Housing & Economic Development Committee Meeting
Tuesday, October 10, 2023 at 5:30 PM
VIA ZOOM - Link Below

MEMBERS
Councilor Pious Ali, Chair
Councilor Roberto Rodríguez
Councilor Mark Dion
Councilor Regina Phillips

To submit written public comment on an agenda item, email edd@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.

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1. **Review and accept Minutes of previous meeting held on September 19, 2023.**

a. See attached draft meeting Minutes for review and approval.

2. **Executive Session - Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to provide staff direction on negotiations regarding:**

a. United Soccer League - Financial Due Diligence

3. **(Public Comment) Review and recommendation to the City Council regarding the Portland United LLC (USL Soccer) Stadium Use Agreement for Use and Occupancy of Fitzpatrick Stadium.**

a. See attached Memorandum and proposed Use Agreement.

4. **(Public Comment) Review of FYE2023 TIF Annual Report and vote to forward it to the City Council as a communication item.**

a. See attached Memorandum and Annual Report.

5. **Communication - No vote or public hearing required.**

a. See attached 2023 Committee Work Plan and Schedule

Next Meeting Date: October 24, 2023

Minutes

Remote Housing and Economic Development Committee

September 19, 2023

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

https://www.portlandmaine.gov/602/Agendas-Minutes

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, September 19, 2023, at 5:30 p.m. via Zoom. Present from the Committee were Chair Councilor Pious Ali, and members Councilors Regina Phillips and Roberto Rodriguez. Committee member Councilor Mark Dion was not able to participate. Present from the City staff were Interim Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Principal Adm. Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and vote on August 15, 2023 draft meeting Minutes

A motion was made by Councilor Rodriguez, seconded by Councilor Phillips to accept the Minutes as published. Chair Councilor Ali asked if there was any public comment, and there was none. He then asked for a vote on the motion and it passed 3-0.

Item #2: (Public Comment) Review and vote to recommend to the City Council proposed Affordable Housing TIF/CEA and Affordable Housing Development Subsidy – Portland Housing Development Corporation (PHDC) – Riverton Park Project

Ms. Volent introduced the item noting that PHDC is requesting from the City a $1.5 Million loan and an Affordable Housing TIF (AHTIF) District for 30 years at 50% capture rate. This would help in funding to assist the rehabilitation of 21 residential buildings with approximately 123 townhouse apartments, and the construction of a four-story building with 59 rental units in the Park. Also, the project would demolish an existing administrative building to allow for construction of a larger neighborhood Center. She then noted staff's recommendations for the terms of the loan and a recommendation of an AHTIF for 20 years (versus 30 years) at 50% capture.

Councilor Phillips asked about a relocation plan for the current residents during rehabilitation, noting the proposed demolition of 4 existing buildings with 24 units closest to Forest Avenue.

Tyler Plante of PHDC described relocation plans, with full-time staff to accommodate them, noting that is a 2 ½ year project. Residents will be moved in vacant units on site and then moved back to the same or comparable unit. Some will be moved off site at no increase in costs at same rent as at Riverton Park, as well as not being responsible for any relocation costs with PHDC reimbursing those costs to them. The staff will work them to move back as well.

Councilor Rodriguez said that he will support the project when it goes to the City Council. His timing and next steps questions have been answered here and in the backup.

Chair Councilor Ali asked about possible cases where the relocated resident out of Riverton Park does not want to come back but stay where they are, and Mr. Plante indicated that they are given vouchers so that no more than 30% of their income goes for rent and utilities so could stay where they were relocated.

Lastly, Chair Councilor Ali asked when they move back do they get a right to choose the apartment, and Mr. Plante noted that it depends on their needs, accessibility and bedroom needs. They will work with the resident, but the resident may not always get to choose.

Chair Councilor Ali opened the meeting for public comment, and there was none.

Councilor Phillips asked if there would be any zone changes, and Mr. Plante indicated that there would not.

There was a discussion regarding labor union and wages, and Ms. Davis indicated that there are no required labor unions. With the use of AHTIF and the City TIF Policy, TIF projects in the building stage of a project are required to have construction workers paid the state prevailing wage rates or Portland City Ordinance minimum wage rate, whichever is greater. Also, PHDC has to meet Davis Bacon wages in the construction phase.

A motion was then made by Councilor Phillips, seconded by Councilor Rodriguez to forward this item to the City Council for approval. A vote was then taken on the motion and it passed 3-0.

Item #3: Maine Cooperative Development Partners Update

Liz Trice of Maine Cooperative Development Partners (MCDP) presented a slide show to update the Committee on the housing proposals (Dougherty Commons, Lambert Woods North, and Lambert Woods South). MCDP and their business partners Preservation of Affordable Housing (POAH) and Nathan Szanton are requesting to be funded through the Jill C. Duson Housing Trust Fund, and Affordable Housing Tax Increment Financing. Dougherty Commons includes two phases of construction- 45 Dougherty (63 LIHTC units being developed by the Szanton Company), and Dougherty Commons Condos (20 for sale condos with affordability restrictions for households earning up to 100%,), and Dougherty Commons

Apartments (42 affordable rental units). Liz also touched on new housing ideas from around the globe (Vienna, Montgomery County, Maryland, and Minneapolis, Minnesota). MCDP is focused on creating walkable and transit-oriented housing, with community-oriented spaces, based on environmental stewardship for households earning at or below 100% AMI. The Limited Equity Housing Cooperatives will be democratically controlled, allowing residents to pay stable costs in a model that creates affordability in perpetuity. A schedule of past and future steps required before occupancy (2025) was presented.

Matt Peters, also from MCDP, discussed unit types, bedroom size, pricing, AMI levels and funding request for the various projects.

Liz Trice thanked the City for supporting the development of limited equity cooperative housing and affordable housing.

Councilor Rodriguez asked Mary Davis if the Committee should be aware of other funding requests associated with the Housing Trust fund.

Ms.Davis noted that based on the proposed funding requests from the Portland Housing Authority (for Riverton Park) and the projects discussed by MCDP, all the money in the Housing Trust Fund (and HOME fund) will be used after this funding cycle.

Communications:

Ms. Davis noted the next meetings of the HEDC are scheduled for October 10 and October 24. The projects by MCDP will be presented at those two meetings.

On a motion made by Councilor Rodriguez, seconded by Councilor Phillips, the Committee voted 3-0 to adjourn the meeting at approximately 6:22 p.m.

Respectfully, Lori Paulette and Victoria Volent

MEMORANDUM

To: Councilor Pious Ali, Chair
Members of the Housing and Economic Development Committee

From: Mary Davis, Interim Director, Housing and Economic Development Department

Date: October 6, 2023

RE: Review and Recommendation to the City Council regarding the Portland Units LLC (USL Soccer) Stadium Use Agreement for the Use and Occupancy of Fitzpatrick Stadium

Overview

Since 2021, staff from several City Departments, including Parks, Recreation and Facilities, Corporation Counsel, Executive, and Housing and Economic Development. have been in discussion with Portland United, LLC, a group interested in bringing a United Soccer League (USL) franchise to Portland, Maine. The Portland United group presented their vision to the Housing and Economic Development Committee in the summer of 2021. Since that time, staff have met with the HEDC several times in executive session to discuss business terms related to a Stadium Use Agreement for the Use and Occupancy of Fitzpatrick Stadium.

At the August 15, 2023 HEDC meeting, staff met with the Committee in executive session and the Committee provided final guidance on the business terms. The Stadium Use Agreement that is before the HEDC for action, reflects the guidance from the Committee.

Stadium Use Agreement – Business Terms Highlights

Term: 5 years beginning February 1, 2024 with option for two additional 5-year terms.

Scheduling and Use: 25 game dates. City will open scheduling access on or before September 1st; club will have 10 business days to select 25 club reserved dates.

Annual Use Fee: No use fee payments in years 1- 10 due to the investment for stadium renovations. If the club exercises the second extension, beginning in the 11th year the club will pay the current use and rental fees and other fees and charges the City would charge to other occupants.

Concessions, Parking and Signage: Club will be responsible for concessions during club events and will retain all net concession revenue. City will operate the parking facilities and retain all net parking revenue. City will receive all net parking revenue of any club operated parking facility. City will receive 15% of net signage revenue.

Improvements: Club will expend not less than $1,000,000 in improvements to the stadium. Improvements will include new locker rooms, storage ticketing entrance, lighting, press box, and a new audio and broadcasting system. Club will contribute $200,000 towards the cost of constructing a new synthetic turf field.

Staff Recommendation

City staff from the Parks, Recreation and Facilities Department, Corporation Counsel's Office, Executive Department and Housing and Economic Development Department are available to answer any questions that members of the HEDC may have.

Staff is requesting that the Housing and Economic Development Committee vote to recommend to the City Council approval of the Stadium Use Agreement for the Use and Occupancy of Fitzpatrick Stadium in substantially the form attached.

Attachment

Stadium Use Agreement for the Use and Occupancy of Fitzpatrick Stadium

STADIUM USE AGREEMENT
FOR USE AND OCCUPANCY
OF
JAMES J. FITZPATRICK STADIUM

between

[PORTLAND UNITED, LLC][1], a Maine limited liability company

and

THE CITY OF PORTLAND, a municipal corporation

DATED: as of ____________, 2023

[1] NTD: a separate to-be-formed Maine LLC (which will be wholly-owned and controlled by Portland United, LLC) which will likely own/operate the team and hold the USL franchise rights ("TeamCo") might become the party to this Agreement through assignment/contribution of assets from Portland United, LLC.

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STADIUM USE AGREEMENT
FOR USE AND OCCUPANCY OF
JAMES J. FITZPATRICK STADIUM

This Stadium Use Agreement for Use and Occupancy of James J. Fitzpatrick Stadium (this "Agreement") is made and entered into as of [DATE] (the "Effective Date") in Portland, Maine, by and between [Portland United, LLC], a Maine limited liability company (the "Club") and The City of Portland, Maine, a body politic and corporate (the "City").

RECITALS

A. The City owns that certain multipurpose sports stadium on Deering Avenue in Portland, Maine known as James J. Fitzpatrick Stadium (the "Stadium"). The Stadium is used for the exhibition of sport contests and other events including, but not limited to, high school and college soccer, lacrosse and football games.

B. The Club owns the rights to a professional soccer franchise in that certain professional soccer league known as "USL League One" within the professional soccer organization known as the United Soccer League (the "USL") (together, with all other leagues and affiliate entities within the USL, collectively, the "League"), and the Club anticipates it will begin hosting League soccer games during the 2025 USL League One season.

C. The City and the Club now propose that the Club construct improvements and additions to the Stadium (collectively, the "Improvements") in accordance with the Approved Plans (as hereinafter defined) and which are generally described or listed on Exhibit A attached hereto and by this reference made a part hereof.

D. The City and the Club propose that the Club use and occupy the Stadium to host League games and other events throughout the Term (as hereinafter defined).

NOW, THEREFORE, in consideration of the construction of the Improvements, the use of the Stadium, the covenants and conditions set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Club and the City have agreed to enter into this Agreement and set forth herein their mutual agreements and understandings as follows:

1. Definitions. The terms as defined in this Section 1, shall have the following meanings in this Agreement unless the context otherwise requires:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

"Approved Architect" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Construction Schedule" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Facilities Construction Schedule" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Facilities Plans" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Plans" shall have the meaning assigned thereto in Section 3 hereof.

"Architect's Certificate" shall mean a certificate of the Approved Architect, stating that the Improvements have been completed and are ready for use and occupancy by the Club.

"Broadcast" shall mean any and all methods and formats of distributing audio and/or visual content of any Club Event (whether television, radio, digital, or otherwise) in a final usable broadcasted form to be viewed, listened to, otherwise consumed by an end-user, including, without limitation, television, radio, livestream and all other digital distribution of content, telecasts in theaters or other similar venues where multiple people in one location watch, listen, or otherwise consumer content simultaneously (in each case, whether or not any such broadcast requires the end-user to pay an admission charge, subscription fee, or so-called "pay-per-view" fee).

"Broadcast Receipts" shall mean the gross amount received by the Club from or arising out of the broadcast of any Club Event, whether paid directly to the Club or through a revenue sharing arrangement with the League.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal or State legal holiday or any day on which banking institutions in the State of Maine are authorized or required by law or other governmental action to close.

"CBA" shall mean any Collective Bargaining Agreement between the League (or any Affiliate of the League) and the United Soccer League Players Association (or any Affiliate or designee or successor association thereto).

"Club" shall have the meaning assigned thereto in the preamble hereof.

“Club Event” shall mean Home Games (as defined below) and all other Club-hosted events at the Stadium and/or on the Stadium Premises throughout the Term. All Club Events shall begin between 12:00 p.m. and 8:00 p.m. unless otherwise agreed to in writing by the City.

“Club Operated Parking Facility” shall have the meaning set forth in Section 2(b)(i).

"Club Products" shall mean the Club or any other League club or League programs, year books or similar written and/or photographic material, scarves, soccer balls, posters, pins, clothing, pennants, caps, collectibles, and any and all other Club, or other League club or League, apparel or other merchandise inclusive of Club, other League club, and/or League logos or other marks.

"Club Storage Area" means [two (2)] [__] x [__] x [__]] storage containers (i) selected by the Club, in its reasonable discretion, (ii) paid for by the Club, and (iii) placed in a reasonable area designated by the City within the Stadium Premises, which area shall be subject to relocation by the City upon reasonable prior notice to the Club; *provided* that any such new location shall be reasonable and within the Stadium Premises. For clarity, the Club Storage Area is for the Club's exclusive use; provided, however, if the Club determines in its sole discretion, there is additional space available, the City will be permitted to utilize such additional space for reasonable storage purposes.

"City" shall have the meaning assigned thereto in the preamble hereof.

"Concessions" shall mean the business of selling, renting and/or furnishing goods and/or services, including, without limitation, food, beverages (including alcoholic and non-alcoholic beverages), souvenirs, novelties, apparel and any other merchandise during Club Events. For the avoidance of doubt, the term Concessions does not include parking.

"Construction Completion Date" shall mean the date on which the Improvements are complete and ready for use and on which a certificate of occupancy has been issued by the City of Portland Permitting & Inspections Department (or appropriate authority as applicable).

"CPI" shall mean the United States Department of Labor - Bureau of Labor Statistics Consumer Price Index for Portland, Maine (All Urban Consumers, All Items) (1982-1984=100). If the CPI formula should be revised, such revised CPI shall be modified, if necessary, by making such adjustments as may be required to produce substantially equivalent financial results to those that would have resulted if the formula had not been revised. If the CPI should be so revised that such adjustment cannot reasonably be made, or if the CM shall be discontinued, there shall be substituted for the CPI a reasonably reliable and comparable index or other information furnished by a government or independent third party source evaluating changes in the cost of living or purchasing power of the consumer dollar in Portland, Maine hereof.

"Damage" shall have the meaning assigned thereto in Section 20 hereof.

"Damage Estimate" shall have the meaning assigned thereto in Section 20 hereof.

"Excluded Games" shall have the meaning assigned thereto in Section 9 hereof.

"Exclusive Premises" shall mean the Club Storage Area and home locker room in each case described in greater detail on Exhibit B attached hereto and by this reference made a part hereof.

"Fixed Signage" shall mean any physical signage (including, without limitation, the sale of advertising space) that is (1) placed and operated within the Stadium Premises by the Club, and (2) remains continuously visible throughout the Term.

"Force Majeure Event" shall mean any of the following events which prevents a party from performing its obligations hereunder: any act of God, strike, lockout, League dissolution, termination or expiration of Club's expansion and/or franchise agreement with the League, or other industrial disturbance; pandemic, epidemic or any other outbreak; act of public enemy, blockade, war, insurrection, or riot; landslide, earthquake, tornado, fire, storm, flood, or washout; title dispute, or other litigation; governmental restraint, either federal or state, civil or military; civil disturbance; or explosion.

"Home Game" shall mean any League Game, Pre-Season Game, or Post-Season Game played by the Club at the Stadium.

"Improvement Completion Date" shall have the meaning assigned thereto in Section 3 hereof.

"Improvements" shall have the meaning assigned thereto in the recitals hereof.

"League" shall have the meaning ascribed to it in the recitals hereof.

"League Game" shall mean any professional soccer game scheduled by the League between the Club and another league member the outcome of which shall be included in determining the participants in the applicable League playoffs.

"Material Change" shall mean (i) any change (which shall include any single change or two or more changes which cumulatively comprise a material change) in (1) the general character, design, color or general aesthetic appearance of the exterior of the Improvements; (2) the size or capacity of the Improvements or the quality of the materials used therein; or (3) the orientation of or access and entrance to the Stadium; and (ii) any other material change, if the cost of such change, as reasonably estimated by the Club, is in excess of Two Hundred Thousand Dollars ($200,000).

"Net Club Revenue" shall mean, with respect to each Club Event, the sum of the following, whether paid to the Club (or an Affiliate thereof), or to any Person authorized to receive the same on behalf of the Club (or an Affiliate thereof):

(i) the total of all dollar amounts paid for any ticket or other source of admission to Club Events, including any license fee charged in excess of the ticket charges (if applicable);

(ii) all Net Concession Revenues;

(iii) all Net Signage Revenues; *provided*, *however*, that the City shall be entitled to fifteen percent (15%) of all Net Signage Revenues received by Club from Fixed Signage at the Stadium during the Term (the "City Signage Revenue");

(iv) all revenues resulting from the sale of Club Products;

(v) all revenue derived from the sale of audio and/or visual broadcast rights to Home Games or any other Club Event (regardless of the form or medium of broadcast or distribution);

(vi) all revenue derived from commercial sponsorships or any other media activities, subject to (iii) above with respect to Fixed Signage; and

(vii) all other revenues received by the Club (or Affiliate), directly or indirectly, including as a result of a League initiative or requirements.

