



ECONOMIC DEVELOPMENT COMMITTEE

DATE: Wednesday, May 27, 2020

TIME: 5:30 PM

LOCATION: You are invited to a Zoom webinar.

When: May 27, 2020 05:30 PM Eastern Time (US and Canada)

Topic: Economic Development Committee

Please click the link below to join the webinar:

<https://zoom.us/j/93926199994>

Or iPhone one-tap :

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Webinar ID: 939 2619 9994

International numbers available: <https://zoom.us/u/aGGEXYBD>

1. Review and accept Minutes of previous meetings held on April 21, 2020, and May 5, 2020.

a. See attached draft April 21, 2020, meeting Minutes.

b. See attached draft May 5, 2020, meeting Minutes.

2. Public Hearing and vote on a recommendation to the City Council on three Affordable Housing Project Tax Increment Financing (TIF) District Credit Enhancement Agreements requests which have been reviewed by the Housing Committee - Mary Davis and Greg Mitchell

a. Community Housing of Maine 83 Middle Street Project

b. Avesta 200 Valley Street Project

- c. Portland Housing Authority 577 Washington Avenue (Washington Gardens) Project.

See attached memorandum from Mary Davis with attachment documents.

NOTE: The Committee may go into executive session per 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to provide staff direction on negotiations.

3. Public Hearing and vote to recommend to the City Council to amend the Downtown Transit-Oriented TIF District to remove 83 Middle Street from the District for it to be its own free-standing Affordable Housing TIF District - Greg Mitchell

- a. Verbal Update

4. Public Hearing on Land Exchange Agreement between the City of Portland and JB Brown, including discontinuance of an undeveloped portion of Emery Street at the Commercial Street intersection and vote to recommend to the City Council.

- a. See attached memorandum from Greg Mitchell and backup documents.

Committee may go into executive session per 1 M.R.S.A. 405(6)(C) to provide staff direction on negotiations.

5. Executive Session

Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide direction to staff regarding the following:

- a. Possible disposition of Angelo's Acre located at 431 Commercial Street (verbal update).

Next Meeting Date: June 2, 2020

Minutes
Remote Economic Development Committee
April 21, 2020

These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, April 21, 2020, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Tae Chong, Nicholas Mavodones, and Spencer Thibodeau. Mayor Kate Snyder joined the meeting as noted herein. Present from the City staff were OEO Outreach and Initiatives Coordinator Angelina Klouthis, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and OEO Director Julia Trujillo.

Chair Costa welcomed everyone to the first Remote EDC meeting due to the COVID-19 Pandemic.

Item #1: Review and vote on February 18, 2020, draft meeting Minutes.

On motion made by Councilor Chong, seconded by Councilor Mavodones, the Committee voted unanimously to accept the Minutes as published.

Item #2: Portland Downtown Proposed Fiscal Year 2021 Work Plan and Budget for Discussion

Casey Gilbert, Executive Director of Portland Downtown (PD), thanked the Committee for their time to review the proposed FY2021 work plan and budget, which needs approval by the full PD Board and then described the Board make-up of stakeholders in the Downtown. She noted that PD has a brand new five-year Strategic Plan for 2020 through 2025 with goals to “Serve, Enhance, Engage, Achieve”. She then described PD’s mission for a clean, safe, and

vibrant Downtown. FY2021 will be a year to assist with stimulating the economy given current circumstances. She also noted that she and the Board are in the process of interviewing for a new Executive Director given her notice to the Board earlier this year. Ms. Casey described FY2020 highlights – please see attached for more information.

Regarding the FY2021 budget, Ms. Casey noted a 1.8% increase in assessment income based on current valuations and a PD projected decrease in mil rate; it is not based on the Revaluation process currently being undertaken by the City. This budget was achieved working with City Assessor Chris Huff. It is conservative in estimates.

(Mayor Snyder joined the meeting at this time.)

Mr. Mitchell added that the FY2021 PD Budget is just over \$1 Million, and staff will work with the Assessor based on that budget and a proposed mil rate for PD. PD's budget, work plan, and setting the mil rate need approval by the City Council, a two read item generally held in the month of June.

Mr. Mitchell also noted that this was being presented to the Committee for informational purposes; no action required. The final budget would be approved by the PD Board at its May meeting and it would then be ready for City Council action.

