilities. The property is located adjacent to Presumpscot School with nearby ball fields. It is walkable to most every needed service.

In short, Winchester Woods represents a fast, humane, and cost-saving housing solution for the asylum seeker households who are currently living in hotels and shelters.

Background

During the past year, a large influx of asylum-seeking families and individuals have been arriving in Portland. Currently, hundreds of asylum seeker households (comprised of more than 1,000 individuals) are staying in temporary places in the Portland area. Because of the pandemic, traditional shelters have had to reduce capacity, and other non-immigrant homeless individuals and families have exceeded the capacity of the area's shelter system. Most of the recent influx of asylum seekers are staying in hotels in greater Portland with the majority in two South Portland hotels.

The nightly cost of hotel stays is expensive, especially during the summer tourist months. The cost of the hotel stays is generally averaging \$240 per night per household. This huge financial expense is being paid for with a combination of temporary FEMA funds, temporary federally-funded emergency rental assistance programs, and General Assistance. General Assistance is normally paid 70% by the state and 30% by the local municipality. During the pandemic, federal funds have paid for most of the hotel costs, but that funding stream is likely to expire in the coming months. This creates significant potential liability for municipalities and the state. The cost for 48 households to stay in hotels for the next two years is estimated to be in excess of **\$8,000,000**.

Avesta Housing is a Portland based nonprofit organization celebrating its 50th year of providing safe, decent, affordable housing. Avesta currently has a portfolio of 110 developments which provide homes to over 3,200 households. The developments are located in 44 municipalities and about one third are in Portland. Avesta focuses its efforts on serving very needy populations including homeless individuals, seniors, persons with disabilities and recent immigrants and asylum seekers (New Mainers). About two-thirds of the residents in Avesta's Portland area family developments are New Mainers. In 2021, 6,231 households applied to Avesta for housing and only 483 were



able to be housed. Clearly the demand for affordable housing is huge and Avesta is busy constructing more affordable housing with five developments currently under construction in Maine and New Hampshire and eight additional developments in the planning phase. However, the affordable housing crisis has dramatically increased during the pandemic and it will be decades before affordable housing production begins to catch up to demand.

In 2019, a major spike in arrivals of asylum seekers led to several hundred people living temporarily at the Portland Expo. Avesta played a key role in securing former Navy housing in Brunswick for many of those families. When faced with an even bigger spike of arrivals in 2022, Avesta has actively pursued housing options in Sanford, Scarborough, Brunswick, Saco and South Portland, among other locations. In both 2019 and 2022 it was imperative that housing options be found quickly, as both the Expo in 2019 and hotels in 2022 were providing shelter only temporarily. In 2022, Avesta has ultimately arrived at two opportunities: Winchester Woods in Portland and West End 2 in South Portland.

West End 2 is a new 52-unit family development scheduled to open in September 2022 which will house many of the asylum seeker families living in South Portland hotels and who have children in the South Portland school system. The State has tentatively agreed to pay the rent for two years for these New Mainer households, which will save about \$9,000,000 in payments to hotels. Rent at these housing developments will be over 80% less expensive than the cost of staying at hotels.

With its long history of housing New Mainer households, Avesta has developed expertise in effectively serving this population and has developed strong working relationships with other key nonprofits such as ProsperityME, Furniture Friends, and Greater Portland Family Promise.

Program and Services

For all rental housing residents, success is closely tied to the amount and appropriateness of the services provided. Avesta has a long history of successfully aligning services with housing for many different populations. The tremendous success of Avesta's three Housing First developments, each of which serves chronically homeless individuals, is the direct result of high-quality, on-site services provided 24 hours per day by Preble Street. The services needed by asylum seeking households are different but also extensive. With over 700 New Mainer families among its resident population, Avesta has already established strong relationships with many supportive service providers. Most importantly, Avesta and leaders among Maine's New Mainer population all agree that the key to ensuring successful outcomes is the provision of stable housing complemented by appropriate services.

At Winchester Woods, Prosperity Maine, Greater Portland Family Promise, Project HOME and the City's Refugee and Immigrant Services Coordinator will take the lead in selecting the residents from among the hotel and shelter population, arranging their move-in, and providing services thereafter. Day care, access to English language learning classes, transportation, legal assistance, furniture, healthcare and job training are among the services that Avesta and our partner organizations have learned to arrange for the New Mainer population. All of this will occur at Winchester Woods.

Winchester Woods Time Frame

Avesta entered into a purchase and sale agreement on June 14, 2022. The agreement provides 90 days (September 12, 2022) for Avesta to secure financing. This includes commitments from Maine Housing, City of Portland, Cumberland County, and others. The actual financial closing is scheduled for December or February depending on construction completion. It is estimated that residents would all move in between October and January as the buildings are completed.