(viii) Net Club Revenue does not include parking revenue.

"Net Concession Revenue" shall mean all revenue derived from Concessions and catering sales within the Stadium Premises during Club Events less all reasonable fees and expenses paid to or retained by the applicable concessionaire or other vendor in accordance with any concession (or other) agreement with the City or the Club in connection with the operation of Concessions stands/booths or other similar services during Club Events.

"Net Parking Revenue" shall mean all revenue derived from the operation of On-Site Parking Facilities [and Off-Site Parking Facilities] during Club Events less all documented reasonable fees and expenses paid or otherwise incurred by the City, or, in the case of Club Operated Parking Facilities, the Club, in connection with the operation of the Parking Facilities during Club Events.

"Net Signage Revenue" shall mean all consideration received by the Club in connection with the operation of the scoreboard and all Fixed Signage and Temporary Signage at the Stadium during the Term less the Club's documented expenses incurred in the operation and marketing of such scoreboard and signage.

"New Playing Surface" shall have the meaning set forth in Section 3(a)(vi) hereof.

"Notice" shall have the miming assigned thereto in Section 30 hereof.

"Off-Site Parking Facilities" shall mean those areas in the general vicinity of the Stadium that are owned or controlled by third parties and are currently available for the parking of motor vehicles, including the areas identified as Maine Med 1, Maine Med 2, and King Middle School on Exhibit [___].

"On-Site Parking Facilities" shall mean those areas owned by the City adjacent to or near the Stadium that are currently available for the parking of motor vehicles by persons attending events at the Stadium, including the areas identified as Hadlock, Gated Lot, Trough/Expo, and Fitzpatrick on Exhibit [___].

"Parking Facilities" shall mean, collectively, the On-Site Parking Facilities and the Off-Site Parking Facilities.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Post-Season Game" shall mean any game played by the Club at the Stadium following the completion of the scheduled Regular Season as part of the USL League One Playoffs organized by the League, culminating with the USL League One championship game.

"Pre-Season" shall mean the period from the first regularly scheduled Pre-Season Game to the last regularly scheduled Pre-Season Game of the Club in the Stadium.

"Pre-Season Game" shall mean any soccer game played by the Club in the Stadium during the Pre-Season.

"Project Costs" shall mean the following costs to the extent that such costs are incurred or accrued by or for the account of the Club for the construction and development of the Improvements in accordance with the terms of this Agreement, not reimbursed or reimbursable by others, and properly allocable to the Improvements: all architectural and engineering costs, all permit costs, all direct costs for labor, materials and subcontract performance that are incorporated into the Improvements, demolition costs, construction costs, the cost of equipment and other capital improvements installed in the Stadium Premises, site preparation costs, and all other costs which would customarily be considered to be "hard costs" or "architectural or engineering costs" of the Improvements and otherwise satisfy the criteria set forth in this sentence.

"Regular Season" shall mean the period from the first League Game to the last regularly scheduled League Game of the Club in the Stadium as established by the annual schedule of the League, including Post-Season Games.

"Revised Plans" shall have the meaning assigned thereto in Section 3 hereof.

"Stadium" shall have the meaning assigned thereto in the recitals hereof.

"Stadium Premises" shall mean that part of the Stadium within the Stadium's perimeter wall necessary for the proper exhibition of professional soccer according to League rules, standards, and guidelines, including the playing field, seating, locker rooms, medical room, press box, Club Storage Area and ticket sales facilities as set forth on the drawing attached hereto as Exhibit C.

“Temporary Signage” shall mean any signage (including, without limitation, the sale of advertising time or space) that is (1) placed and operated by the Club, whether within the Stadium Premises or otherwise and (2) unless otherwise agreed to by the Parties, is only visible during Club Events.

“USL” shall have the meaning ascribed to it in the recitals hereof.

2. Premises.

(a) Right to Use and Occupancy. The City hereby grants to the Club the right to use and occupy the Stadium and Stadium Premises, but only for the purpose, at the time during each calendar year, for the consideration, and upon the terms and conditions expressed in this Agreement. The City warrants and represents that it has the right and power to grant the rights granted herein. The Club acknowledges and agrees that it has inspected the Stadium and Stadium

Premises and it agrees to accept them and all equipment furnished therewith as is and where is, and Club acknowledges that City has not made any warranties or representations of any kind with respect thereto, except as expressly provided in this Agreement.

(b) Parking.

(i) Spectator Parking. For each Club Event, and for so long as the Parking Facilities are available for the City's use in connection with this Agreement, the City shall have the sole right to operate or cause to be operated the Parking Facilities for parking of spectator motor vehicles for each Club Event. Commencing approximately two (2) hours prior to the scheduled start of each Club Event, the City shall provide staff to operate or cause to be operated the Parking Facilities as set forth in this Section. If the City reasonably determines, however, that the City is not able to sufficiently operate one or more of the Parking Facilities for a Club Event, the City shall provide reasonably advanced notice to the Club, and the Club will have the right to operate, or engage a third party to operate, such Parking Facility or Facilities (or any portion thereof) for such Club Events (in each case, a "Club Operated Parking Facility").

(ii) Club Parking. For each Club Event, and for so long as the Parking Facilities are available for the City's use in connection with this Agreement, the Club shall have the right at no additional cost to the Club, to use and occupy thirty (30) On-Site Parking Facilities parking spaces for Club players, coaches, staff, and any other Club or League personnel at no cost to the Club. Upon 48 hours prior written notice to the City, the Club may reserve up to twenty (20) additional parking spaces for such personnel for which the Club shall pay the City 80% of the City's standard rate for the spaces. For any additional non-reserved parking spaces used by the Club, the Club will pay to the City the standard rate for the spaces.

(iii) Parking Revenues. Subject to Section 2(b)(iv), for each Club Event, the City shall collect and retain all Net Parking Revenue.

(iv) Parking Revenues for Club Operated Parking Facility. For each Club Event for which the City has determined that it is not able to operate one or more Parking Facilities and the Club (or a third party acting on behalf of the Club) operates a Club Operated Parking Facility, the Club shall collect all Net Parking Revenue from any such Club Operated Parking Facility, and the Club shall promptly remit to the City payment in an amount equal to one hundred percent (100%) of all such Net Parking Revenue. Along with said payment, Club shall provide the City with copies of supporting documentation of all revenues and expenses related to Club Operated Parking Facilities in form and substance reasonably satisfactory to the City.

(v) The Club acknowledges and agrees that the parties that own or control the Off-Site Parking Facilities may no longer allow the City to use such facilities at some point in the future. The City also reserves the right to add to or reduce the number of parking spaces in the On-Site Parking Facilities at any time. The City makes no representations or warranties about the number of available parking spaces in any Parking Facility during the Term of this Agreement.

(c) Exclusive Premises. Notwithstanding anything to the contrary herein, the City hereby grants to the Club the exclusive right to use and occupy the Exclusive Premises throughout each year during the term of this Agreement.

3. Construction of Improvements. [2]

(a) Improvements.

(i) Approval of Program and Estimate. The Club shall deliver to the City a copy of its proposed construction program and estimate for the Improvements on or before [DATE]. [If the City does not approve of the Club's proposed construction program and estimate for the Improvements, the City shall deliver to the Club written notice of its disapproval within twenty (20) Business Days after its receipt thereof; *provided*, *however*, subject to any applicable laws, the City's approval shall not be unreasonably withheld. If the City does not provide such notice of its disapproval within the time period set forth above, the City will be deemed to approve the Club's proposed construction program and estimate for the Improvements. If the City disapproves such proposed program and estimate, then the City's disapproval notice shall set forth the City's reasons for such disapproval in reasonable detail. Upon receipt of any such disapproval notice, the Club and the City shall work together in good faith to revise the proposed program and estimate to address the City's reasons for disapproval within fourteen (14) Business Days after the Club's receipt of the disapproval notice; *provided*, that any such revisions must be in compliance with the rules, guidelines, and standards set forth and required by the League and applicable laws, ordinances, regulations, and rules. Each resubmission of the program and estimate shall be subject to the same approval process applicable to the original proposed program and estimate under this Section 3(a)(i). For the purposes of this Agreement, any program and estimate for the Improvements approved by the City in accordance with this Section 3(a)(i) shall be referred to as the "Approved Program and Estimate." The Club shall deliver to the City a description prepared by the Club's chosen architect of any changes, additions, or modifications to the Approved Program and Estimate. Any Material Change to the Approved Program and Estimate is subject to the City's prior written approval, which shall either be granted or denied within ten (10) Business Days after the City's receipt of the modified program and estimate incorporating any such Material Change.

(ii) Approval of Construction Schedule. On or before [DATE], the Club shall deliver to the City a reasonably detailed schedule for the construction of the Improvements. If the City does not approve of the Club's schedule for the construction of the Improvements, the City shall deliver to the Club written notice of its disapproval within twenty (20) Business Days after its receipt thereof; *provided*, *however*, the City's approval shall not be unreasonably withheld. If the City does not provide such notice of its disapproval within the time period set forth above, the City will be deemed to approve the Club's schedule for the construction of the Improvements. For clarity, the proposed construction schedule shall provide that construction of the Improvements shall (1) commence on or before [DATE], (2) be completed prior to the commencement of the Club's first Pre-Season Game in 2025, and (3) be performed in a manner so as not to prevent or interfere with the playing of any games or unreasonably interfere with the use, occupancy or

[2] NTD: The Parties to confirm timing and process for approval of plan/schedule for Improvements.

enjoyment of the Stadium by other Stadium tenants or their patrons. If the City disapproves such proposed schedule, then the City's disapproval notice shall set forth the City's reasons for such disapproval in reasonable detail. Upon receipt of any such disapproval notice, the Club and the City shall work together in good faith to revise the proposed construction schedule to address the City's reasons for disapproval within fourteen (14) Business Days after the Club's receipt of the disapproval notice; *provided*, that any such revisions must be in compliance with the rules, guidelines, and standards set forth and required by the League and applicable laws, ordinances, regulations, and rules. Each resubmission of such schedule shall be subject to the same approval process applicable to the original proposed schedule under this Section 3(a)(ii). For the purposes of this Agreement, any construction schedule for the Improvements approved by the Club in accordance with this Section 3(a)(ii) shall be referred to as the "Approved Construction Schedule."

(iii) Approval of Plans. The Club shall submit for City approval a copy of its proposed construction drawings, plans, and specifications for the Improvements as they are from time to time prepared in accordance with the Approved Construction Schedule and Approved Program and Estimate. If the City does not approve of such proposed construction drawings, plans and specifications, the City shall deliver to the Club written notice of its disapproval within twenty (20) Business Days after its receipt thereof. If the City does not provide such notice of its disapproval within the time period set forth above, the City will be deemed to approve the Club's proposed plans and specifications for the Improvements. If the City disapproves such proposed plans and specifications, then the City's disapproval notice shall set forth the City's reasons for such disapproval in reasonable detail. Upon receipt of any such disapproval notice, the Club and the City shall work together in good faith to revise the proposed construction schedule to address the City's reasons for disapproval within fourteen (14) Business Days after the Club's receipt of the disapproval notice; *provided*, that any such revisions must be in compliance with the rules, guidelines, and standards set forth and required by the League and applicable laws, ordinances, regulations, and rules. Each resubmission of plans and specifications shall be subject to the same approval process applicable to the original proposed plans and specifications under this Section 3(a)(iii). For the purposes of this Agreement. any plans and specifications for the Improvements approved by the Club in accordance with this Section 3(a)(iii) shall be referred to as the "Approved Plans."

(iv) Prosecution of Construction. The Club shall (A) use commercially reasonable efforts to minimize any interference that the construction of the Improvements may have on the other Stadium tenants and their respective patrons' use of the Stadium, and (B) use its commercially reasonable efforts to ensure that the construction is being completed substantially in accordance with the Approved Construction Schedule. In no event will the Club allow its construction or any other activities to prevent any other Stadium tenant or licensee or their patrons from occupying and using the Stadium and the Stadium Premises for an event at the Stadium.

(v) Cost of Construction. The Club shall expend not less than, and shall not be required to spend more than, One Million US Dollars ($1,000,000) in Project Costs for the construction of the Improvements. In the event that the projected Project Costs based upon the construction bids for the construction of the Improvements and in accordance with the Approved Program and Estimate and Approved Plans exceed [One Million US Dollars ($1,000,000)] in Project Costs, then the Club may either , in its reasonable discretion, (1) prepare revisions to the Approved Plans (the "Revised Plans") and submit them to the City for review and approval in accordance with the procedures set forth in section 3(a)(i)-(iii), or (2) terminate this Agreement. Once the construction of the Improvements has commenced, the Club shall pay for all costs and expenses that arise in connection with such construction (including, without limitation, any cost overruns).

(vi) The Club acknowledges that (i) the City is considering constructing a new synthetic turf field playing surface to be installed at a location approved by the City (the "New Playing Field"), and will not be included as part of the Improvements, but rather will be designed, developed, and constructed by the City, (ii) the Club agrees that the Club will be responsible for a portion of the total cost thereof in the amount of Two Hundred Thousand US Dollars ($200,000). The Club will provide the City with such payment no later than December 31, 2026. Such payment is in addition to and is not included in the Project Costs set forth above. The City will be responsible for the remaining portion of the cost of the New Playing Field. All decisions related to the location, design, construction, and construction schedule for the New Playing Field will be made in the City's sole discretion. If the City does not construct the New Playing Field prior to the termination of this Agreement, the City will return the $200,000 payment to the Club within thirty days after termination.

(b) Contractors; Subcontractors. Upon reasonable request from the City, the Club shall provide the City with a list of design/build team contractors and subcontractors that the Club, in its reasonable discretion, has selected to work on the Improvements. The Club shall use commercially reasonable efforts to ensure that all contractors and subcontractors comply with all material legal requirements in connection with the performance of all construction work.

(c) Performance of Construction Work. The Club shall, at its own cost and expense construct or cause to be constructed at the Stadium, the Improvements in accordance with the Approved Plans and the Approved Construction Schedule. Any and all construction work shall be done diligently, in conformity with all applicable legal and environmental requirements, including, without limitation, the Americans with Disabilities Act (42 U.S.C. §12101, et. seq.) and the Building and Fire Codes of the City of Portland, Maine, in a good and workmanlike manner, under the supervision of the Approved Architect, and in accordance with all applicable industry and professional standards. Once the Club commences the construction of the Improvements, the Club will diligently prosecute such construction to completion in accordance with the Approved Construction Schedule and the Approved Facilities Construction Schedule, respectively, subject to delays resulting from Force Majeure Events outside of the control of the Club. The Club shall obtain, at its sole expense, all building permits and other approvals necessary for the construction of the Improvements and shall commence construction thereof on or about a date mutually agreed upon by the Parties. The Club shall use its commercially reasonable efforts to complete construction of the Improvements on or before a date mutually agreed upon by the Parties.

(d) City Inspections. The City and its representatives may, from time to time, at the City's own cost and expense, during reasonable business hours, in a manner which will not unreasonably interfere with construction work in progress, inspect the Improvements and the construction thereof and shall be furnished, upon request, with copies of all plans, shop drawings, and specifications relating to the Improvements to determine whether or not the construction of the Improvements is being or has been done in accordance with the provisions of this Agreement, the Approved Plans and the Approved Facilities Plans. Prior to making such inspections, the City shall notify the Club's designated contact person which, as of the date of this Agreement, is Gabe Hoffman-Johnson. If the City inspectors determine in their commercially reasonable discretion that any such work is being done contrary to the obligations set forth in Section 3 of this Agreement, including the Approved Plans and the Approved Facilities Plans, the City will provide the Club prompt notice thereof (a "Noncompliance Notice"). Upon the Club's receipt of such Noncompliance Notice, the Club will have a reasonable amount of time to cure any such noncompliance, or otherwise dispute the alleged noncompliance set forth in the Noncompliance Notice in accordance with the dispute resolution process set forth in Section 36 of this Agreement. The Club acknowledges and agrees that any such inspection by the City is for purposes of determining compliance with the provisions of this Agreement, the Approved Plans and the Approved Facilities Plans and that such inspections shall not be deemed to impose any duty or liability upon the City to supervise any aspect of or approve the quality of the Improvements or any construction work.

(e) Permits. The Club shall, at its own expense, obtain all permits, licenses and other governmental approvals and authorizations which are required for the construction, operation or occupancy of the Improvements. Before allowing occupancy or use of the Improvements, the Club, at its own cost and expense, shall obtain and deliver to the City certificates of occupancy for the Improvements.

4. Term; Option to Extend Term.

The term of this Agreement shall begin on February 1, 2024 and, unless earlier terminated in accordance with the terms hereof, shall expire on the last day of the Post-Season during the 2029 calendar year (the "Initial Term"). The Club shall have two (2) consecutive options (each a "Club Extension Option") to extend the term of this Agreement beyond the Initial Term, in each case for a Five (5) year renewal term (each renewal term, together with the Initial Term, collectively, the "Term"); *provided*, *however*, in order to exercise a Club Extension Option, the Club must provide the City with no less than sixty (60) days' prior written notice thereof, and the Club must not be in material default under the provisions of this Agreement at the end of the then-current Term.