Chair Costa applauded the conservative estimate, and requested that this come back to the Committee for its recommendation to the City Council when the budget is finalized.

Chair Costa asked if there were any questions for Ms. Gilbert. There being none, he thanked Ms. Casey for the great job she has done for PD.

Item #3: City of Portland Workforce Training Pilot Program Results and Discussion.

Chair Costa noted that this Committee was proactive in getting the area-wide TIF Districts revenue amended to allow use of TIF revenue for workforce training to create jobs.

FY2020 is the first year of use with the City allocating \$250,000 from the Downtown TIF. Of that amount, the City worked with Portland Adult Education (PAE) to design the training program and allotted \$100,000 for the pilot program. The City then sent an RFP requesting proposals for another Pilot program to invest in Portland employer workforce training needs, with a budget of \$150,000. Coastal Counties Workforce (CCW), working with Maine Health (MH), was awarded the contract. City staff, as well as PAE and CCW will update the Committee on these pilot programs.

Mr. Mitchell agreed, as well as a discussion on program continuation or not, given these are pilot programs. He noted that per TIF State Statute these programs have to be associated with employment.

Ms. Trujillo appreciated the innovative ways to use TIF funding for workforce development. PAE's pilot program was a brand new Banking Training Module and continuation of its Education Academy and Intensive English courses, and CCW's pilot program works with incumbent workers of Maine Health with on the job training and English training. Both parties were granted a no cost extension to their contracts due to the COVID-19 Pandemic. A summary of measurements and overall jobs is included in the backup. Accountability process could be improved and work continues on that aspect.

Councilor Chong, in looking at the numbers, noted PAE's success rate at approximately \$1,600 per participant (61 participants), while CCW assisted 29 participants or \$5,000 each noting their goal was to assist 65, with cut off earlier due to COVID-19. Both train front-line workers which is laudable.

Anita St. Onge of PAE was pleased with the work done to date with this TIF funding investment and described the programs of Education Academy, New Mainer Teller Program, Intensive Job Readiness, and Intensive English classes and noting levels achieved.

Liz Love, also with PAE, added that there were 75 served under the programs, and 61 served by TIF revenue investment and others through the PAE workforce program. PAE had six financial institutions involved in the teller training program, which institutions also assisted in teaching the program. Ms. Love described the success rates and those recently hired, both as tellers and in the education system, as well as the intent of the Intensive Job Readiness Class and Intensive English Class to provide general support to obtain a first U.S. job.

Councilor Chong again noted the remarkable return on the TIF investment, and, in his recent outreach to Hannaford, he suggested that PAE get in contact with them as they are looking for more workers.

Jillian Sample from CCW thanked the City for the \$150,000 TIF Investment for job enhancement of incumbent employees at MaineHealth, with a goal of assisting 65 employees. As of April 16, the program has assisted 29 individuals and is now the paused due to COVID-19. They will be working towards the goal of 65 employees and will provide performance reports, building on the momentum they experienced through April 16th.

Jennifer O'Leary from Maine Health added that the TIF revenue investment supported the Career Navigator who uses a combination of resources to support employees navigate career pathways within MaineHealth. The Career Navigator goes into the working environment building relationships with employees, addressing personal and academic barriers, for a pathway to advancement.

Councilor Chong appreciated the work to date and would look forward to future performance reports.

Mr. Mitchell queried the Committee if it wanted to begin discussion on future investment in workforce training, with Chair Costa noting consensus to begin discussions.

Councilor Chong said that with 90,000 unemployed, he would like to continue the

investment to get as many retrained and employed quickly, but not necessarily with new programs and utilizing existing educational facilities.

Chair Costa agreed that continuing with workforce training investment would be a goal, particularly during this time. This year's investment of \$250,000 goes much further in the workforce training effort than it does in sidewalk construction.

Mr. Mitchell, hearing support for continuing investment, said he will come back with suggestions for future investment working with the City Manager, noting uncertainty in City budgets at this time. PAE and CCW will continue with their current programs under their current contracts.

The Committee concurred.

Item #4: Portland Development Corporation (PDC) COVID-19 Program Response

In response to the COVID-19 Pandemic, Mr. Mitchell said that he wanted to update the EDC on what the PDC is doing, noting that both Councilor Chong and Mr. Jennings serve on the PDC Board. The PDC first offered three (3) month deferrals of loan payments (April, May, June) for loan clients in good standing, with about two-thirds utilizing this program. The PDC then has met to discuss guidelines for a proposed Rapid Response Loan Program, COVID-19 BAP Grant Program for retention/rehiring, and a Microenterprise Grant Program to assist business to stay open. When the PDC approves the guidelines, they will be presented to the City Council for approval.