The state funded rental assistance would pay each household's rent for up to two years. In the fall of 2024, all residents would need to start paying their own rent and this will be emphasized upon move-in. Avesta will agree to continue affordability restrictions for 45 years and to serve individuals at or below 80% of median income.



Proposed Budget

Not only will this development provide for substantial savings over hotel rooms by cutting monthly rental expenses, these new apartments will substantially improve living conditions and stability for these families. Separate bedrooms, kitchens, living areas, and laundry facilities will greatly improve the lives and dignity for these New Mainer Households. The budget for the construction of these 48 new apartments is summarized below. The total development cost is inclusive of all land acquisition, construction, and soft costs.

Total Development Cost: \$15,600,000

Funding Sources (*proposed*):

MaineHousing Subsidy: \$1,500,000

MaineHousing Loan: \$6,600,000

Cumberland County: \$2,500,000

City of Portland: \$5,000,000

Total Funding Sources: \$15,600,000

Project Scope & Renderings







DRAFT
Housing & Economic Development Committee
2022 Work Plan Schedule
as of September 16, 2022

September 20, 2022

1. (Possible Public Hearing/Vote) Update, Review, Committee Consideration and Possible Vote to Recommend to the City Council re: Tourism Improvement District Proposal
2. Review and Committee Direction to Staff re: Funding Requests Received through the Affordable Housing Development Applications (Jill C. Duson Housing Trust Fund and HOME Program Funds) and ARPA Housing Requests

October 4, 2022

1. Executive Session Hadlock Field Lease (tentative)
2. Executive Session USL Soccer Lease terms (tentative)

October 18, 2022

1. USL Soccer Presentation (tentative)
2. (Public Hearing/Vote) Review and Recommend Approval to the City Council of a Purchase and Sale Agreement for remaining Thames Street City-owned property (tentative)

November 1, 2022

1. Executive Session USL Soccer Lease terms (tentative)

November 15, 2022

1. USL Soccer Presentation (tentative)
2. Review of 2022 Committee Accomplishments Annual Report – Issue to the City Council as a communication
3. City Annual TIF District Activity Report – Issue to the City Council as a communication

December – No Committee meeting

COMPLETED WORK

January 4, 2022

1. Discussion of Committee priorities for 2022, including housing policy/investment strategies.

January 18, 2022

1. Finalizing Committee priorities for 2022, including housing policy/investment strategies.
2. (Public Hearing) Review, Vote to Recommend Approval to the City Council of the HUD Citizen Participation Plan
3. Executive Session: Discussion of Possible Disposition of City-owned property on Great Diamond Island.

February 1, 2022

1. (Public Hearing) Review and Vote to Recommend to the City Council – FY23 Housing Program Budget
2. (Public Hearing) Review and Vote to Recommend to the City Council – 2022 Jill C. Duson Housing Trust Fund Annual Plan
3. (Public Hearing) Review and Vote to Approve to Issue - Affordable Housing TIF CEA and Affordable Housing Development Fund Application for City Housing Trust and HOME Funds

February 15, 2022

1. Presentation of Part I of the 2021 Housing Report
2. Update from the Portland Harbor Common Working Group
3. Harbor Dredge Project Status and Funding - Applications due 4/14/2022 for RAISE
4. Executive Session re: Fort Mckinley Property Sale Opportunity

March 1, 2022

1. Presentation of Age-Friendly Portland and the Portland Age-Friendly Business Program
2. Update and Discussion on use of TIF funds to invest in workforce training (including a possible collaboration between Portland Adult Ed and PATHS).
3. Communication Item re: Minimum Wage Ordinance; are amendments permitted after 2020 referendum

March 22, 2022

1. (Public Hearing) Review and Vote to Recommend Approval to the City Council of the Draft 5-Year HUD Consolidated Plan and FY23 HUD Annual Allocation Plan
2. Presentation and Committee Direction to Staff re: Food Truck Plan for the Eastern Prom
3. Update, Review, Committee Direction to Staff re: Tourism Improvement District
4. (Public Hearing) Review and approval of a Purchase and Sale Agreement for City-owned property at 622 Auburn Street and 0 Gray Road, Falmouth and amendments to the 165 Lambert Street Purchase and Sale Agreement

April 5, 2022

1. Review and Approval to Issue RFP for the Sale and Redevelopment of City-Owned Property - Diamond Cove Former Fort McKinley Hospital Property
2. Communication Item: Community Development Week – April 11-15/Fair Housing Month
3. Communication Item re: Additional Guidance from Corporation Counsel regarding the City's Minimum Wage Ordinance
4. Communication Item: Housing Safety Office and Rent Board - Overview of Roles and Responsibilities

April 19, 2022

1. Presentation and Committee Discussion regarding preliminary findings of the Analysis of Impediments to Fair Housing.
2. Overview of the Outdoor Dining Permitting and Licensing Program

May 3, 2022

1. Portland Downtown Annual Budget, Work Plan and City Agreement
2. Presentation by Waterstone Properties re: Future Development Plans for Rock Row
3. Review of Affordable Housing TIF CEA and Housing Development Fund Requests

May 17, 2022

1. Executive Session regarding negotiations of Seadogs Lease and Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property
2. Outdoor Dining Follow-Up
3. Review of Public Restroom Plan for Downtown Portland

4. (Public Hearing) Review and Vote to recommend to the City Council a Purchase and Sale Agreement for Land Bank Commission's purchase of Redlon Woods property.