5. Use and Occupancy.

(a) Soccer Games and Other Club Events. Subject to the provisions of subsection 5(b) below, the Club shall have the exclusive right to play professional soccer games (and conduct pregame, half-time and post-game activities) at the Stadium Premises on each Club Scheduled Date on which a Home Game is to be played during the period commencing with the Pre-Season and including the Regular Season and, if Post-Season games are to be played as Home Games, the Club shall have the right to do so during the Post-Season, during each year of the Term covered by this Agreement. The Club shall exercise this exclusive right only on the dates (day or night) regularly scheduled for professional soccer games in accordance with the official League schedule pertaining to professional soccer games to be played and hosted within the Stadium Premises by the Club. For all Club Events, the Club will have access to the Stadium and Stadium Premises in accordance with the terms hereof at least six (6) hours prior the scheduled start of time of the event. The City will work with the Club in good faith to provide the Club additional access to the Stadium (beyond the dates set forth above) for Club practices and other training. Notwithstanding anything to the contrary in this Agreement, the Club acknowledges and agrees that it may not be able to schedule a Post Season game at the Stadium if another Stadium user is already scheduled to use the Stadium on a given day during the Post Season. Under no circumstances will the City be obligated to cancel another Stadium user's scheduled event at the Stadium in order to accommodate the League's Post Season schedule.

(b) Exercise of Club's Selection of Dates. On or before the 1st day of September of each calendar year during the Term, the City shall provide the Club with a list in writing of no less than forty (40) dates (including at least 30 weekend dates and 10 weekday dates) within the reasonably anticipated timeframe of the Regular Season in the following calendar year for the Club to choose from for scheduling of Club Events (the "Offered Dates"). Within 10 business days after the Club's receipt of the Offered Dates, the Club will notify the City in writing of its selection of twenty-five (25) of the Offered Dates, including anticipated Post Season Game dates, and the City will reserve those dates for the Club's use (the "Club Reserved Dates"). Such final selection of Club Reserved Dates shall be binding and not subject to change, except as set forth below or as otherwise agreed to in writing by the Parties. After Club Reserved Dates have been selected, and after the City reasonably determines that other potential Stadium users have had a reasonable opportunity to schedule dates for use of the Stadium, the Club may request additional dates for Club Events by following the City's ordinary scheduling process utilized by other Stadium users. Once the League has confirmed the final schedule for the then-upcoming Regular Season, the Club will provide the City with a copy thereof and, to the extent that the Club determines in its sole discretion that any Club Reserved Dates are not needed for Home Games or scheduled Club Events, those Club Reserved Dates will be "released" back to the City for use through its ordinary scheduling process. All Club Reserved Dates that are not released back to the City and other dates scheduled by the City for the Club after the Club selects the Club Reserved Dates are referred to herein as "Club Scheduled Dates." In the event that the Club does not advance to the League playoffs, the Club will release any Post Season Game Club Scheduled Dates to the City.

(c) Sale of Club Products. The Club shall have the exclusive right during the term of this Agreement, to sell, either directly or through others, Club Products. The City agrees to make available to the Club or its designated licensee(s) during Club Events (i) reasonable, nonexclusive space at the concession stand for the sale of Club Products and (ii) unimproved space in one or more locations reasonably determined by the City, after good faith discussion with the Club, within the Stadium Premises to locate one or more "pop-up" or temporary specialty stores for the sale of Club Products.

(d) Permits and Approvals; Signs. The Club acknowledges and agrees that it is solely responsible for securing all necessary or required permits and approvals for its operation of a professional soccer team and its proposed uses of the Stadium and the Stadium Premises. All signs shall conform to the City of Portland signage standards and Club shall, at its own expense, acquire all necessary permits and approvals to erect said signs. When signs are erected, Club agrees that such signs shall be maintained in good condition at the sole cost and expense of the Club. The City makes no representations or warranties as to the suitability of, or the ability to obtain any regulatory approvals for the Club's use of the Stadium and the Stadium Premises. The Club further acknowledges and agrees that this Agreement only grants permission to use the Stadium and the Stadium Premises in accordance with the terms and conditions set forth herein and that this Agreement is not a building permit or a license or permit to operate a business or any concession. The Club acknowledges and agrees that the City of Portland is acting as the owner of the Stadium and the Stadium Premises in connection with this Agreement, and not in its regulatory capacity. Accordingly, except as specifically set forth in this Agreement, nothing in this Agreement obligates any City official or employee to grant any permit, license, or other regulatory approval requested by the Club in connection with its use of the Stadium or the Stadium Premises.

(e) Restoration. The Club agrees that at all times during the Term and upon termination of this Agreement, the Club shall restore, repair, and replace all aspects of the Stadium and Stadium Premises that are disturbed or damaged as a result of the Club's presence or use of the Stadium or the Stadium Premises or the presence or use of its employees, players, contractors, subcontractors, invitees, or volunteers, reasonable wear and tear excepted. Any and all such repair, replacement, and restoration work shall be performed to the City's reasonable satisfaction and at the sole expense of Club. The Club acknowledges and agrees that its obligation to repair, replace, and restore all aspects of said property under this paragraph shall survive the termination of this Agreement.

(f) Club acknowledges and agrees that, so long as the City is not in material default under this Agreement, Club shall defend, indemnify, and hold the City harmless at all times from any claims, liability, losses, costs, expenses (including, without limitation, reasonable attorney's fees) fines, damages or judgments (collectively, "Claims"), just or unjust, arising out of or relating to any contracts between the Club and any third parties.

6. Media.

(a) Broadcasts and Exhibitions. Subject to applicable League rules, the Club shall have the right to receive all revenue derived from any broadcast, dissemination or exhibition described in this Section 6(a). Nothing herein is intended to limit the right of the Club to authorize broadcasts or dissemination by radio, television, internet or other digital means, or otherwise of professional soccer games, or any other events in which the Club participates, played or hosted away from the Stadium by the Club. The Club shall have the exclusive right, with respect to radio, television, internet or other digital means, as follows:

(i) to broadcast and disseminate, by radio, television, internet streaming or any other digital means, or any other method of transmission or communication, livestream and/or any audio and video reports or highlights of all and/or any part of all Club Events and any other events in which the Club participates at *any* location during the term of this Agreement; and

(ii) to authorize the exhibition of Home Games by means of any method of Broadcast, in the Club's absolute discretion.

(b) Commercial Sponsors. The Club shall have the exclusive right to authorize and receive all revenues derived from the sale of commercial sponsorships of (i) any Broadcast of any Club Event, or any other events in which the Club participates at *any* location during the term of this Agreement, and (ii) any Broadcasts of special Club programs originating from the Stadium prior to any of such Club Events or other events.

(c) Press Facilities. On each day that the Club has scheduled a Club Event and the right to use and occupy the Stadium Premises in accordance with Section 5 hereof, the City shall make the press box available for use by the Club (and journalists and media representatives), without additional cost to the Club.

7. Consideration.

(a) Net Club Revenue. Commencing with the 2025 Pre-Season and thereafter throughout the term of this Agreement, and subject to the City Signage Revenue, the Club shall receive all Net Club Revenue for each Home Game played by the Club at the Stadium Premises, and for all other Club Events that take place within the Stadium Premises.

(b) Payments to the City. For each Home Game played during the Term of this Agreement (as applicable depending on the Club's exercise of the Club Extension Option), the Club shall pay the following, as consideration to the City for and on account of the Club's use and occupancy of the Stadium and Stadium Premises hereunder:

(i) In consideration of the Improvements and the Club's contribution to the New Playing Field, for each of the first ten (10) calendar years during the Term of this Agreement, the Club shall pay no rental fees for the Stadium, but Club shall be responsible for the fees and costs associated with permitted events at the Stadium, including fees and costs for public safety personnel, at the then-current rates, in each case as listed on Exhibit [___] attached hereto. Notwithstanding the foregoing, until such time as the Improvements are completed, if the Club uses the Stadium as permitted hereunder to host Club Events, the Club shall pay the City all use and rental fees charged by the City to other Stadium users for the Club's use of the Stadium during such Club Events; and

(ii) In the event that the Club exercises the second Club Extension Option, then, commencing upon the beginning of the second extension and thereafter throughout the Term of this Agreement, the Club shall pay the City all then-current applicable use and rental fees and other fees and charges (as set forth on Exhibit D attached hereto) charged by the City to other Stadium occupants/licensees.

8. Use and Occupancy by the City.

The City reserves, and shall have the exclusive right to, the use and occupancy of the Stadium (other than the Exclusive Premises), and to the possession thereof, at all times during the Term of this Agreement, except during the Club Scheduled Dates and any other dates that such use and occupancy is granted to the Club, as provided hereunder.

City Covenants.

(a) Maintenance of Stadium Premises; Cleaning; Trash Removal. Except as otherwise provided herein, during the Term, the City shall maintain the playing field at the Stadium, the Stadium, and the Stadium Premises in substantially the same condition that they were in at the beginning of the Term. Such maintenance will be performed in the City's sole discretion. The City will not be responsible for maintaining or repairing the Improvements, the cost and performance of which shall be Club's responsibility.

During the Term, the City shall, at its expense, furnish all labor, material, supplies, and equipment necessary to maintain and clean the Stadium and keep it in an orderly condition, including the prompt removal and disposal of all rubbish, trash and garbage in the Stadium prior to the time the Club is permitted to use the Stadium for each Club Event.

Unless otherwise specified in this Agreement, the City has no other obligations to maintain, repair, or replace any aspect of the playing field, the Stadium, the Stadium Premises, the Parking Facilities, or any other property subject to this Agreement in any manner above and beyond the City's customary practice for maintenance of the same as it relates to the use of the Stadium by other users/licensees.

(b) Field Painting; Restoration. The Club will not paint or remove paint from the playing field at the Stadium without the City's prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed. If the City consents to the Club's painting or removal of paint from the field, the Club will do so at the Club's sole expense, and will repaint the playing field to the City's satisfaction, and at times specified by the City to ensure that appropriate lines, logos, or other markings are in place for other Stadium users. For clarity, the City acknowledges and agrees that, in order for the Club to host Home Games at the Stadium, the Club may be required to paint and remove paint from playing field at the Stadium in order to comply with applicable requirements for the exhibition of a professional soccer team participating in the League.

(c) Additional Covenants. Notwithstanding anything to the contrary herein, the City covenants and agrees that:

(i) it shall deliver the Stadium Premises to the Club prior to each Club Event in a condition comparable to the condition of the Stadium Premises delivered to other licensees/occupants;

(ii) at the Club's reasonable discretion, visiting soccer clubs shall be permitted to practice on the Stadium Premises' playing field on Club Scheduled Dates during the six (6) hour period prior to the scheduled start of time of the Club Event.

(d) Club acknowledges and agrees that the City has no obligation to incur any cost or expense, provide any services, or perform and maintenance repairs under this Agreement except those specified in this Agreement.

9. Crowd Control-Security Enforcement and Traffic Control

(a) Security. To the extent the Club, in its reasonable discretion, deems it necessary for any Club Events, the Club shall be responsible for non-police officer crowd control and security enforcement within the Stadium and Stadium Premises for each Club Event and shall provide appropriate personnel therefor. In the event that the City determines that police, fire, and/or paramedic services are necessary for any Club Event, then the Club shall pay for the wages of such personnel and all other reasonable costs and fees associated with providing such personnel.

(b) Traffic Mitigation. The Club and the City shall work together in good faith to implement a traffic mitigation program as reasonably necessary to control traffic in and out of the Stadium and the Parking Facilities.

10. Intentionally omitted.

11. Operating Costs. For all Club Events, the City will only pay for customary expenses to operate and maintain the Stadium Premises that the City, in its reasonable discretion, determines are identical or substantially similar to those expenses for which it is responsible in connection with other (non-Club Event) events within the Stadium Premises. For clarity, in connection with each Home Game, the Club shall pay for all expenses incurred in connection with all announcers, fan experience and all other game day operations staff, Concessionaires, personnel for home and visitor bench areas, banners and decorations, any other Club promotional activities or activations in connection with such Home Game and in order to ensure compliance with any additional League requirements, and any other reasonably necessary costs that the City is not required to pay for hereunder.

12. Signage

(a) Signage; Scoreboard Arrangement. Subject to the City's approval, not to be unreasonably withheld, the Club shall be permitted to install, maintain and operate, or supply a scoreboard and other signage at the Stadium suitable for professional soccer, in accordance with applicable League guidelines and applicable sign laws, ordinances, rules, and regulations. The Club shall have the right to (1) operate, manage and control all scoreboards and signage at the Stadium at all times during the Term of this Agreement (other than during non-Club Events at the Stadium, at which time the City shall have the right to operate the scoreboards), (2) manage all advertising and promotional programs thereon or otherwise in connection therewith, and (3) subject to the City Signage Revenue, collect all Net Signage Revenues at all times throughout each year during the Term of this Agreement.

(b) The City shall be entitled to place City and school signage at the Stadium and Stadium Premises in areas not then in use by the Club. Club will not remove or relocate any such signage or any other signage existing at the Stadium or Stadium Premises as of the Effective Date without the City's prior written approval.

13. Entry and Inspection

The City reserves, and always shall have the right to enter the Stadium for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the Stadium or to inspect the operations conducted therein. The City shall use its best efforts to assure that any such entry or inspection shall be conducted in such a manner so as to minimize any interference with the Club's use of the Stadium. In the event that any such entry or inspection by the City discloses that the Stadium is not in a reasonably safe or satisfactory condition the City shall have the right to cause the Club to correct any such unsafe or unsatisfactory condition created by the Club or by the Club's use or occupancy of the Stadium Premises, except to the extent that the correction of such condition is within the scope of the City's maintenance, operation, repair or other general obligations hereunder.

14. Utilities and Service

The City shall furnish, without cost to the Club, gas, electric power, water and sewer services, subject to state and federal regulations regarding energy consumption; *provided, however*, the Club will be responsible for payment of utility costs attributed to the use of the Stadium lights during Club Events and the use of the Exclusive Premises. The City will provide the Club with reasonably satisfactory evidence (statements/invoices from electricity provider) of such costs at the end of each calendar year of the Term, and the Club shall remit payment within sixty (60) days thereafter.

15. Indemnification; Liens.

To the fullest extent permitted by law, Club shall defend, indemnify and hold the City, its officers, agents and employees, harmless at all times from any claims, liability, losses, costs, expenses (including, without limitation, reasonable attorney's fees) fines, damages or judgments (collectively, “Claims”), just or unjust, that arise out of or are caused by any breach of this agreement by the Club, or any act or omission constituting negligence or willful misconduct on the part of the Club, its partners or members, agents, contractors, subcontractors, invitees, or employees, which Claims arise out of or result from the activities hereunder, said Claims to include, without being limited to, claims for personal injury, death, or property damage, including injury or damage to City employees or property; and claims based upon violation of any environmental law or regulation governing hazardous substances. Club’s obligations under this paragraph shall survive termination of this Agreement to the extent that the underlying act or omission resulting in the Claim occurs during the Term. Notwithstanding anything to the contrary in this Agreement, the Club is not obligated to indemnify, hold harmless, or defend any City Indemnitee against any Claim (whether direct or indirect) to the extent such Claim arises out of or results from any City Indemnitee’s willful misconduct, or failure to comply with any of its obligations set forth in this Agreement.

Club shall not suffer or permit any mechanic's lien or other lien to be filed against the Stadium, Stadium Premises, Improvements, or any part thereof, by reason of labor, work, services or materials supplied or claimed to have been supplied to Club, and Club shall defend, indemnify and hold the City harmless from and against any claims, costs or liabilities, including any attorney's fees expended thereon, that result from any such lien.

16. Insurance

(a) Club Insurance. Within 30 days after execution of this Agreement, and, in any event prior to any use of or entry into the Stadium, the Club will procure and maintain:

- Occurrence based Commercial General Liability Insurance coverage in amounts of not less than One Million Dollars ($1,000,000.00) per occurrence for bodily injury, death and property damage;
- Workers’ Compensation Insurance coverage to the extent required by law, which shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees;

With respect to the Commercial General Liability Insurance, the Club shall name the City as an additional insured for coverage for claims for which the City does not have governmental immunity, including, without limitation, those areas where government immunity has been expressly waived as set forth in 14 M.R.S. A. § 8104-A, as limited by § 8104-B, and § 8111. This provision shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the City under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the City. Within ten days after execution of this Agreement, the Club shall furnish the City and thereafter maintain certificates evidencing all such coverages, which certificates shall guarantee thirty (30) days' notice to the City of termination of insurance from the insurance provider or agent. The Club shall also provide a copy of any endorsement naming the City as additional insured. Upon City's reasonable request, the Club shall provide the City with a complete copy of any of the above-referenced policies. The Club shall be responsible for any and all deductibles and/or self-insured retentions (not to exceed $10,000.00 without prior written approval of Corporation Counsel). The City's acceptance or lack of acceptance of the Club's Certificate of Insurance or other evidence of insurance shall not be construed as a waiver of the Club's obligation to obtain and maintain such insurance as required by this agreement.