In response to Councilor Thibodeau, Mr. Mitchell noted that the PDC is reserving up to \$400,000 in its unrestricted loan funds for the Rapid Response Loan Program, with maximum loans of \$10,000 and \$5,000 forgivable if they meet the jobs retention/rehiring guidelines. The PDC will have a first round of \$250,000 available in this loan program, with an additional \$150,000 that would be available in a second round, if needed.

Consensus of the Committee was that it would look forward to seeing these proposed programs and guidelines at the Council level.

Item #5: Discuss possible City business fee refunds while Stay at Home Orders are in place.

Chair Costa said that this is on the Agenda from a City Council meeting where the possibility of fees being waived for short-term rentals during the Pandemic was brought up. The policy question is what about other business fees.

Mr. Jennings said that City staff would need to wait to be able to assess all of the fees and bring back its recommendations on ways to approach this. He anticipated the fees would be more on the business licensing side that may have been impacted by Stay at Home Orders; may look at a pro-rating approach – everything is on the table. He also noted that the City revenue budget is taking a hard hit as well during this time.

Councilor Mavodones noted the need for equity among license holders, and this Committee would need to know the impact budget wise.

Councilor Thibodeau said that this would be a tough issue, while also noting any performance guarantees that the business survives. Perhaps a guidelines that it has to stay open for the remainder of the year. This may be a topic for the Finance Committee.

There was discussion among staff and the EDC that an analysis would need to be done to determine cost to the City, as well as to determine if it would be beneficial or not, or too complicated to manage.

Item #6: EDC 2020 Work Plan Discussion

Chair Costa noted that the EDC lost a couple of meetings due to the Pandemic so wanted the Committee to discuss the Work Plan.

Mr. Mitchell indicated that the Roux Institute is still moving forward and will be

available to provide an update to the Committee shortly. There are some affordable housing TIFs coming up, questioning whether they should be discussed at a joint EDC and Housing Committee or separately.

Chair Costa suggested they could be reviewed separately, particularly during this remote meeting time. He then asked about the waterfront, and Mr. Jennings that they could meet and program it for future meetings.

Councilor Chong said that there may be new items as COVID-19 unwinds more, with tourism heavily affected. Also, the need to build in more infrastructure for high speed internet, particularly due to on-line learning needs. Also, more manufacturing and maker spaces are needed, suggesting working with colleges and tech schools; health informatics and medical capabilities could also be considered.

Chair Costa asked the Committee if the items currently on the Work Plan are still relevant.

Councilor Thibodeau noted to stay the course on the work plan. The City will continue its response to small businesses.

Councilor Mavodones generally agreed with Councilor Thibodeau. The City needs to be flexible in dealing with COVID-19 effects, and IT infrastructure is a good point, with students challenged because of lack of connectivity. There have been discussions regarding this in the past with an investment cost upwards of \$70 Million. This can be revisited as needed.

Chair Costa said that he would work Mr. Jennings and Mr. Mitchell for updating the Work Plan and queue up items as they become ready.

Councilor Thibodeau said that he would like to be kept apprised of the three RFPs currently out for sale of City-owned property.

Chair Costa said that this can be added, and there will also be a bigger picture that we all

see coming, working with business and organizations when the time is right.

Noting no further questions/discussion, the Chair asked for a motion to adjourn.

On motion made by Councilor Chong, seconded by Councilor Thibodeau, the Committee voted unanimously to adjourn the meeting at 7:30 p.m.