June 7, 2022

1. Presentation, Annual Overview and Report from Permitting and Inspections Department re: Short-term and Long-term Rental Housing Safety & Inspection Program
2. Communication Item: Update on Final HUD Allocations for FY 2023

June 21, 2022

1. Panel Discussion re: Minimum Wage
2. Presentation of Part II of the 2021 Housing Report, including an interim review of the Green New Deal impacts on housing production.

July 5, 2022 (canceled)

July 19, 2022

1. (Public Hearing) Review and Vote to Approve Affordable Housing TIF CEA Application for the 45 Dougherty Project at 43 & 91 Douglass Street
2. (Public Hearing) Review and Vote to Approve Additional Funding Request for the Phoenix Flats Project at 83 Middle Street.

August 2, 2022 (canceled)

August 16, 2022 (canceled)

September 6, 2022 (canceled)

2022 Housing and Economic Development Committee Work Plan August 16, 2022

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
ECONOMIC DEVELOPMENT POLICY				
a. City/School-wide approach to procurement focusing on locally owned businesses (Phoenix AZ as example) (carried over from the 2021 work plan)			AZ	
b. Explore and expand relationship with Portland Buy Local				
Explore Neighborhood Identity/Branding (carried over from the 2021 work plan)			TC	
Review Tax Increment Financing (TIF) investment in workforce training for FY2023 funding.		X		✓
Explore TIF investment options to increase annual TIF support to Creative Portland (CP) (raise the funding floor from \$155k to \$200k) and to support performing art centers and the arts eco-system, which makes Portland unique as a destination for visitors and local residents.		X	TC	✓
Explore designation of a Tourism Improvement District		X	TC	
Research and present options for public-private partnerships to support parking garage and possible new affordable housing - City-owned Bayside Lot 6, (corner of Somerset & Chestnut St) acquired by the City Council through eminent domain		X		
Update on Harbor Dredge Status and Funding		X		✓
Review Outdoor Dining Permitting & Licensing Program			PA/AZ	✓
Explore the possibility of creating a workforce training program between Portland Adult Ed and Portland Technology High School .			PA	✓
Increase to minimum wage (discuss if permitted under 2020 citizen referendum?)			AZ	

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
AFFORDABLE HOUSING POLICY AND BUDGETS				
Policy Discussion re: (1) Impacts of 2020 Referendum (Green New Deal) on housing development, (2) Guidelines and Priorities for the allocation of city resources for housing development		X	TC	(2)✓
Encourage developers seeking assistance through the City's Affordable Housing Development and/or TIF Programs to participate in the Section 8 Family Self Sufficiency Program.			TC	✓
Encourage housing development that supports the Comprehensive Plan goal for development along major thoroughfares off peninsula.		X	TC	✓
Review of FY 2023 Housing Program Budget (February)	X			✓
Review of 2022 Jill C. Duson Housing Trust Fund Annual Plan and the 2022 Affordable Housing Development Application (February)	X			✓
Host a Housing Summit (similar to one held in 2016)			PA	
Review of Short Term Rental Registration Program			PA	✓

AFFORDABLE HOUSING PUBLIC-PRIVATE PARTNERSHIPS				
Review and Vote to Approve Funding Requests Received from (1) the Affordable Housing Development Applications for City Housing Trust and HOME funds and (2) Affordable Housing TIF CEA Requests. (May)	X			
Review City surplus property to sell/lease to support affordable housing		X	PA	

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
REAL ESTATE TRANSACTIONS				
622 Auburn Street and 0 Gray Road P&S Agreement		X		✓
Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property		X		
Kennebec Street Realignment (from Brattle to Forest)		X		

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
ANNUAL REPORTS AND ACTIONS				
Presentation of 2021 Housing Report (February) Part I and Part II	X			Part I ✓
5-Year HUD Consolidated Plan and FY223 Annual Allocation Plan (Jan-April) (1) Analysis of Impediments to Fair Housing & (2) Amendments to the HUD Citizens Participation Plan		X		Con Plan ✓ (2) ✓
Presentation, Annual Overview and Integrated Report from Permitting & Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report (April)	X		Process established under prior Housing Committee	✓
Fair Housing Month (April) Community Development Week Activities (April 11-15, 2022)	X	X		✓
Portland Downtown Annual Budget, Work Plan and City Agreement (May)	X			✓
City TIF District Annual Activity Report (November)	X			
Committee Annual Accomplishment Report (November)	X			