The Club shall be also responsible for securing insurance coverage with respect to its own equipment, supplies and other personal property ("Club Property") with such property and casualty insurance as it deems necessary in its sole discretion, and the City shall have no responsibility therefor. Club assumes all risk of damage, loss or casualty to Club Property while located at the Stadium or the Stadium Premises. The Club shall defend, indemnify and hold the City harmless from any claim arising out of or relating to any damage, loss or casualty to Club Property. Any casualty insurance obtained by Club for the Club Property shall include a waiver of subrogation against the City.

(a) City Insurance. During the Term, City shall maintain insurance or self-insurance of not less than the statutory liability cap pursuant to the Maine Tort Claims Act, 14 M.R.S.A. §8101 et seq., including for the acts and omissions of its employees occurring within the course and scope of employment, and pursuant to the Maine Worker's Compensation Act of 1992, 39 M.R.S.A. §101 et seq. This provision shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the Licensee under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the City. Within thirty (30) days after execution of this Agreement, the City shall furnish the Club and thereafter maintain certificates evidencing all such coverages.

17. Damage and Destruction

(a) Repairs of Damage and Termination Rights. If all or a part of the Stadium is damaged by fire, earthquake, hurricane, blizzard, or other casualty (any such fire, earthquake, hurricane, blizzard or other casualty is hereinafter referral to as "Damage"), ethe City shall promptly give the Club notice of the City's reasonable estimate of the time required to repair such Damage (the "Damage Estimate"). If the Damage Estimate contemplates that the Damage can be repaired on or before the first (1st) anniversary of the date on which such Damage occurred, then (i) the City shall repair the Damage, (ii) the Club shall have the right to play its Home Games and host all other Club Events at any other locations of its choice during the construction period, and (iii) this Agreement shall remain in full force and effect. If the Damage Estimate contemplates that the Damage cannot be repaired on or before such first (1st) anniversary date, then the Club may give notice to the City, within thirty (30) calendar days after the Club receive the Damage Estimate, terminating this Agreement as of the date of such Damage. In the event that the Club does not elect to terminate this Agreement pursuant to this Section 17, and the City fails to substantially complete its repair of the Damage within thirty (30) calendar days after the expiration of the time period set forth in the Damage Estimate (which period shall be extended to the extent of any actual delays caused by the Club or any Force Majeure Event), then the Club may terminate this Agreement by delivering written notice thereof to the City. To the extent repair or replacement is required to the Improvements (or any portion thereof) that benefit other users of the Stadium, and such improvements are covered by City insurance, any such repair or replacement of such Improvements at the Stadium as a result of any Damage thereto shall be performed by the City in accordance with plans and specifications reasonably approved by the City. Any such repair or replacement to Improvements (or any portion thereof) that are exclusively used and enjoyed by the Club during the Term, shall be performed by the Club in accordance with plans and specifications reasonably approved by the City.

(b) Damage During Last Year of Term. Notwithstanding anything to contrary contained in this Section 18, if the Damage Estimate contemplates that the repair of the Damage shall take more than sixty (60) calendar days to complete, and such completion shall occur during the last twelve (12) months of the Term of this Agreement, then the City and the Club shall each have the option to terminate this Agreement as of the date of such Damage by giving written notice to the other, in the case of the City together with the Damage Estimate, or, in the case of the Club, within thirty (30) calendar days after the Club's receipt of the Damage Estimate.

(c) Abatement. During the period the Stadium Premises or any part thereof is rendered unusable due to such Damage and repair, the Club's obligations hereunder to make any payments to the City shall be proportionately reduced based upon the extent to which the Damage and repair thereof prevents the Club from conducting its business at the Stadium in the manner in which such business was conducted prior to such Damage.

18. Alterations and Improvements

The Club will not make any alterations or improvements to the Stadium except in accordance with plans previously approved in writing by the City.

19. Waiver

The waiver by the City of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of consideration hereunder by the City shall not be deemed to be a waiver of any preceding breach by the Club of any term, covenant or condition of this Agreement other than the failure of the Club to make the particular payment so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance thereof. Except as otherwise provided herein, any failure on the part of the City to require or exact full and complete compliance with any of the covenants or conditions of this Agreement shall not be construed as in any manner changing the terms hereof or to stop the City from enforcing the full provisions hereof, nor shall the terms of this Agreement be changed or altered in any manner whatsoever other than by written agreement of the City and the Club.

20. Remedies.

(a) Club Defaults. Except as otherwise provided herein, in the event that the Club shall (i) default in the performance or fulfillment of any covenant or condition herein contained on its part to be performed or fulfilled and shall fail to cure or to commence and diligently pursue the curing of such default within thirty (30) calendar days following its receipt of a written notice from the City specifying the default complained of and the date on which its rights hereunder will be terminated as hereinafter provided if such default is not cured, or (ii) file a voluntary petition in bankruptcy, or (iii) be adjudicated bankrupt, or (iv) make a general assignment for the benefit of creditors, *then* and in either or any of said events, the City may, at its option, without further notice or demand upon the Club, immediately cancel and terminate this Agreement and terminate all of the rights of the Club in or to the Stadium and Stadium Premises in or to the further possession thereof. The rights and remedies of the City as hereinabove set forth, are cumulative only and shall in no way be deemed to limit any of the other provisions of this Agreement or otherwise to deny to the City any right or remedy at law or in equity which the City may have or assert against the Club under any law in effect at the date hereof or which may hereafter be enacted or become effective, it being the intent hereof that the rights and remedies of the City, as hereinabove set forth, shall be supplemental to or in addition to or in aid of the other provisions of this Agreement and of any right or remedy at law or in equity which the City may have against the Club.

(b) Termination. Any election on the part of the City to terminate this Agreement must be in writing, properly executed by the City and served upon the Club. No termination of this Agreement on account of a default by the Club shall be or become effective by operation of law or otherwise, unless and until the City shall have given such written notice to the Club. Neither any notice to pay any consideration or portion thereof due and payable or notice to deliver up possession of the Stadium Premises given pursuant to any law of the State of Maine, nor any proceeding in the nature of an unlawful detainer taken by the City shall, of itself, and in the absence of such written notice as above provided, operate to terminate this Agreement.

(c) City Defaults. At no time shall the City be deemed to be in default under this Agreement, unless and until the Club shall have given to the City notice in writing, specifying such default and the City shall have failed to cure or to commence and diligently pursue the curing of such default within a period of thirty (30) calendar days after receipt of such written notice. In the event that the City fails to cure or diligently pursue the curing of any default under this Agreement within such thirty (30) calendar day period, then the Club may, at its option, without further notice or demand upon the City or upon any person or persons claiming by, through or under the City, immediately cancel and terminate this Agreement.

(d) Except for Club's obligations under section 15 (Indemnification, Liens), notwithstanding anything to the contrary in this Agreement, the liability of each Party to the other under this Agreement shall be limited to actual, direct damages only and all other damages and remedies are waived. Neither party nor its respective officers, directors, agents, employees shall be liable, irrespective of whether such claim of liability is based upon breach of warranty, tort (including negligence, whether of any of the Parties to this Agreement or others), strict liability, contract, operation of law or otherwise, to to the other party, or its officers, directors, agents, employees, successors or assigns, for incidental, delay, indirect, punitive, or consequential damages connected with, related to or arising from performance or non-performance of this Agreement, or any action or inaction in connection therewith including, without limitation, claims in the nature of lost revenues, income or profits (other than payments expressly required and due under this Agreement).

21. Force Majeure

Except as otherwise provided herein, should either party hereto be reasonably delayed in or prevented, in whole or in part, from performing any obligation or conditions hereunder or from exercising its rights hereunder by reason of or as a result of any Force Majeure Event, such party shall be excused from performing such obligations or conditions while such party is so delayed or prevented.

22. Intentionally omitted.

23. Quiet Enjoyment

The City covenants that the Club (upon payment by the Club of any consideration due, and the performance by the Club of the terms, covenants and conditions, in each case as set forth in this Agreement) shall peacefully and quietly have, hold and enjoy (i) the Stadium Premises on the Club Reserved Dates and during the periods otherwise herein provided in which the Club is given the right to the use and occupancy of the Stadium Premises, and (ii) the Exclusive Premises at all time during the Term of this Agreement.

24. Notices.

Any notice, demand, request, consent, approval and any other communications (any of the foregoing, a "Notice" required, permitted, or desired, to be given hereunder shall be in writing sent by registered or certified mail, postage prepaid, return receipt requested or delivered by hand or reputable overnight courier addressed to the Party to be so notified at its address hereinafter set forth or to such other address as such party may hereafter specify in a Notice delivered in accordance with the provisions of this Section 30. Any such Notice shall be deemed to have been received three (3) Business Days after the date such Notice is mailed or on the date of delivery by hand or courier addressed to the parties as follows (provided that neither the City nor the Club shall be deemed to have received any Notice not actually received):

If to the City: City of Portland
Attn: City Manager
389 Congress Street
Portland, Maine 04101

With a copy to: Office of the Corporation Counsel at the same address

If to the Club: Portland United, LLC
Attn: Gabe Hoffman-Johnson
7 Stratton Place
Portland, Maine 04101
gabe@usltoportland.com

With a copy to: Caleb E. Ginsberg, Esq.
303 Bartlett Street
Portsmouth, New Hampshire 03801
ginsberg.caleb@gmail.com

25. Construction of this Agreement; Jurisdiction.

(a) Maine Law. This Agreement shall be deemed to be made and shall be construed in accordance with the laws of the State of Maine. Unless otherwise resolved by agreement of the parties, the City and the Club covenant and agree to submit to the personal jurisdiction of the Cumberland County Superior Court for any dispute, claim, or matter arising out of or related to this Agreement.

(b) Section Headings. The section headings are inserted herein only as a matter of convenience and for reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular sections hereof to which they refer.

(c) Sole Instrument. This Agreement embodies and constitutes the sole and entire agreement between the parties hereto with respect to the subject matter hereof. There are no terms, obligations, covenants or conditions between the parties hereto, other than as contained herein. No alteration, amendment or modification hereof shall be valid unless executed by an instrument in writing by the parties with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified or abandoned, in whole or in part, except by such instrument in writing and no subsequent oral agreement shall have any validity whatsoever.

(d) Time. Time is of the essence hereof, and every term, covenant and condition shall be deemed to be of the essence hereof, and any breach by the City or the Club shall be deemed to be of the very substance of this Agreement.

(e) Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the City, and to such successors and assigns of the Club as are permitted to succeed to the Club right upon and subject to the terms hereof.

(f) No Partnership. Nothing herein contained shall make, or be construed to make, the City or the Club a partner of one another nor shall this Agreement be construed to create a partnership or joint venture between any of the parties hereto or referred to herein.

(g) Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

26. Nondiscrimination

The Club agrees not to discriminate in any manner against any person or persons on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status in the Club's use or occupancy of the Stadium Premises. Club shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination, including, without limitation, the provision of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment. The Club agrees to comply with all applicable City, state, and federal laws and regulations regarding equal opportunity.

27. Payments.

All payments to the City under the terms of this Agreement shall be made payable to the City of Portland and delivered to ________[3], or as otherwise specified in writing from time to time by the City.

28. Club Employees.

The Club agrees that its and its Affiliates' members, managers, employees, associates, advisors, agents, players, or contractors shall not be deemed to be employees of the City for any purpose. The City shall have no obligation or responsibility for resolving any labor disputes or grievances which may arise between the Club and its members, managers, employees, associates, advisors, agents, players, or contractors employed to perform any services relating to this Agreement. The Club agrees to provide sufficient personnel to perform all services required by this Agreement. The Club shall be responsible for all required federal, state, and local reports, records and payments in connection with social security, unemployment insurance, and other charges and taxes that apply to the Club. The City shall have no responsibility for providing any of the above reports, records and payments.

29. Workers' Compensation

By signing this Agreement, the Club hereby certifies that it is aware of the provisions of Maine Revised Statutes, Title 39-A, Part 1, Chapter 1 (the Maine Workers Compensation Act of 1992) and shall comply with such provisions. If reasonably requested by the City, the Club shall provide the City with evidence of compliance with the workers' compensation laws of the State of

[3] City to confirm.

Maine. The Club shall provide the City with a waiver of subrogation from its insurance carrier when proof of insurance is due.

30. Land and Water Conservation Fund Act. The parties hereto agree to work together in good faith during the Term as reasonably necessary to avoid the Stadium Premises (or any portion thereof) being subject to a required "conversion" under the Land and Water Conservation Fund Act of 1965 (the "**LWCF Act**"). In the event that the parties are unable to prevent such a conversion, the Club will be responsible for all costs associated with the conversion, including, without limitation, the cost of any real estate acquisition required under the LWCF Act as part of such conversion.

31. League Rules. Notwithstanding anything to the contrary in this Agreement, the City acknowledges that the Club, in its operation of a professional soccer franchise in the League, is obligated to comply with applicable League rules and restrictions ("League Rules"). In the event that any such League Rules require alterations or improvements to the Stadium or the Stadium Premises, the Club may request that the City make such alterations or improvements or allow the Club to so at its own expense, but the City will have no obligation to do either. In the event that the Club is unable to comply with the League Rules due to the condition of the Stadium or Stadium Premises, the Club may terminate this Agreement upon prior written notice to the City. In no event will the City be responsible for incurring any obligation or expense as a result of the League Rules except as specifically set forth in this Agreement.

32. No property rights. This Agreement is a license only and no provision hereof shall be construed as conveying an easement or other estate in land. The Club will not record this agreement or any portion thereof in the Cumberland County Registry of Deeds.

33. Compliance with laws. The Club and the City agree to comply with all applicable laws, rules, regulations, and City ordinances and policies in its operations hereunder, including but not limited to all applicable federal, state and local environmental law and regulations, including without limitation all laws and regulations governing hazardous substances, with respect to all its activities in the Stadium and the Stadium Premises, and to conduct all its activities on such property in a safe, responsible, reasonable and business-like manner.

34. No Third-Party Beneficiaries. This Agreement is not for the benefit of any third party and shall not be deemed to give any right or remedy to any such party whether referred to herein or not.

35. No Assignment. This Agreement is non-transferable and shall not be assigned, pledged, sublet or otherwise transferred to another party except upon the prior written approval of the other Party.

36. Attorney's Fees. Each Party (in such capacity, the "Non-Prevailing Party") shall pay all reasonable attorney's fees and costs incurred by the other Party (in such capacity, the "Prevailing Party") if: (i) the Prevailing Party should institute litigation for breach of any material term or condition of this Agreement by the Non-Prevailing Party and ultimately prevail in any such litigation; (ii) if the City is the Prevailing Party in a litigation for an unlawful detainer of the Stadium or Stadium Premises by the Club as Non-Prevailing Party; (iii) the Prevailing Party is

made a party to litigation, instituted by a third party related to the Non-Prevailing Party's use of the Stadium or Stadium Premises under this Agreement; or (iv) if the Prevailing Party is required to defend itself, and ultimately prevails, against any action or defense prosecuted by the Non-Prevailing Party or any third party arising out of the Non-Prevailing Party's use or occupancy of the Stadium or Stadium Premises. Fees and costs of defense incurred by the Prevailing Party shall be reimbursed within thirty (30) days of invoice whether the litigation is prosecuted to judgment or not. Amounts advanced by the Prevailing Party not reimbursed within said thirty (30) days, shall bear interest at a rate of one and one-half percent (1½%) per month.

37. In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties for no less than sixty (60) days. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation within sixty (60) days as set forth herein, the parties agree first to try in good faith to settle the dispute by non-binding mediation administered by an attorney selected by agreement of the parties and licensed to practice law in Maine.

[*Signature page follows*]

IN WITNESS WHEREOF, this Stadium Use Agreement for Use and Occupancy of James J. Fitzpatrick Stadium is executed by the parties' duly authorized representatives as of the date first above written.

THE CITY OF PORTLAND

By:_________________________________
Name: Danielle P. West
Title: City Manager

[**PORTLAND UNITED, LLC**] a Maine limited liability company

By:_________________________________
Name: Gabe Hoffman-Johnson

Title: Manager Approved as to form:

____
City Corporation Counsel

Approved as to funds:

____
City Finance Director

EXHIBIT A

DESCRIPTION OF IMPROVEMENTS[4]

Site Lighting

- Install and upgrade current MUSCO lighting to meet USL specifications
-
- Projected expense range: $485,000 - $500,000

Press Box

- Make cosmetic and operational improvements to Press Box
- Likely to include infrastructure to improve broadcast and streaming operations
- City will have ability to use on non-gameday
- Projected expense range: $40,000 - $60,000

Team Locker Rooms

- Other Stadium users will have ability to use Visitor locker room on non-gamedays if not in use by the Club.
- Projected expense range: $250,000 - $300,000

Club Storage Area

- Club to add storage containers
- City to have use of space in containers if available.
- Projected expense range: $10,000 - $20,000

Ticketing Entrance

- Club to improve ticketing entrance and Stadium access points
- City will have ability to use on non-gameday
- Projected expense range: $10,000 - $20,000

Audio System

- Club to improve Speaker and Audio system
- City will have ability to use on non-gameday
- Projected expense range: $40,000 - $50,000

Miscellaneous

- Other Electronics Allowance
- Site Accessories and Landscaping
- Associated utility connection costs

---

[4] The information below is from the term sheet. Parties to confirm stadium construction plan / Improvements and insert further detail.