Respectfully, Lori Paulette

FY21 Budget and Development Plan



Portland Downtown stimulates a thriving, vibrant, and sustainable downtown community

FY20 Highlights



- *Drive Less, Do More* campaign with City of Portland and regional transit partners
- Purchased new self-watering planters to beautify downtown
- Welcomed new board members and conducted annual board check-ins
- Increased event sponsorships by 20%
- Record attendance at Merchant Meetings
- Created Pandora's Winter Lights Walking Tour Brochure
- Awarded CDBG grant in partnership with City of Portland to refresh pedestrian wayfinding signs and add bike racks
- Developed new 5-year strategic plan

Budget Comparison



FY20

- Assessment income
\$1,018,037
- Total income
\$1,082,037
- Supplemental Services
expense \$404,862
- Total expense
\$1,082,037

FY21 (draft)

- Assessment income
\$1,036,500 (+ 1.8%)
- Total income
\$1,101, 650
- Supplemental Services
expense \$425,000
- Total expense
\$1,101,080

Notes on FY21 budget



- While assessment revenue does show a small increase (1.8%), it is anticipated that the mil rate will actually decrease, based on estimated valuation
- Staffing changes are reflected in reduction in employee costs
- Events are budgeted to be break-even, so budget is not impacted if events are cancelled
 - Horse + Wagon Rides will likely be discontinued
- Increase in programmatic expenses to support social service organizations
- Overall, a very conservative budget has been planned and approved by our Finance + Executive Committees

Strategic Plan Comparison



2015-2020

- Vitality
- Experience
- Growth
- Advocacy

2020-2025

- Serve
- Enhance
- Engage
- Achieve

2020-2025 Strategic Plan Guiding Principles



- Portland Downtown is a community builder
- Portland Downtown is a key advocate for the downtown community
- Portland Downtown is a strong partner and collaborator
- Portland Downtown strives to be increasingly environmentally sustainable
- Portland Downtown believes in organizational sustainability

FY21 Development Plan



- Welcome new executive director
- Focus on advocacy for stakeholders
- Evaluate programs and services: value, outcomes and impact
- Implementing new 5-year plan and aligning committee goals with plan
- Improve downtown experience for those who live, work, do business, and visit
- Increase board engagement and ensure all stakeholders are well represented in board seat allocation
- Communicate organizational mission, goals and values to stakeholders and increase stakeholder engagement
- Assess impacts of COVID-19 on downtown stakeholders and develop partnerships, advocacy and programs to support

Minutes
Remote Economic Development Committee
May 5, 2020

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

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These

Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, May 5, 2020, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Tae Chong, Nicholas Mavodones, and Spencer Thibodeau. Also present was Mayor Kate Snyder and Councilors Kim Cook and Jill Duson. Present from the City staff were Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, City Manager Jon Jennings, OEO Outreach and Initiatives Coordinator Angelina Klouthis, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and OEO Director Julia Trujillo.

Chair Costa welcomed everyone to the second Remote EDC meeting due to the COVID-19 Pandemic and noted that at the first meeting held on April 21 there were some technical issues. Mr. Mitchell continued on that point noting that the meeting was recorded, but the recording was thereafter found to be corrupt and not available. However, there will be written Minutes of that meeting for Committee review and approval.

Chair Costa also noted that there were no actions taken by the Committee at this meeting and then thanked Mr. Mitchell for the update. The Chair then noted that an item was added to the Agenda at the last minute and requested the Committee take up that item first for expanded outdoor seating; the Committee concurred.

Item #5: Verbal update regarding possible expanded outdoor seating for restaurants.

Chair Costa said that this was added in response to COVID-19. The Mayor, Council, and City staff have seen a lot of email traffic on this item, including Portland Downtown, the Chamber, and Visit Portland, and is well aware of constituent concerns.

Mr. Jennings noted that this would be for restaurants and retail businesses. City staff has already been working with Chamber and others regarding possibilities of closing streets, increase the number of Parklets (use of parking spaces) – now set at 5, as well as the use of adjacent parking lots, both private lots and City lots. He would recommend that this Committee have oversight of this topic.

Councilor Thibodeau thanked Mr. Jennings for the overview, noting that he and the Mayor have had weekly Saturday calls with business owners interested in this and asked about the timeline.

Mr. Jennings said that the goal would be to have this implemented by June 1st, as July and August are two optimal months for the restaurant and retail industry.

Councilor Thibodeau said that the City currently has an ordinance that exists for parklets, which is a good starting point for use of parking spaces, and questioned if the fee for this would be reduced.

Mr. Jennings said, yes, that has been part of the discussion, with the City needing to acquire additional barriers in this proposal to close streets, while also noting that parklets need to be strictly barricaded. The City's traffic engineer is currently reviewing possible street closures to continue to move the City safely, and for emergency vehicles.