- Additional Operational and Fan Experience Elements
- City will have ability to use on non-gameday
- Projected expense range: $150,000 - $300,000

EXHIBIT B

DESCRIPTION OF EXCLUSIVE PREMISES

[______][5]

[5] NTD: Insert detailed description of Club's Exclusive Premises (medical room, Club Storage Area, home locker room, press box, and ticket office).

EXHIBIT C

DESCRIPTION OF STADIUM PREMISES[6]

[6] NTD: Insert overhead drawing and/or description of the entirety of the Stadium Premises.

City of Portland | Housing and Economic Development Department
Mary P. Davis, Interim Director

MEMORANDUM

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

FROM: Mary Davis, Interim Director

DATE: October 4, 2023

SUBJECT: FYE2023 Annual TIF District Activity Report for Review and Vote to Forward it to the City Council as a Communication Item

I. ONE SENTENCE SUMMARY

As required with the Council's Tax Increment Financing (TIF) Policy, an Annual TIF District Activity Report is to be provided to the City Council.

II. DESCRIPTION

The City of Portland Tax Increment Financing (TIF) Policy requires that an Annual TIF District Activity Report be provided to the City Council, and this Report attached is being presented to the Committee for review and vote to forward to the City Council as a communication item.

III. BACKGROUND

City Tax Increment Financing (TIF) Policy requires the preparation and presentation of an annual TIF district activity report. The FYE2023 TIF Annual Report represents the 11th year of reporting.

Below represents City Council actions taken during FY2023 – targeted at Affordable Housing TIF Districts. Please see table below for 2023 Area Median Income (AMI) income limits.

Number in Household	1	2	3	4	5	6	7
50% AMI	$41,450	$47,350	$53,250	$59,150	$63,900	$68,650	$73,350
60% AMI	$49,700	$56,800	$63,900	$71,000	76,700	$82,400	$88,050
80% AMI	$66,250	$75,700	$85,150	$94,600	$102,200	$109,750	$117,350
100% AMI	$82,850	$94,650	$106,500	$118,300	$127,800	$137,250	$146,700
120% AMI	$99,400	$113,600	$127,800	$141,950	$153,350	$164,700	$176,050

The City Council took up the following items during FY2023:

A. Approved an Affordable Housing TIF District with 45 Dougherty LP, at 43 and 91 Douglass Street (former West School site), to construct 63 units of rental housing, with 46 units maintaining affordability for households earning at or below 60% of AMI.

B. Approved the City's Affordable Housing Development and TIF District Application for future AHTIF Districts.

As of 6/30/2023, there are:

A. Two (2) active Commercial TIF District CEAs;

B. One (1) active commercial TIF CEA for a market rate and affordable housing development, known as the McAuley TIF District;

C. Eighteen (18) active Affordable Housing TIF District CEAs;

D. One (1) Transit Oriented TIF District and CEA at Thompson's Point

E. Three area-wide TIF Districts (Waterfront, Downtown Transit Oriented Development, and Bayside) which include a CEA in the Bayside TIF with Atlantic Bayside Trust (which expired as of 6/30/2023), as well as one in the Waterfront TIF with Waterfront Maine.

The Report also has a table showing the past five-year trend, as well as an Appendix which lists all the current TIFs and financial activity associated with each district.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The FY2023 TIF Annual Report is being submitted to Committee for review and vote to forward this to the City Council as a communication item.

V. FINANCIAL IMPACT

There is no financial impact with this communication item.

VI. STAFF ANALYSIS AND RECOMMENDATION

Staff recommends that the Committee review and vote to forward this Annual Report to the City Council as a communication item.

Attachment: FYE2023 TIF Annual Report

Tax Increment Financing

Fiscal Year 2023 Annual Report
From July 1, 2022 through June 30, 2023

Prepared by the Housing and Economic Development Department

Report prepared 10/2023

Table of Contents

1. **Introduction**

City TIF Policy requires an Annual Report, to the City Council Committee and full City Council, regarding TIF District activity. This Report provides an overview of the TIF District Program, Portland's utilization of TIF Districts to date, and TIF District financial value impacts.

2. **Definitions**

Commonly used terms, included in this Report, include:

"***Captured Assessed Value***" means increased assessed value retained in a TIF District each year during its term.

"***Credit Enhancement Agreement (CEA)***" means the agreement between the City and the site specific TIF District Developer whereby it includes the terms under which the City will provide a portion of the Retained Tax Increment Revenue back to the Developer.

"***Current Assessed Value***" means the then current assessed value of the property located in the TIF District to be determined by the City Assessor as of April 1 of each year during the term of the District.

"***District***" means that portion of property depicted on a map to apply to the TIF.

"***Increased Assessed Value (IAV)***" means the valuation amount by which the Current Assessed Value exceeds the Original Assessed Value (OAV). If the Current Assessed Value is less than or equal to the OAV, there is no Increased Assessed Value in that year.

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

"Non-Captured Value (NCV)" means the value over and above the OAV (defined below) that is not captured by TIF percentage capture rates, with associated taxes from NCV returned to the General Fund.

"***Original Assessed Value (OAV)***" means the assessed value of the property in the TIF District as of March 31 of the year that it was created. For instance, if a TIF District was approved as of the date of this report, or October 2023, the OAV would be the taxable assessed value of the property on March 31, 2023. All taxes from the OAV go into the City's General Fund.

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

"***Retained Tax Increment Revenues***" means that portion of the Property Taxes paid with respect to the Captured Assessed Value.

"***Tax Year***" means April 1 to March 31.

3. **Revised TIF Policy Adopted by City Council on November 20, 2017 and on February 22, 2021**

Revised TIF Policy of November 20, 2017

Pursuant to City Council Order 61 passed September 19, 2016, the City Council referred to the Economic Development Committee (EDC) consideration of amendments to the current TIF policy, including, but not limited to provisions for:

A. Local Hire;
B. Ethnic and Gender Diversity;
C. Economically Disadvantaged Participation;
D. Veteran Preference;
E. Adherence to State or Federal Prevailing Wages; and,
F. Participation in a Job Training or Apprenticeship Program.

The Order further requested the EDC report their findings and recommendation on amending the current TIF Policy to the City Council.

The EDC began its review for possible amendments to the TIF policy in April 2017. On November 20, 2017, the City Council reviewed the EDC's recommendation and adopted revised City Tax Increment Financing (TIF) Policy in support of both private development projects and public investment in municipal economic development programs and infrastructure investment. Revised City Policy includes:

A. Addition of State prevailing wage requirements in the construction phase of a TIF CEA and annual report about this to the City Council, further detailed below;

B. Equal employment opportunities and nondiscrimination;

C. Increasing the capture rate and the term for affordable housing projects; and,

D. Housekeeping amendments.

The EDC also recommended that the City look into establishing and sponsoring a Workforce Job Training program to be funded by area-wide TIF Districts, as well as having the City Manager and/or his/her designee undertake an analysis of the costs associated with the City undertaking an Employment Disparity Study.

Workforce Training Funding: On October 15, 2018, the City Council approved amendments to the three area-wide TIF Districts – Bayside, Downtown TOD TIF, and

Waterfront TIF – to include workforce training as a use of TIF funds. Workforce training funding has been included in the municipal budgets beginning with FY2020. . .

In FY2023, the City entered into a Memorandum of Understanding with the Portland School Department, through Portland Adult Education (PAE), to fund workforce training programs up to $200,000. PAE's programs utilizing TIF funds included *Education Academy*, to prepare educators trained outside of the U.S. to be employed in the K-12 system; *Bank Teller Program*, in partnership with many financial institutions, to train internationally trained individuals with backgrounds in finance and accounting to become bank tellers and fulfill other similar roles; *English and Job Prep for New Arrivals* which includes intensive employment advising to support students in their job search; a *Hannaford New Mainer Retail Leadership Internship Program* to prepare New Mainer students for supervisory positions at the company; *Renewal Energy,* in partnership with Revision Energy and PATHS, to prepare non-native English speakers to enter solar and heat pump career pathways; and *ESOL Instruction for low-level English Speakers* with Certified ESOL instructor. It has resulted in students being hired as tellers, teachers, Hannaford interns, and HVAC technicians, and increased their skills and knowledge of the culture at the workplace.

For the Fiscal Year 2024, City Council-approved City budget included an allocation of $200,000 in TIF funding to PAE to continue workforce training investment

Employment Disparity Study: The City Manager's office conducted a limited analysis for the costs of such a study and determined it was not cost effective.

State Prevailing Wage Requirement in Construction Phase of a TIF-Assisted Project:

Per TIF Policy:

> "Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.
>
> > City staff shall provide to the relevant City Council Committee an annual update on:
> >
> > a) the impact of this prevailing wage requirements on CEAs;
> > b) feasibility of construction firms to pay prevailing wages and benefits; and
> > c) compliance with this section."

Since this TIF Policy was amended November 2017, the City Council has authorized AHTIF Districts only. Staff monitors wage rates on a monthly basis during the construction phase for these AHTIF Districts, and has received feedback from those developers indicating that the wage rate requirement resulted in an increase in construction and administrative expenses. While the Housing and Economic Development Committee has discussed these issues, no changes have been made to the Policy as of FYE2023.

During FYE2023, the following projects were monitored for compliance with this provision in the TIF Policy:

- 66 State Street Affordable Housing TIF (the 155 Danforth portion of the project)
- 37 Front Street Affordable Housing TIF (Phase I and Phase II)
- 83 Middle Street Affordable Housing TIF
- 200 Valley Street Affordable Housing TIF
- 577 Washington Avenue Affordable Housing TIF
- 73 Winter Street Affordable Housing TIF
- 91 Winter Street Affordable Housing TIF

City Green Building Code

Per the TIF Policy, all projects with a CEA must be in compliance with the City's Green Building Ordinance.

When a project submits an application for a building permit, the developer is asked to submit a preliminary energy model, along with a statement of certification from a licensed engineer that the project meets the standard and a written explanation of how the building will obtain the applicable standards using design plans to demonstrate compliance. In addition, prior to the issuance of a Certificate of Occupancy, the developer must submit a statement of final certification from a licensed engineer indicating that the project meets the standards, along with any amendment to the preliminary energy model.

A procedure was implemented using the Energov system to ensure that all projects are in compliance with the Ordinance before the issuance of a Building Permit and a Certificate of Occupancy.

During FYE2023, the following projects were monitored for compliance with this provision in the TIF Policy:

- 66 State Street Affordable Housing TIF (the 155 Danforth portion of the project)
- 37 Front Street Affordable Housing TIF (Phase I and Phase II)
- 83 Middle Street Affordable Housing TIF
- 200 Valley Street Affordable Housing TIF
- 577 Washington Avenue Affordable Housing TIF
- 73 Winter Street Affordable Housing TIF
- 91 Winter Street Affordable Housing TIF

Revised TIF Policy of February 22, 2021

This revised TIF Policy (see Attachment A) included a definition of affordable housing to match the definition in other City programs, such as Inclusionary Zoning. It also required that affordability restrictions remain in place for the full term of the AHTIF district.

4. Tax Increment Financing Overview and Value

Tax Increment Financing (TIF) is the most flexible economic development program available to municipalities. TIFs support municipal investment, as well as can be associated with private sector or affordable housing investment. TIFs are flexible municipal financing tools to fund the following types of activities to support public and private sector investment:

- public infrastructure projects;
- economic development programs, including municipal marketing and staff; and,
- support of individual private commercial and affordable housing project financing needs.

The three property tax components associated with TIF Districts include:

A. ***New Property Taxes***. TIF revenue is generated from new increased municipal assessed value and associated new property taxes. TIFs can be established for up to thirty (30) years and new or "captured assessed value" in the TIF District can range from 1% to 100% of the amount of new property taxes.

B. ***Original Assessed Property Value (OAV)***. The taxes from property base or "Original Assessed Value" reverts to the municipal general fund and is not captured in a TIF District.

C. ***Flow of TIF CEA Funds***: The flow of taxes to return to the developer through a CEA is as follows.

   i. The City sends its yearly tax bills for payments due in September and March of each fiscal year;

   ii. Developer pays the taxes;

   iii. In September and May of each year, for each CEA, a check is made to be sure the Developer's taxes are current. If current, the Housing and Economic Development Department proceeds to process that fiscal year TIF payment to return a portion of the taxes to the developer according to the CEA. If not current, the Housing and Economic Development Department will not move forward with the payment until current.

5. **TIF District Approval Process**

There is a three step process to approve establishment of a TIF District. The three steps include:

A. Housing and Economic Development Committee recommendation for approval to the City Council for commercial and affordable housing TIFs;

B. City Council approval; and,

C. State of Maine Department of Economic and Community Development Department approval for commercial TIF districts or Maine State Housing Authority approval for affordable housing TIF Districts.

6. City Council Actions During FY2023:

City Council actions during FY2023 targeted Affordable Housing TIF Districts. Please see table below for 2023 Area Median Income (AMI) limits.

Number in Household	1	2	3	4	5	6	7
50% AMI	$41,450	$47,350	$53,250	$59,150	$63,900	$68,650	$73,350
60% AMI	$49,700	$56,800	$63,900	$71,000	76,700	$82,400	$88,050
80% AMI	$66,250	$75,700	$85,150	$94,600	$102,200	$109,750	$117,350
100% AMI	$82,850	$94,650	$106,500	$118,300	$127,800	$137,250	$146,700
120% AMI	$99,400	$113,600	$127,800	$141,950	$153,350	$164,700	$176,050

The City Council took up the following items during FY2023:

A. Approved an Affordable Housing TIF District with 45 Dougherty LP, at 43 and 91 Douglass Street (former West School site), to construct 63 units of rental housing, with 46 units maintaining affordability for households earning at or below 60% of AMI.

B. Approved the City's Affordable Housing Development and TIF District Application for future AHTIF Districts.

7. **Statutory Limits for TIF Districts**

There are two State statutory limitations which include:

A. ***Acreage***: No single development District, including Affordable Housing Districts, can be larger than 2% of a municipality's total acreage, or in the case of Portland, 2% of Portland's 12,386 acres is 247 acres. Also, all active development Districts have to be less than 5% of a municipality's total acreage, or in the case of Portland, 5% is 619 acres. Based upon active development Districts as of FYE2023, including Affordable Housing TIF Districts, Portland has the ability to include 238 additional acres in development TIF Districts.

B. ***Value***:

i. **Commercial/Area Wide TIF Districts:** The OAV of all these TIF Districts in a municipality cannot be more than 5% of its total aggregate value (FY2023 aggregate value: $14,872,866,446), or in the case of Portland, 5% is $743,643,322. Based upon active TIF Districts as of FYE2023, Portland has the ability to include an additional $585 Million of property value in TIF Districts.

ii. **Affordable Housing TIF Districts:** The OAV of all Affordable Housing TIF Districts cannot be more than 5% of the total aggregate value (FY2023 aggregate value: $14,872,866,446), or in the case of Portland, 5% is $743,643,322. Based upon active Affordable Housing Districts as of FYE2023, Portland has the ability to include an additional $739 Million of property value in Affordable Housing TIF Districts**.**

It is noted that the amount of acreage and OAV to include in TIF Districts fluctuates as TIF districts are created, amended, expired, and/or terminated.

There are exemptions from State limitations for Transit Oriented Development (TOD) and Downtown TIF Districts, for which Portland now has two: Thompson's Point TOD TIF, and the Downtown TOD TIF.

8. **<u>Tax Sheltering Benefits</u>**

Municipalities realize "savings" from the tax sheltering effect of TIF Districts. The following direct financial impacts occur when municipal valuation increases:

A. State Education Aid is reduced,
B. State Municipal Revenue Sharing is reduced, and
C. A municipality pays a higher percentage of the County budget.

This amount of "savings" is significant and one of the most important benefits of establishing TIF Districts.

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF district. Portland's estimated annual total tax shelter savings for all active TIF Districts is $3.93 Million for FYE2023.

9. **<u>TIF Districts in Portland</u>**

A list of all approved TIF Districts as of FYE2023 is provided as Attachment B.

This list includes seven expired single TIF Districts as of the date of this Report – Auto Europe, Shipyard Brewery, Nichols Portland, UNUM, Bramhall/Holt Hall, Riverwalk/Ocean Gateway, and Baxter Library LP.

There are three area wide TIF Districts – Downtown Transit Oriented Development (TOD) TIF, Waterfront, and Bayside. In the area-wide Bayside TIF District, there two expired CEAs – Bayside Student Housing, and Capital LLC (Intermed Building, expiring FYE2023). In the Waterfront TIF District, there is one active CEA – Waterfront Maine.

This list also illustrates that there are currently 18 active Affordable Housing TIF Districts, 3 Commercial TIF Districts, and 1 Transit Oriented Commercial TIF District (Thompson's Point).

This list also includes two TIF Districts which were terminated by the City Council during FY2015 – those being the Village at Oceangate (Bay House), and the Fore India Middle LLC TIF District.

It is noted that after expiration and termination TIF Districts, 100% of their property tax revenue reverts to the City's General Fund.

In addition, this list provides the following information for each TIF District:

A. TIF District duration;
B. percentages of taxes allocated to the Recipient/Developer, City, and General Fund;
C. TIF District location; and
D. brief description.

Attachment C provides a map showing the location for each active TIF District.