Councilor Mavodones noted the need for staff to do an analysis of other businesses so

that there are not any unintended consequences. Regarding fees, while noting that there may be some reduction, there are staggering projections for FY2021 for the City based on its loss, and continued loss, of revenue during this time. If it is determined to make sense to close some streets, he would be fine with that. In addition, with the likelihood of not as many parking this Summer, he is also fine with loss of some parking spaces for increased parklets.

Councilor Cook said that she is glad to hear staff is working on this, having talked with many business owners from restaurants, Portland Trails, PSA, and PD, to name a few, and there is a lot of energy and excitement to open public spaces for use during this pandemic to assist when distancing. She questioned who on City staff is working on this, noting if there is need for Councilors and/or organization assistance that could be provided, and agreed that June 1st would be great to have this in place.

Mr. Jennings advised her of the large group of staff who met and are meeting regularly on this topic, and staff has also been in discussions with similar organizations. A proposed plan will be brought to this Committee for a recommendation to the City Council.

Councilor Chong appreciated staff to develop a proposed plan for review for efficiency. He cautioned to consider inclement weather in the plan and the use of awnings/umbrellas. Also, he offered a suggestion to see if, perhaps, with Creative Portland and Portland Downtown, there could be artistic barriers.

Mr. Jennings agreed on the inclement weather scenarios, and the Chamber may be able to assist businesses with tables and chairs. Regarding creative barriers, it could be considered but this needs to get done.

Mayor Snyder thanked Mr. Jennings for the update, noting that this evolved quickly over the last week, and staff is working diligently on drafting a proposal for EDC review and recommendation, and would prefer that that process continue. She and Councilor Costa will

also continue working with the City Manager to get this to the EDC and Council.

Mayor Snyder also noted that there will be struggles with equity and consistency, and cautioned that there will be some not happy.

Mr. Jennings agreed, some will not be happy but staff will offer informed recommendations to the EDC, noting it could even be a phased approach.

Chair Costa thanked staff for this update, and noted that he and the Mayor will work with the City Manager in moving this forward. The entire City Council is well aware of the discussions taking place, receiving many emails, and all are looking forward to a successful outcome.

Item #1: Public Hearing on 104 Grant Street Affordable Housing Tax Increment Financing (TIF) Credit Enhancement Agreement (CEA) Request.

Ms. Davis noted that the EDC, in a joint meeting with the Housing Committee (HC) on March 4, received an introduction on this project, where the applicant spoke and public comment was taken. She then went over her memo to the EDC, copy attached, noting that the project consists of 23 units of workforce housing to include 1 two-bedroom unit and 22 one-bedroom unit condominiums. She described that 52% or twelve of the 23 units will be available for sale as workforce housing affordable to households at 120% of the area median income (AMI). Sale price of units will range from \$200,000 to \$355,000, with 12 units priced below \$250,000 – with 8 of those 12 priced at \$200,000.

Ms. Davis noted the original assessed value is now at \$419,600, and an anticipated total assessed value at build-out being \$4.419 Million, and a \$6.5 Million construction budget. The project has received Planning Board approval.

Ms. Davis then discussed TIF payment Options 1 and 2 for direction from the Committee. She noted that after the Memo was issued, she was in discussions with the

Developer who prefers Option 1, that is to be paid with TIF revenues up to the maximum 75% capture rate or the amount of the annual debt service, whichever is less. This would be capped at \$2.5 Million over the term of the District, while the total estimated debt service cost is \$2.7 Million. She noted Option 2 provides a straight 75% capture repayment, with a cap at the estimated \$2.5 Million. In either case, the AHTIF term could expire prior to the 30 years because of the cap.

Ms. Davis said that the public benefit is workforce development housing ownership and \$25,000 in average annual tax sheltering savings. There was an underwriting analysis done which confirmed that the project could not go forward without the TIF CEA.

Chair Costa noted that the EDC is being requested to take action, so he would take clarifying questions from the EDC, followed by a public hearing. He also noted that he does not think an executive session will be needed unless he hears otherwise; consensus agreed.

Councilor Chong asked about the average market value for the units.

Todd Alexander, representing the Developer, noted that assessing market value is a challenge. However, the simplest way to get an estimate would be if there were no deed restrictions, then these unit sales would sell for well over \$300K each. The TIF will assist with the construction loan.

Councilor Chong thanked Mr. Alexander noting that the public would get affordable prices for these condos, and, over the 30-year life of the TIF, it is a small cost.

Discussion then took place regarding Option 1 and 2, with consensus being Option 1.

Chair Costa asked Mr. Mitchell to explain to the public what the Developer is doing with this development, and his prior Agreement with the City when he purchased 82 Hanover Street.

Mr. Mitchell said that the Agreement the City has with the Developer Tom Watson when it sold him 82 Hanover Street was that 104 Grant Street would be developed into 23 units of housing, with no restrictions on what kind of housing.

Chair Costa said that he wanted the public to be clear about this, and the Developer is choosing affordable workforce units with ownership.

Mr. Alexander agreed, noting that the Developer chose this kind of development based on the need and what the neighborhood wanted to see there.

Chair Costa then opened the meeting for public comment.

Karen Snyder questioned the City subsidizing \$2.5 Million for 12 units of workforce housing.

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

A motion was then made by Councilor Mavodones, seconded by Councilor Thibodeau, to forward this to the City Council with a recommendation for approval.

Councilor Thibodeau asked for clarity of Option 1 and Option 2 for payment of TIF revenue funds to the Developer.

Mr. Mitchell noted that TIF revenues returned to the Developer, in either Option, would be capped at the estimated amount of \$2.5 Million, with the total estimated debt service at \$2.7 Million. Option 1 would return to the developer either up to the annual maximum 75% capture rate, or the amount of debt service paid that year, whichever is less. Option 2 would return the annual maximum 75% capture rate until the cap is reached. Also, under either Option, the maximum 30 years of the term may be reached earlier if TIF payments made reach the cap, at for example, year 20 and the TIF would terminate.

Councilor Chong said that this makes sense as an incentive to a developer to build workforce housing, both for the social benefits and the numbers.

Councilor Mavodones said that he will support this project, noting that he had learned a lot about this project at the joint meeting with the HC. He also noted that the outside financial review confirmed that without an AHTIF, it could not go forward. Workforce housing, particularly ownership, is a definite need for Portland. The Developer could have done higher cost condos but chose workforce condos, and this fits the neighborhood better and will stabilize it. As far as which option, he would prefer Option 1.

Chair Costa also preferred Option 1, noting that there are three caps: up to 75% annually; actual annual debt service cap; and total maximum TIF payment capped at \$2.5 Million over the life of the District. Chair Costa also noted, as did Councilor Mavodones, that the Developer could have created high market rate condos but chose workforce housing which the City desperately needs. People will have access to home ownership with this development, and he then thanked all for their work on this.

Councilor Thibodeau noted home ownership/housing is a must. This is really exciting for workforce housing ownership at the right time for his Council District.

Councilor Mavodones made a motion to amend the main motion to include Option 1 as the preferred option in returning TIF funds to the Developer. Councilor Thibodeau seconded the motion.

Councilor Duson noted that this was a very good discussion and applauded Mary Davis and her team for their work on this and other projects, as well as Greg Mitchell and his staff.

Chair Costa then asked for a vote on the amendment to the main motion and it passed unanimously. He then asked for a vote on the main motion and it passed unanimously.

Item #2: Public hearing and vote to recommend sending as a communication to the City the Annual TIF District Activity Report up to May 1, 2020, with the Final Report to be provided after the fiscal year ends.

Mr. Mitchell said that this Report, in its 8th year, provides detailed information of City-wide TIF District activity, which includes 3 area wide TIF Districts, 6 active commercial CEAs, and 10 active AHTIF CEAs. The Report is early to perhaps discuss TIF Policy with regard to AHTIFs. Staff is hearing from AH developers that, because the TIF policy requires construction projects pay employees the state prevailing wage or the City's minimum wage – whichever is higher, construction costs are coming in much higher than anticipated. Staff could present at a future meeting proposed amendments to that Policy.

Councilor Thibodeau made a motion to forward this Report to the City Council as a communication; Councilor Chong seconded the motion.

Councilor Thibodeau thanked Greg and his staff for the Annual Report, and the housing focus is right on target.

Chair Costa agreed; it provides a resource of information for these programs. He then asked for a vote on the motion and it passed unanimously.

Item #3: Verbal update on Request for Proposals issued for 43 & 91 Douglass Street, 41 Randall Street, and 165 Lambert Street.

Ms. Davis said that these properties are currently out to RFP with the deadline for proposals being June 16th. At that time, staff will evaluate and score proposals received, and provide its recommendation to the EDC for action, with HC to weigh in as well.