A list of approved active individual site specific TIF Districts, area-wide TIF Districts, Downtown TOD TIF, Thompson's Point TOD TIF, non-active TIF Districts, and terminated TIF Districts by name are provided below.

Active Approved Individual Site Specific TIF Districts

As of the date of this Report, the City has 21, single site active TIF Districts with associated CEAs as follows: 2 TIF Districts supporting commercial projects; 1 TIF commercial district supporting housing projects (market and affordable); and, 18 affordable housing TIF Districts, namely:

- PowerPay/Portland Public Market/Commercial TIF
- ImmuCell/Commercial TIF
- McAuley Place/Commercial TIF supporting Market Rate and Affordable Rental Housing)
- Avesta/Pearl Place Affordable Housing TIF
- 409 Cumberland Avenue Affordable Housing TIF

- 134 Washington Avenue Affordable Housing TIF
- 17 Carleton Street Affordable Housing TIF
- Deering Place Affordable Housing TIF
- 58 Boyd Street Affordable Housing TIF
- 66 State Street Affordable Housing TIF
- 37 Front Street Affordable Housing TIF
- 977 Brighton Avenue Affordable Housing TIF
- 178 Kennebec Street (Unit 2) Affordable Housing TIF
- 83 Middle Street Affordable Housing TIF
- 104 Grant Street Affordable Housing TIF
- 200 Valley Street Affordable Housing TIF
- 337 Cumberland Avenue Affordable Housing TIF
- 577 Washington Avenue Affordable Housing TIF
- 73 Winter Street Affordable Housing TIF
- 91 Winter Street Affordable Housing TIF
- 45 Dougherty Affordable Housing TIF

Active Approved Area Wide TIF Districts and Associated CEAs

The City has two active area wide TIF Districts, for which the City retains a portion of the TIF funds for public infrastructure projects, with a portion of the TIF funds targeted to CEAs within those Districts, namely:

- Bayside
  - Capital LLC CEA (expired FY2023)
  - Bayside Student Housing CEA (expired FY2018)
- Waterfront
  - Waterfront Maine CEA (expires FY2031)

Approved Downtown and/or Transit-Oriented Development (TOD) TIF Districts

- Downtown TOD TIF

  The City retains a portion of the TIF funds for workforce training, public infrastructure, Creative Portland, and transit projects for the Downtown TOD TIF. This Downtown TOD TIF was approved during FY2015 and was activated with FY2016. There is no CEA associated with it at this time.

- Thompson's Point TOD TIF and CEA

  For the Thompson's Point TOD TIF, the City retains a portion of TIF Funds for transit projects. This TOD TIF also has an associated CEA with Thompson's Point Development Company, Inc. for development of Thompson's Point.

Terminated TIF Districts

The City Council has terminated two TIF Districts, namely:

- Fore India Middle LLC – This TIF project had not come to fruition and, therefore, was terminated by the City Council in November 2014; and,

- The Village at Oceangate, LLC (Bay House) – This TIF District was also terminated by the City Council in November 2014 due to this District's use being converted into residential condominiums which is not an allowable TIF District use.

10. TIF District Financial Overview for FY2023, including FY2022, FY2021, FY2020, and FY2019:

See next page for a financial comparison of FY2023, FY2022, FY2021, FY2020, and FY2019 for then active TIF Districts:

	FY2019	FY2020	FY2021	FY2022	FY2023
City General Fund Taxes from OAV	$24.89 Million	$26.39 Million	$26.3 Million	$14.6 Million	$15.3 Million
City General Fund Taxes from Non-Captured Value	$4.8 Million	$4 Million	$4.5 Million	$18.1 Million	$19.3 Million
Total TIF Taxes From Captured Value	$3.2 Million	$4 Million	$5.1 Million	$5.8 Million	$6.1 Million
- TIF Taxes to CEAs	$1.1 Million	$920,000	$1.1 Million	$1.1 Million	$1 Million
- TIF Taxes to Public Infrastructure/Arts/Staff	$2.1 Million	$3.1 Million	$4 Million	$4.7 Million	$5.1 Million
Total Tax Sheltering Value	$143.5 Million	$174.3 Million	$222.6 Million	$451.8 Million	$448.2 Million
Estimated Annual Average Tax Sheltering Savings	$1.24 Million	$1.47 Million	$1.9 Million	$3.85 Million	$3.93 Million

Table Explanations:

City General Fund-Taxes from OAV - The above table shows a yearly increase in taxes from the OAV into the General Fund for FY2019 to FY2020, with a slight decrease in FY2021 due to Bayside and Downtown TIF Amendments in support of affordable housing TIFs. FY2022 saw an $11.7 Million decrease from FY2021 due to the revaluation and the tax rate going from .02331 in FY2021 to .01299 in FY2022. FY2023 saw an increase of $700,000 due to the tax rate increase to .01334. As noted earlier in the definition section, all taxes from the OAVs go to the General Fund.

City General Fund-Taxes from Non-Captured Value (NCV) – The number fluctuates based on each CEA, as well as the City's budget needs for public infrastructure/staff salaries/arts/debt service, for example. The captured value percentages for the area wide TIF Districts – Bayside, Waterfront, and Downtown TOD TIF - are adjusted yearly based on those needs. For FY2022, because of the revaluation and resulting increased values, the NCV value increased by $13.5 Million resulting in more taxes going to the General Fund. For FY2023, it increased by $1.2 Million. Attachment D is the spreadsheet for FY2023.

Total TIF Taxes From Captured Value – The percentage of captured value varies yearly based on CEAs and the City's financial needs. This TIF Revenue is then allotted to the various CEAs, and then to the City public infrastructure projects/debt service/arts/staff investments, for example.

Total Tax Sheltering Value – This number represents the total of the Increased Assessed Value (IAV) of all TIF Districts that has been captured.

Estimated Tax Sheltering Savings – This is the estimated annual tax sheltering savings from all the TIF Districts.

11. Example of a Performing TIF

178 Kennebec Street (Affordable Housing TIF)

Duration: 30-year term (FY2020 through FY2049)
Percentages: 75% to Developer, 25% to City General Fund for the 30-year term.

The 178 Kennebec Street Affordable Housing TIF District was approved by the Portland City Council on July 16, 2018, and then by the Maine State Housing Authority on September 17, 2018.

This Affordable Housing TIF District supported the new construction of a building at 178 Kennebec Street for 51 units of senior residential rental housing, of which 40 units will be occupied by households with income not exceeding 60% AMI.

TIF revenues are used by Developer, 100 Parris Street, LP (The Szanton Company), to pay for operating costs for the project.

The subsequent investment and increase in assessed value is as follows:

Dates of Values	Real Estate Values
OAV 4/1/2017	$0
4/1/2020	$3,250,929
4/1/2021	$5,688,400

FY2021 was the first year the Developer was eligible for TIF payments, with a TIF payment of $56,834.

For more information, contact Mary Davis, Interim Housing and Economic Development Director, via email at mpd@portlandmaine.gov, or 1-207-874-8683.

PORTLAND TIF POLICY

February 22, 2021

I. INTRODUCTION

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

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

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

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

II. STATE TIF LIMITATION

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

III. PURPOSE

The primary purposes of the TIF Policy include:

A. To support Portland Economic Development and Housing Plans and Policies;
B. To stimulate expansion of the City's commercial and industrial tax base;
C. To stimulate new affordable and market rate housing investment;
D. To retain and create quality employment;
E. To support Portland's Capital Improvement Plan; and,
F. To establish standards upon which the City Council will authorize TIF.

<u>IV. GENERAL PRINICPLES</u>

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

<u>A. Investment</u>

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

B. <u>Jobs Associated with Commercial and Industrial Development</u>

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

<u>C. Maximize Tax Sheltering Benefits</u>

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

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

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

V. APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

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

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

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

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

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

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

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

B. Policy for the Three Approaches

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

Requires annual review and City Council financial appropriations.

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

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

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

- Affordable housing projects off peninsula;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

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

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

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

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

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

Allowable uses of AHTIF revenues are defined by State law.

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

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

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

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

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

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

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

i) City Green Building Code

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

ii) Affordable Housing

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

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

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

Affordable means that the percentage of income a household is charged in rent and other housing expenses including utilities, or must pay in monthly mortgage payments (including real estate taxes, mortgage insurance, condominium/HOA fees, insurance and utilities), does not exceed 30% of a household's gross income, or other amount established in city regulations that does not vary significantly from this amount. These restrictions must remain in place for the full term of the AHTIF district.

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.

City staff shall provide to the relevant City Council Committee an annual update on:

a) the impact of this prevailing wage requirements on CEAs;
b) feasibility of construction firms to pay prevailing wages and benefits; and
c) compliance with this section.

(iv) <u>Equal Employment Opportunities and Nondiscrimination</u>

The developer and its contractors employed in the construction phase of a TIF-assisted project shall adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. All employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate. This policy shall not be construed to prohibit any employment action or policy which is required by federal law, rule or executive order.

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

i) Financial Necessity.

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

ii) Financial Capacity**.**

The applicant must demonstrate financial capacity to support their project.

iii) Fees

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

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEA's. Notwithstanding the previous sentence, the maximum average percentage for the entire term associated with individual project CEAs for affordable housing shall be 75%. For the purposes of this policy, the term affordable housing shall be defined as in "V. Approach, Policy, and Term Requirements" Section B(3)(a)(ii) (Affordable Housing) of the Portland TIF Policy.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms; for Affordable Housing projects, up to thirty (30) years (affordability must be maintained for the full term of the TIF). The term of a TIF may start upon agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

VI. TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Housing and Economic Development Department handle all TIF inquires and processes requests for TIF. An applicant must submit a letter or application to the Housing and Economic Development Department outlining the proposed project, including TIF project financial information, a plan outlining both the number of permanent and construction jobs associated with the proposed project, housing affordability, as well as a demonstrated ability to meet the requirements under Section B(3)(a) of this policy.

B. Approval Process.

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

C. Post-Construction Report to City Council.

The Housing and Economic Development Department shall provide a post-construction report to the City Council Committee and City Council regarding each TIF-assisted project which shall include, but not be limited to, an analysis of the adherence to Section (V)(B)(3)(a) of this policy.

D. Annual Report to City Council.

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

SUMMARY OF ALL APPROVED

TAX INCREMENT FINANCING (TIF) DISTRICTS

IN THE CITY OF PORTLAND A/O JUNE 30, 2023

This provides an overview of the thirty-four Tax Increment Financing Districts (TIF's) approved by the City of Portland.

Of the 34 Districts:

- 7 have expired;
- 2 were terminated;
- 3 are area-wide TIF Districts (Bayside, including one Credit Enhancement Agreement; Waterfront, including one Credit Enhancement Agreement; and, Downtown Transit Oriented Development TIF District) used primarily by the City of Portland for public infrastructure, workforce training, staff salary and fringe benefits, and administrative expenses, Metro, Creative Portland, and debt service;
- 18 are Affordable Housing TIF Districts;
- 3 are Commercial TIF Districts; and,
- 1 is a Transit Oriented Commercial TIF District.

Below are details of each of these TIF Districts.

1. Nichols Portland (Economic Development TIF) **(Expired FY14)**

Duration: 20 year term (FY95 through FY14)
Percentages: Years 1 to 5, 90% to Recipient, 10% to City General Fund; years 6 to 10, 75% to Recipient, 25% to City General Fund; years 11 to 20, 50% to Recipient, 50% to City General Fund.

Location: 2400 Congress Street

This TIF was created to support Nichols Portland expansion of its existing manufacturing facility at 2400 Congress Street and retain 450 jobs.

2. Shipyard/Longfellow (Economic Development TIF) **(Expired FY07)**

Duration: 12 year term (FY96 through FY07). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.
Percentages: 90% to Recipient, 10% to City General Fund Years 1 through 6; 50% to Recipient; 50% to City General Fund Years 7 through 11; 1% to Recipient, 99% to City General Fund Year 12.

Location: Newbury Street

This TIF was used to transform the former Crosby-Laughlin site on Newbury Street into the Shipyard Brewing Company.

3. Auto Europe (Economic Development TIF) **(Expired FY11)**

Duration: 15 year term (FY97 through FY11). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.
Percentages: 75% to Recipient; 25% to City General Fund

Location: Commercial Street across the street from Casco Bay Lines, former Galt Block building.

This TIF was used to renovate the former Galt Block Building into the headquarters for Auto Europe. The Galt Block Building had been vacant for over 10 years.

4. Bramhall/Holt Hall (Economic Development TIF) **(Expired FY19)**

Duration: 20 year term (FY00 through FY19)
Percentages: 75% to Recipient; 25% to City General Fund, plus a Payment in Lieu of Taxes (PILOT) associated with first floor space.

Location: 794 Congress Street

This TIF was used to renovate Holt Hall, built in the 1860's, and then vacant in excess of 10 years, into 36 market rate rental apartments and office space on the ground floor at a cost of almost $4 Million.

5. UNUM (Economic Development TIF) (**Expired FY15)**

Duration: 15 year term (FY01 through FY15)
Percentages: 100% capture of increased value with 75% going to the Recipient, and 25% going to economic development projects for the City.

Location: Outer Congress Street.

This TIF was utilized to support expansion of UNUM offices and to build a 1,200 space parking garage.

6. Waterfront TIF (Economic Development TIF)

Duration as originally approved March 18, 2002: 10 year term (FY03 to FY12)
Duration Extended as of June 7, 2010 for a 30-year term: FY03 to FY32
Percentages: Up to 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place a portion of the property tax revenue in the City General Fund.

Location: Selected waterfront properties.

This is a municipal TIF to be used for waterfront projects, staff costs, and administrative expenses.

6a. Waterfront Maine LP (Cumberland Cold Storage Building) on Commercial Street (Economic Development TIF)

Duration: 20-year term (FY12 through FY31)
Percentages: 63% years 1 through 5; 64% years 6 through 10; 55% years 7 through 15; 45% years 16 and 17; 40% years 18 and 19; and, 35% year 20 – with a maximum cumulative TIF payment numeric cap not to exceed $2,870,058.

Location: 252 Commercial Street on the Portland waterfront.

The City entered into the TIF in order to support the renovation of the Cumberland Cold Storage building into a Class A office building, with continued marine uses on the first floor and berthing according to zoning regulations. The reuse of this building will accommodate the relocation of Pierce Atwood, bringing its 175 employees to the Portland waterfront.

7. <u>Bayside TIF</u> (Economic Development TIF)

Duration: 30 year term (FY04 through FY33)
Percentages: Up to 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place property tax revenue in the City General Fund.

The geographic area of this TIF District was expanded by City Council vote on November 17, 2014, expanding it from 62 acres, to 129 acres, to align with the area of Bayside contained in the *Bayside Vision Plans I* and *II.*

This is a municipal TIF to be used for public infrastructure improvements, relocation of the one remaining scrap metal recycling facility and acquisition of the scrap metal yard site, business recruitment marketing for the Bayside area, pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances Bayside investment, workforce training, and administrative and staff costs. Investments from this TIF also included two Credit Enhancement Agreements (CEA's) with the following:

7a. Capital LLC (Intermed Building) on Marginal Way (Economic Development TIF) (**Expired FY23)**

Duration: 15 year term (FY09 through FY23)
Percentages: 100% to return, to Developer, to an annual maximum cap of $355,000 for years FY2009 through FY2018, and annual maximum cap of $325,000 for years FY2019 through FY2023 and annual debt service threshold test.

Location: Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the office building.

7b. **Southern Maine Student Housing on Marginal Way** (Economic Development TIF) **(Expired FY18)**

Duration: 11 year term (FY08 through FY18)
Percentages: 100% to return, to Developer, to a maximum annual cap of $120,000 and annual debt services threshold test.

Location: Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the student housing development.

8. Riverwalk/Ocean Gateway (Economic Development TIF) (**Expired FY19)**

Duration: 13 year term (FY07 through FY19)
Percentages: Formula based percentages in Credit Enhancement Agreement

Location: Hancock and Fore Street area

The TIF was entered into to assist with the construction of a parking structure for the development plan for the area adjacent to Hancock Street.

9. **Avesta/Pearl Place** (Affordable Housing TIF)

Duration: 30 year term (FY08 through FY37)
Percentages: Various percentages captured value to return to Developer based on Maine State Housing Authority Certificate of Approval, to a maximum of $22,000 annual cap.

Location: Oxford and Pearl Streets

This TIF is an affordable housing TIF to assist in the creation of affordable housing in the City's Bayside area along Oxford and Pearl Streets

10. Creative Portland Development and Arts (Economic Development TIF)

NOTE: ***This area wide TIF District was reduced/renamed by the City Council on February 19, 2015, reducing the geography to just the Baxter Library property (see #10a below), and renaming it the Baxter Library TIF District with the term ending FY19; this will take effect with FY16).***

Original Duration: 15-year term (FY10 through FY24); ***Term amended as noted above to end FY19.***

Original Percentages: 100% capture; annually, the City Council may adjust this TIF capture rate to place property tax revenue in the City General Fund; ***Percentage amended to reflect the 65% capture for the Baxter Library project***.
Original Location: Multiple properties included in the Downtown Area; ***Location amended as noted above to be only the Baxter Library property.***

This TIF was ***originally*** created to assist in maintaining the creative economy businesses through the creation of the Creative Portland Corporation and TIF funds to assist in funding its administrative personnel and program of activities up to a maximum of $100,000 annually. ***This element of the original TIF District is now included in the recently created Downtown Transit Oriented Development (TOD) TIF District – See Item #18 below.***

10a. Baxter Library LP at 621 Congress Street (Economic Development TIF) (**Expired FY19)**

Duration: 9-year term (FY11 through FY19)
Percentages: Lesser of annual 65% to return to Developer or amount necessary to service project debt. Adjustments to annual payment if project refinancing occurs.

The City entered into the CEA in order to assist with the reuse, redevelopment, and preservation of a hallmark downtown building built in 1888, where adaptive reuse of this former library is challenging and expensive. This Project added $2.5 Million in new municipal assessed commercial valuation. The reuse of this building accommodated the relocation of the VIA Group, bringing its then 64 employees to this upper area of downtown Portland.

11. <u>McAuley Place</u> (Economic Development TIF)

Duration: 30 year term (FY10 through FY39)
Percentages: 60% to Recipient; 40% to City General Fund.

Location: 605 Stevens Avenue

This TIF was created to assist in the renovation of the former Mother House/Convent (built over 100 years ago) on Stevens Avenue into a market rate independent senior living community, including 45 to 50 apartments in the renovated Convent; 25 to 30 apartments (new construction) in an addition to the Convent; and, 36 units (new construction) to be located in three townhouse/cottages adjacent to the Convent.

The project remained dormant for a number of years until 2016/2017, with an updated renovation plan in the Motherhouse/Convent into 88 units - 66 with affordable restrictions and 22 market rate, and 21 market rate residential units located between the Motherhouse/Convent and Baxter Woods.

12. <u>PowerPay/Portland Public Market</u> (Economic Development TIF)

Duration: 30 year term (FY11 through FY40)
Percentages: Years 1 through 8 – 75% to Developer, 25% to City General Fund; Years 9 through 30 – 50% to Developer, 50% to City General Fund.

Location: 25 Preble Street

This TIF district was created to support the retention and expansion of PowerPay, along with redeveloping an important asset in Portland's Downtown that was formerly known as the Portland Public Market. Because of the complex renovation issues and the high cost associated with redeveloping the Portland Public Market property, PowerPay requested TIF assistance to cover the Project financing gap. PowerPay renovated and moved its headquarters to this location with well over 150 employees.

13. <u>Thompson's Point Development Company, Inc.</u> (Transit-Oriented TIF)

Duration: 30 year term (FY15 through FY44).

Percentages:
Phase One of Project*:* Years 1 through 10 – 75% to Developer and 25% to City transit-oriented projects; years 11 through 15 – 60% to Developer, 25% to City transit-oriented projects, and 15% to City's General Fund; years 16 through 20 – 50% to Developer, 25% to City transit-oriented projects, and 25% to City's General Fund; years 21 through 30 – 40% to Developer, 25% to City transit-oriented projects, and 35% to City's General Fund.

Phases Two and Three of Project: Years 1 through 30 – 0% to Developer; 25% to City transit-oriented projects; 75% to City's General Fund.

Location: Thompson's Point

This Transit-Orient Development (TOD) Tax Increment Financing (TIF) District was created to support Thompson's Point Development Company Inc.'s redevelopment of Thompson's Point into the **Forefront at Thompson's Point.** Additionally, the TOD will assist to expand and improve transit connections between Thompson's Point and key commercial locations within Portland (i.e. Jetport, Portland Transportation Center and Portland's Downtown) and around the region.

Thompson's Point consists of approximately 30 acres of real estate adjacent to the Portland Transportation Center that is home to the Northern New England Passenger Rail Authority, which runs the Amtrak Downeaster and Concord Trailways bus company.

The Forefront at Thompson's Point is a mixed-use development that is transforming a blighted and grossly underutilized 30-acre parcel located along Interstate 295 into a highly visible gateway destination event center generating significant economic activity within the District and throughout Portland. The Company is redeveloping Thompson's Point in a manner that includes a substantial investment in public infrastructure, including construction of an above-ground parking garage with approximately 700 spaces, road extensions and widenings, rail crossings upgrade, utility investments, and expanded walking and biking trails.

14. **The Village at Oceangate, LLC (Bay House)** (Economic Development TIF)

This TIF was terminated by the City Council on November 3, 2014 due to the conversion of market rate apartments into condominiums which is not allowable use of TIF funds.

Duration: 11 year term (FY14 through FY25)
Percentages: Years 1 through 5 – 75% to Developer, 25% to City General Fund; Years 6 through 10 - 65% to Developer, 35% to City General Fund. Total revenue to developer is capped at $647,971 over the term of the District.

Location: Hancock Street, between Newbury and Middle Streets.

This TIF district was created to support the development of The Bay House Project. The Project includes the construction of two new buildings that will contain ninety-four (94) market rate apartments, a parking garage, and approximately 5,700 square feet of commercial retail space. Use of TIF proceeds is directed to support public infrastructure investments.

15. Fore India Middle, LLC (former Jordan's Meat Site) (Economic Development TIF)

This TIF was terminated by the City Council on November 3, 2014 due to the project not coming to fruition.

Duration: 4 year term (FY14 through FY17)
Percentages: Years 1 and 2 – 50% to Developer, 10% to City TIF Project; 40% to City General Fund; Year 3 - 40% to Developer, 10% to City TIF Project; 50% to City General Fund; Year 4 – 40% to Developer, 60% to City General Fund. Total revenue to developer is capped at $650,000 over the term of the District.

Location: Portion of block surrounded by Fore, India, and Middle Streets.

This TIF district was created to support the development of a portion of the former Jordan's Meats site. This development project includes a five-story, approximately 180,000 sf. of mixed-use consisting of 12,300 sf. of retail space on Middle Street, 9,800 sf. of retail space on Fore Street, three levels of office space comprising 63,900 sf. on Middle Street, and 18 residential condominium units along Fore Street and India Street. In addition, there will be two "internal" parking garages behind the retail spaces (not visible from the street), one 110-space garage at the Fore Street level, and another 63-space garage one story above at the Middle Street Level. The Developer expects to have an urban grocery on Middle Street with a variety of produce, meats, food, and household items, with an emphasis on natural, organic and healthy items. The other retail users and the office users have not been identified yet. Use of TIF proceeds is directed to support public infrastructure investments.

16. 409 Cumberland Avenue (Affordable Housing TIF)

Duration: 22 year term (FY14 through FY35)
Percentages: 50% to Developer; 50% to City Housing Affordable Housing Revolving Loan Fund

This Affordable Housing TIF District supports the development of 46 affordable units and 11 market rate units of rental housing. TIF revenues will be used by Developer to pay operating costs for the project; City TIF revenues will be used for the establishment of an affordable housing revolving loan fund.

17. 134 Washington Avenue (Affordable Housing TIF)

Duration: 20 year term (FY15 through FY34)
Percentages: 50% to Developer; 50% to City General Fund.

This Affordable Housing TIF District supports the development of an 18-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

18. Downtown Transit Oriented Development (TOD) TIF (Economic Development TIF District)

Duration: 30 year term (FY16 through FY45)
Percentages: 12% Year One; 22% years 2 through 4; and up to 100% years 5 through 30.

This Downtown TOD TIF will support various municipal and other development projects, including sidewalk and pedestrian enhancements, streetscape, lighting, yearly funding of up to $100,000 for Creative Portland to assist in funding its administrative personnel and program of activities (see Item #10 above), street alignment, utilities, bicycle improvements, public transit, wayfinding, workforce training, administrative and staff costs.

19. 17 Carleton Street (Affordable Housing TIF)

Duration: 22 year term (FY16 through FY37)
Percentages: Years 1 and 2: 0% to Developer; 100% to City. Years 3 through 22: 65% to Developer; 35% to City General Fund.

This Affordable Housing TIF District supports the development of a 37-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

20. ImmuCell (Economic Development TIF)

Duration: 12 year term (FY18 through FY29)
Percentages: Years 1 through 11: 65% to Developer, 35% to City General Fund; Year 12: 30% to Developer, 70% to General Fund.

Location: 56 Evergreen Drive

This Economic Development TIF supports ImmuCell Corporation's expansion from its existing facility at 56 Evergreen Drive to a new two-story, 12,625 sq. ft. (est.) production facility on Caddie Lane off of Riverside Street. ImmuCell Corporation is a growing animal health company that develops, manufactures, and sells products that improve animal health and productivity in the dairy and beef industry. Over the last nearly 16 years, the Company has invested in excess of $11 Million in the R&D of a product that addresses mastitis, the most significant cause of economic loss to the dairy industry. This lead product in development is **Mast Out**, a novel, ground-breaking treatment for mastitis in lactating dairy cows. Completion of construction of this new facility was done 2017.

21. Deering Place (Affordable Housing TIF)

Duration: 30 year term (FY19 through FY48)
Percentages: 75% to Developer, 25% to City General Fund for 30 year term.

Location: 498 Cumberland Avenue

This Affordable Housing TIF District supports the development of 75 units of residential rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

22. <u>58 Boyd Street (Affordable Housing TIF)</u>

Duration: 30 year term (FY19 through FY48)
Percentages: 50% to Developer, 50% to City General Fund for 30 year term.

This Affordable Housing TIF District supports the development of a 55-unit, mixed income, multi-family rental apartment building. TIF revenues will be used by Developer to pay for operating costs for the project.

23. <u>977 Brighton Avenue (Affordable Housing TIF)</u>

Duration: 30 year term (FY20 through FY49)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the development of 40 units of senior rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

24. <u>178 Kennebec Street (Affordable Housing TIF)</u>

Duration: 30 year term (FY20 through FY49)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the development of 51 units of senior rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

25. **37 and 63 Front Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the construction of a 60-unit mixed income residential rental housing project for individuals and families, and a 45-unit mixed income residential rental housing project for seniors. TIF revenues will be used by Developer to pay for operating costs for the project.

26. **66 State Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the rehabilitation of an existing building into a lodging house with 38 rooming units, and the construction of a 30-unit residential rental housing project. TIF revenues will be used by Developer to pay for operating costs for the project.

27. **83 Middle Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 50% for 30 years to Developer; 50% to City General Fund

This Affordable Housing TIF District supports the construction of a 50-unit residential rental housing project, with 20 of the units occupied by households with income not exceeding 50% of area median income, and 30 units occupied by households with income not exceeding 60% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project.

28. **104 Grant Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the construction of 23 owner-occupied condominium units, 8 of the units in which will be conveyed to households with income not exceeding 120% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project, including debt service.

29. **200 Valley Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund

This Affordable Housing Project supports the construction of a 60-unit residential rental housing project, 36 of the units in which will be occupied by households with income not exceeding 50% of area median income; 12 of the units in which will be occupied by households with income not exceeding 60% of area median income; and, the remaining 12 units will be market rate. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

30. <u>337 Cumberland Avenue (Affordable Housing TIF)</u>

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing Project supports the construction of a 60-unit residential housing project, 36 of the units in which will be occupied by households with income not exceeding 50% of area median income; 12 of the units in which will be occupied by households with income not exceeding 60% of area median income; and, the remaining 12 units will be market rate. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

31. <u>577 Washington Avenue (Affordable Housing TIF)</u>

Duration: 30 year term (FY21 through FY50)
Percentages: 50% for 30 years to Developer; 50% to City General Fund.

This Affordable Housing Project supports the rehabilitation of a 100-unit residential rental housing project, with 60 of the units in which be occupied by households with income not exceeding 50% of area median income, and the remaining 40 units will be occupied by households with income not exceeding 60% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

32. <u>73 Winter Street (Affordable Housing TIF)</u>

Duration: 30 year term (FY2022 through FY2051)
Percentages: 50% for 30 years to Developer; 50% to City General Fund.

This Affordable Housing Project supports the construction of a 43-unit residential rental housing project for individuals and families, 26 of the units in which will be occupied by households with income not exceeding 50% of area median income, and the remaining 17 units will be occupied by households with income not exceeding 60% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

33. <u>91 Winter Street (Affordable Housing TIF)</u>

Duration: 30 year term (FY2022 through FY2051)
Percentages: 50% for 30 years to Developer; 50% to City General Fund.

This Affordable Housing Project supports the construction of a 43-unit residential rental housing project for individuals and families, 26 of the units in which will be occupied by households with income not exceeding 50% of area median income, and the remaining 17 units will be occupied by households with income not exceeding 60% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

34. 45 Dougherty Court (Affordable Housing TIF)

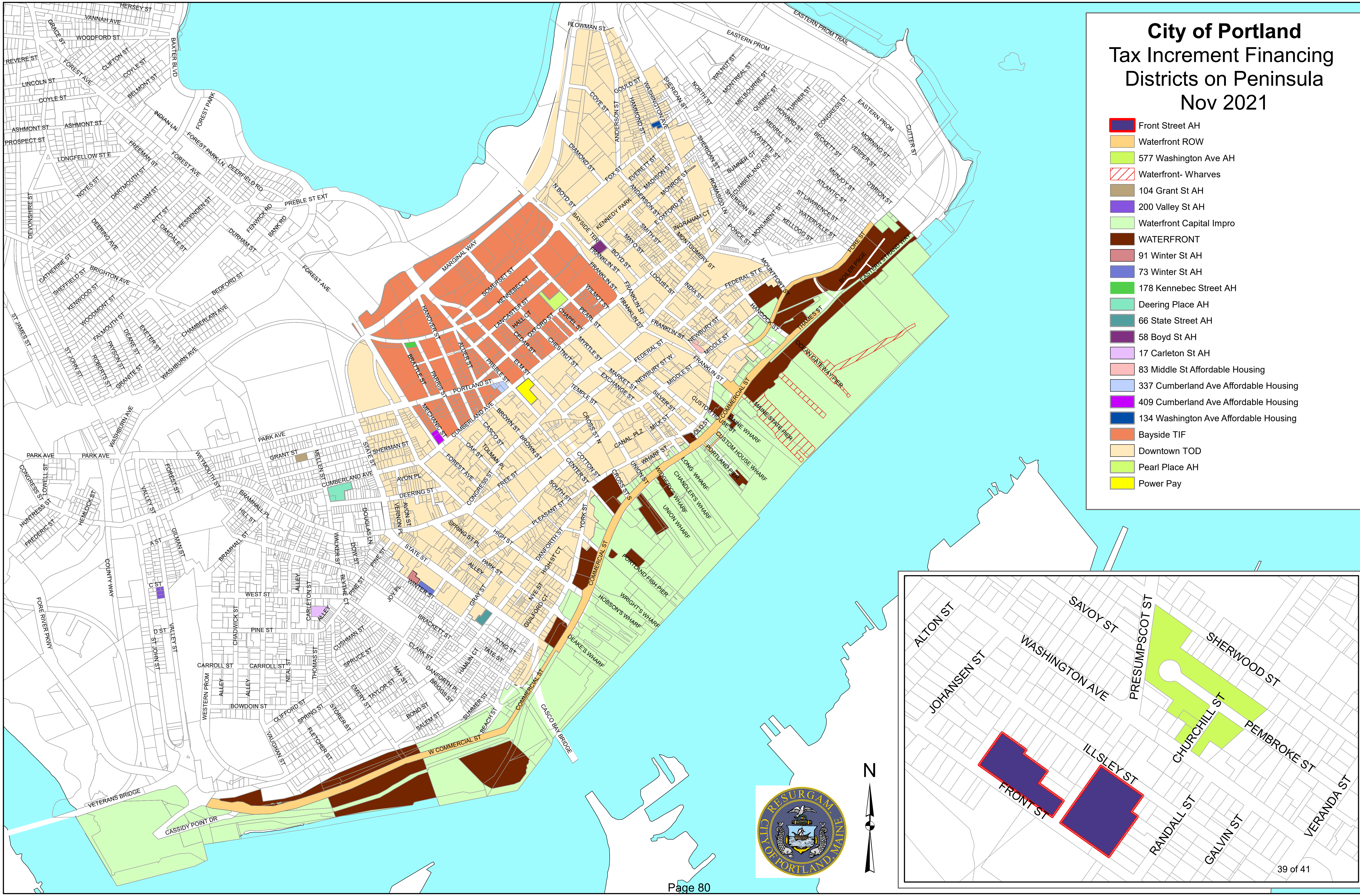
Duration: 30 year term (FY2024 through FY2053)
Percentages: 75% for years 1 through 12; years 13 through 30 the capture rate will decrease 3.75% per Tax Year

This Affordable Housing Project, at 43 and 91 Douglass Street, supports the construction of 63 units of residential rental housing for individuals and families, with 46 units maintaining affordability for households earning at or below 60% of AMI.

EXHIBIT C

MAPS HIGHLIGHTING CURRENT TIF DISTRICTS


City of Portland
Tax Increment Financing Districts
November 2021
TIF Districts
Thompson Point
Waterfront Right of Way
Waterfront- Wharves
104 Grant St AH
977 Brighton Ave AH
577 Washington Ave AH
200 Valley St AH
ImmuCell
WATERFRONT
Proposed Front Street AH
Waterfront Capital Impro
91 Winter St AH
17 Carleton St AH
337 Cumberland Ave Affor
58 Boyd Street
66 State Street
178 Kennebec Street AH
73 Winter St AH
83 Middle St Affordable
Downtown TOD
Deering Place
McAuley Place
409 Cumberland Ave Affordable Housing
134 Washington Ave Affordable Housing
Bayside
Downtown TOD
Pearl Place
Power Pay
CONGRESS ST


City of Portland
Tax Increment Financing Districts on Peninsula
Nov 2021
Front Street AH
Waterfront ROW
577 Washington Ave AH
Waterfront- Wharves
104 Grant St AH
200 Valley St AH
Waterfront Capital Impro
WATERFRONT
91 Winter St AH
73 Winter St AH
178 Kennebec Street AH
Deering Place AH
66 State Street AH
58 Boyd St AH
17 Carleton St AH
83 Middle St Affordable Housing
337 Cumberland Ave Affordable Housing
409 Cumberland Ave Affordable Housing
134 Washington Ave Affordable Housing
Bayside TIF
Downtown TOD
Pearl Place AH
Power Pay
N
ALTON ST
SAVOY ST
JOHANSEN ST
WASHINGTON AVE
PRESUMPSCOT ST
SHERWOOD ST
CHURCHILL ST
PEMBROKE ST
ILLSLEY ST
FRONT ST
RANDALL ST
GALVIN ST
VERANDA ST
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45 Dougherty AHTIF Area

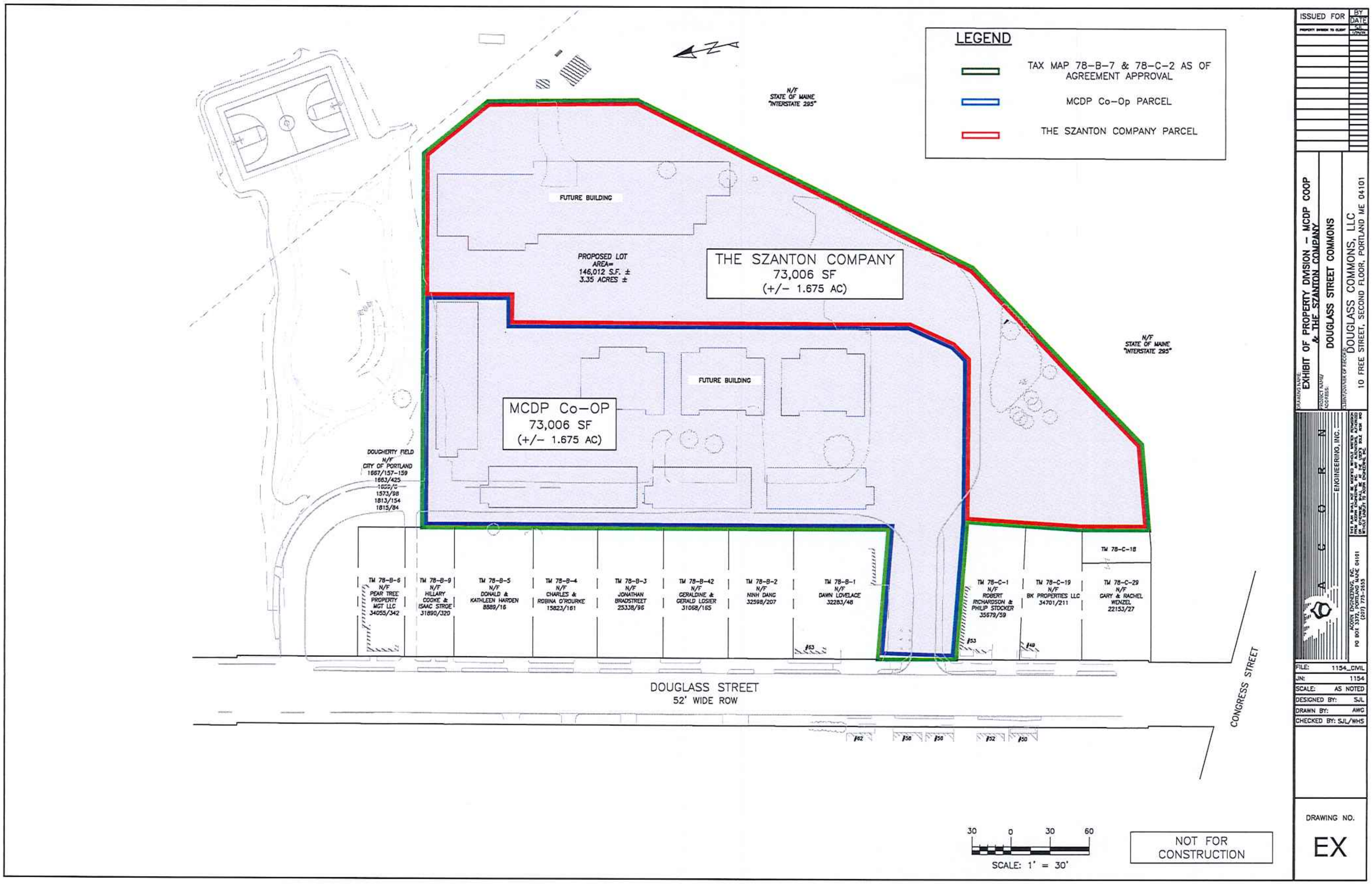

EXHIBIT D

FYE2023 Report	FY2023 Tax Rate:		0.01361								
TIF Name	Starts/		TIF PLAN	TOTAL	ORIGINAL	Increased	PERCENT	Total Cpt.	PROCEEDS	City TIF	City General Fund
SITE Specific with CEA:	Ends-FY	TERM	YEAR/updated 9/19/2023	ASSESSED VALUE	ASSESSED VALUE	Assessed value	APPLIED	Value	TO OWNER	Funds	(OAV and Non-Captured Taxes from IAV)
AVESTA/Pearl Place	08/37	30 YEARS	16	6,473,600	646,050	5,827,550	31%	1,806,541	22,000	0	66,106
- FY2023 Taxes				88,106	8,793	79,313		22,000			
PowerPay/Ptld Pub Mkt	11/40	30 YEARS	13	10,305,700	1,862,600	8,443,100	50%	4,221,550	57,455	0	82,805
- FY2023 Taxes				140,261	25,350	114,911		57,455			
McAuley	10/39	30 YEARS	14	19,839,000	0	19,839,000	60%	11,903,400	162,005	0	108,004
- FY2023 Taxes				270,009		270,009		162,005			
Thompson's Point TOD	15/44	30 YEARS	9	17,543,800	3,844,900	13,698,900	100%	13,698,900	139,832	46,611	52,329
- FY2023 Taxes				238,771	52,329	186,442		186,442			
409 Cumberland Ave. AH	14/35	22 YEARS	10	5,758,900	470,200	5,288,700	100%	5,288,700	35,990	35,990	6,399
- FY2023 Taxes				78,379	6,399	71,979		71,979			
134 Washington Ave. AH	15/34	20 YEARS	9	1,267,200	155,600	1,111,600	50%	555,800	7,564	0	9,682
- FY2023 Taxes				17,247	2,118	15,129		7,564			
17 Carleton St. AH	16/37	22 YEARS	8	3,294,700	261,660	3,033,040	65%	1,971,476	26,832	0	18,009
- FY2023 Taxes				44,841	3,561	41,280		26,832			
ImmuCell	18/29	12 YEARS	6	4,266,200	52,600	4,213,600	65%	2,738,840	37,276	0	20,787
- FY2023 Taxes				58,063	716	57,347		37,276			
58 Boyd Street AH	19/48	30 YEARS	5	5,363,200	0	5,363,200	50%	2,681,600	36,497	0	36,497
- FY2023 Taxes				72,993							
Deering Place AH	19/48	30 YEARS	5	10,106,300	0	10,106,300	75%	7,579,725	103,160	0	34,387
- FY2023 Taxes				137,547							
977 Brighton Ave AH	20/49	30 YEARS	4	3,754,600	291,100	3,463,500	75%	2,597,625	35,354	0	15,746
- FY2023 Taxes				51,100							
178 Kennebec St AH	20/49	30 YEARS	4	5,688,400	0	5,688,400	75%	4,266,300	58,064	0	19,355
- FY2023 Taxes				77,419							
66 State St AH	21/50	30 YEARS	3	2,822,000	0	2,822,000	75%	2,116,500	28,806	0	9,602
- FY2023 Taxes				38,407							
83 Middle Street	21/50	30 YEARS	3	645,700	62,400	583,300	50%	291,650	3,969	0	4,819
- FY2023 Taxes				8,788							
104 Grant Street	21/50	30 YEARS	3	6,977,500	419,600	6,557,900	75%	4,918,425	66,940	0	28,024
- FY2023 Taxes				94,964							
Area-Wide TIFs, with CEA											
BAYSIDE	04/33	30 YEARS	20	402,399,810	121,639,640	280,760,170	45%	126,342,077		1,719,516	3,757,146
FY2023 Taxes				5,476,661	1,655,516			1,719,516			
- CEA/Atlantic Bayside Trust	09/23	15 YEARS	15	38,587,200	0		Formula		0		
WATERFRONT	03/32	30 YEARS	21	231,270,070	34,299,010	196,971,060	64%	126,061,478		1,551,115	1,431,889
FY2023 Taxes				3,147,586	466,810			1,715,697			
- CEA/Waterfront Maine	12/31	20 YEARS	12	22,937,700	950,900	21,986,800	55%	12,092,740	164,582		
DOWNTOWN TOD TIF	16/45	30 YEARS	8	2,257,137,740	965,007,320	1,292,130,420	10%	129,213,042		1,758,590	28,961,055
FY2023 Taxes				30,719,645	13,133,750	17,585,895		1,758,590			
Total Value:				2,994,914,420	1,129,012,680	1,865,901,740		448,253,628			
Total Taxes:				40,760,785	15,365,863	25,394,923		6,100,732	986,325	5,111,820	34,662,640

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City of Portland | Housing and Economic Development Department
Mary P. Davis, Interim Director

MEMORANDUM

To: Councilor Pious Ali, Chair
Members of the Housing and Economic Development Committee

From: Mary Davis, Interim Director, Housing and Economic Development Department

Date: October 6, 2023

RE: 2023 Housing and Economic Development Committee Proposed Work Plan

The work plan and draft schedule for the Housing and Economic Development Committee is attached.

As has been the practice of the committee, the work plan and schedule will be included on every HEDC meeting agenda to provide an opportunity for committee members to provide updates and direction on the agenda schedule.

389 Congress Street, Portland, ME 04101 – www.portlandmaine.gov – (207) 874-8683

DRAFT
Housing & Economic Development Committee
2023 Work Plan Schedule
as of October 6, 2023

<u>October 10 2023</u>

1. (Executive Session) USL Financial Due Diligence
2. (Public Comment) Review and Recommendation to the City Council regarding the Portland United LLC (USL Soccer) Stadium Use Agreement for the Use and Occupancy of Fitzpatrick Stadium
3. Review of FYE 2023 TIF Annual Report

<u>October 24, 2023</u>

1. (Public Comment) Review and Recommendation to the City Council of an Affordable Housing TIF/CEA - Lambert Woods North Project (622 Auburn Street) and Amendment to Purchase and Sale Agreement for 622 Auburn Street/0 Gray Road, Falmouth
2. (Public Comment) Review and Recommendation to the City Council of an Affordable Housing Development Subsidy (57 Douglass Street - Dougherty Commons Condo)
3. (Public Comment) Review and Recommendation to the City Council of an Affordable Housing TIF/CEA - and Affordable Housing Development Subsidy (57 Douglass Street - Dougherty Commons Apartment)
4. (Public Comment) Review and Recommendation to the City Council Amendment to Purchase and Sale Agreement - Dougherty Commons
5. Portland Fish Pier Authority update (tentative)

<u>November 14, 2023</u>

1. (Public Comment) Review and Recommendation to the City Council of an Affordable Housing TIF/CEA and Affordable Housing Development Subsidy- Lambert Woods South Project (165 Lambert Street)

<u>November 29, 2023</u>

1. Review of the 2023 Annual Accomplishment Report for the Housing and Economic Development Committee
2. Analysis of the Role of the Rental Housing Advisory Committee (Tentative)

<u>December, 2023 - No meeting</u>

COMPLETED WORK

January 17, 2023

1. Facilitated Work Plan Discussion

February 21, 2023

1. Workshop - Responsibilities of the Housing and Economic Development Department
2. Review Letter from the Rental Housing Advisory Committee
3. (Public Hearing) Review and Recommendation to the City Council – FY24 Housing Program Budget
4. (Public Hearing) Review and Recommendation to the City Council - HOME-ARP Program Plan
5. (Public Hearing) Review and Recommendation to the City Council - Thames Street Purchase and Sale Agreement

March 21, 2023

1. (Public Hearing) Review and Recommendation to the City Council – 2023 Jill C. Duson Housing Trust Fund Annual Plan
2. (Public Hearing) Review and Vote to Approve the Issuance of 2023 Affordable Housing TIF and Affordable Housing Development Fund Application for the Jill C. Duson Housing Trust Fund, HOME Program
3. (Public Hearing) Review and Recommendation to the City Council to continue to Participate in the Cumberland County HOME Consortium
4. Executive Session Review and Direction to Staff on Negotiations with USL Soccer Proposal at Fitzpatrick Stadiums

April 4, 2023

1. Presentation of Annual Report from Permitting & Inspections Dept. Re: Short/Long Term Rental Registration Program and Housing Safety.
2. Communication - Memo from City Staff regarding the Franklin Street Redesign Plan
3. Communication - Findings of January 2023 Housing Supply Boot Camp
4. Communication - Memo from City Staff regarding City Owned Property - 0 Marginal Way Parking Lot

April 25, 2023

1. (Public Hearing) Review and Recommendation to the City Council - Amendment to the City's Tax Increment Financing Policy
2. (Public Hearing) Review and Recommendation to the City Council - Report to HUD on Analysis of Impediments to Fair Housing
3. (Public Hearing) Review and Update regarding Portland Adult Ed FY23 Workforce Development Programs and FY24 Funding Request.
4. (Public Hearing) Review and Recommendation to the City Council - Regarding establishing a Tourism Improvement District.

May 16, 2023 - Canceled

June 20, 2023

1. Review of 2022 Annual Housing Report
2. Preview of Agenda for City Council Affordable Housing Workshop (June 28)
3. (Public Comment) Approve and Recommend an Affordable Housing TIF - 15 Casco Street

July 18 2023 - Canceled

August 15, 2023

1. Executive Session USL Soccer Proposal
2. Review, Consideration and Feedback on Revisions to the Outdoor Dining on Public Property Program (Sidewalks only)
3. (Public Comment) Review and Recommendation regarding a proposed Affordable Rental Housing Incentive Program
4. Reconsideration of Changes to the City's Tax Increment Financing Policy - Feedback from the Committee regarding additional information needed from staff

September 19, 2023

1. (Public Comment) Review and Recommendation to the City Council of an Affordable Housing TIF/CEA and Affordable Housing Development Subsidy- Portland Housing Development Corp. Riverton Park Project
2. Maine Cooperative Development Partners Update

2023 Housing and Economic Development Committee Draft Work Plan October 5, 2023

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
ECONOMIC DEVELOPMENT POLICY				
Review Tax Increment Financing (TIF) investment in workforce training for FY2024 funding.		X		4.25.23
Vote on Tourism Improvement District proposal		X		4.25.23
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		
Waterfront Activity Workshop including - Harbor Dredge Project, Portland Harbor Commons, Off-Shore Wind, and other items		X	X	
Accessibility of Public Buildings, ADA Compliance			X	
Consideration of year-round outdoor dining on public property (excluding streets)				8.15.23

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
AFFORDABLE HOUSING POLICY AND BUDGETS				
Policy Discussion re: (1) Guidelines and Priorities for the allocation of city resources for housing development (2) use of priority nodes and corridors for housing development (possible committee workshop with Planning Dept staff)	X	X	X	3.21.23
Review of FY 2024 Housing Program Budget	X			2.21.23
Review of 2023 Jill C. Duson Housing Trust Fund Annual Plan and the 2023 Affordable Housing Development Application	X			3.21.23
Review and Analysis of the Role of the Rental Housing Advisory Committee		X	X	

	Annual Committe e Work	Staff Recommendations	Committee Members' Priorities	Status
AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT - PUBLIC-PRIVATE PARTNERSHIPS, REAL ESTATE TRANSACTIONS				
Review/ Vote to Approve Funding Requests Received from the Affordable Housing Development Applications -Housing Trust, HOME & AHTIF CEA Requests.	X	X		
Review City Owned property to sell/lease to support affordable housing		X		
Portland United Soccer League Proposal				
Purchase & Sale Agreement - Sale of a portion of City-owned Thames St. Property		X		2.21.23
Kennebec Street Realignment (from Brattle to Forest)				
Review of Franklin Street Plan and Possible Use of Federal Reconnecting Communities Grant - Possible Joint Meeting with Sustainability & Transportation			X	4.4.23

	Annual Committe e Work	Staff Recommendations	Committee Members' Priorities	Status
ANNUAL REPORTS AND ACTIONS				
Presentation of 2022 Housing Report	X			6.20.23
FY24 Annual Allocation Plan (Jan-April) & Analysis of Impediments to Fair Housing	X	X		4.25.23
Annual Presentation,-Permitting & Inspections, Short/Long-term Rental Housing Registration, Safety & Inspection Program - Implementation & Financial Report Discussion of Dept. Staff Needs	X		Process established under prior Housing Committee X	4.4.23
City TIF District Annual Activity Report (November)	X			
Committee Annual Accomplishment Report (November)	X			