Seeing no questions, Chair Costa thanked Ms. Davis for the update.

Item #4: Verbal update on additional COVID-19 restricted CDBG funding to support economic development and other activities, including the allocation process.

Councilor Chong noted he has a conflict with this item as his employer has received CDBG funding in the past and then left the meeting.

Ms. Davis noted that the City will be receiving additional CDBG funding in the amount of \$1.13 Million and \$573,734 in additional emergency grant funding from the CARES Act. The latter amount is targeting homelessness, shelter services, and street outreach. The staff recommendations will be based on three areas of need: rental assistance, economic development assistance, and emergency shelter/homeless services. She has been working with other City departments to determine the best use of these funds. In the morning, a staff proposal will be delivered to the City Manager who will make a recommendation to the Council at its May 18 meeting.

Seeing no questions, Chair Costa thanked Ms. Davis for the update.

On motion made by Councilor Mavodones, seconded by Councilor Thibodeau, the Committee voted unanimously to adjourn at 7:15 p.m.

Respectfully, Lori Paulette



CITY OF PORTLAND
Planning & Urban Development Department
Housing and Community Development Division

TO: Councilor Costa, Chair
Members of the Economic Development Committee

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

DATE: May 1, 2020

SUBJECT: Watson Renewal Grant LLC – 104 Grant Street
Affordable Housing Tax Increment Financing Request

As you may recall, the committee received an introduction to this project and the Affordable Housing Tax Increment Financing (AHTIF) Credit Enhancement Agreement (CEA) request at your joint meeting with the Housing Committee on March 4, 2020. The applicant spoke briefly regarding the request and public comment was taken.

Under the terms of a Purchase and Sale Agreement between the City of Portland and Tom Watson & Co., LLC, related to the city sale of 82 Hanover Street, the buyer's post-closing obligations required construction of at least 23 units at property located at 104 Grant Street. Watson Renewal Grant LLC (WRG) is a partnership formed to meet that obligation. WRG is proposing to construct 23 condominium units on the 104 Grant Street site and is requesting financial assistance from the City in the form of an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement to assist with the cost of construction of the project.

The development district will include 23 units of workforce housing. The project will include 1 two-bedroom and 22 one-bedroom condominiums. Fifty-two percent (52%) or a total of twelve of the twenty-three units, will be available for sale as workforce housing affordable to households at 120% of the area median income. The units will have affordability restrictions through the Affordable Housing TIF Program, MaineHousing's Subdivision Grant Program and the City's Inclusionary Zoning Ordinance. The units will range in size from 498 to 760 square feet. The sale price of the units will range from \$200,000 to \$355,000. Twelve units will be priced below \$250,000 with eight of those units priced at \$200,000.

When completed, the project's new assessed value is estimated at \$4.419 million, which will yield \$3.99 million in increased annual assessed property value. The property currently has a \$419,600 net taxable value.

Total development costs are estimated at \$6.5 million. At full build out, the development district is projected to pay an annual average of \$122,199 in new taxes, of which an estimated \$30,550 (average) will be non-captured general fund revenue. In addition, the City will continue to receive general fund revenues of \$13,472 (30 year annual average) on the original assessed value of the property.

It is important to note that this Project has received City Planning Board approval.

Two options regarding how the captured revenue returned to the developer will be paid out are presented at the May 5th EDC meeting for Committee discussion and direction. The options include:

Option 1 would return to the developer their actual costs paid on annual Project debt service based upon an annual maximum 75% TIF CEA capture rate for upwards of thirty (30) years with a total captured revenue cumulative “cap” or maximum. The cap would be the total cumulative TIF CEA payment amount equal to the total actual debt service cost. When the cap is reached the TIF CEA expires.

Option 2 under consideration by the Project developer returns a fixed 75% TIF CEA capture of the increased taxable value to the developer, currently estimated at a 30-year annual average of \$91,649 for upwards of thirty (30) years until the cap is reached. Any amount over and above the actual debt service costs would be used to pay down the principal amount of the developer Project loan, thereby retiring the debt early and decreasing the term of the AHTIF district when that debt is paid in full.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)	City OAV General Fund Revenues
30 Year TIF Total	\$2,749,457	\$0	\$916,486	\$404,148
30 Year Average	\$91,649	\$0	\$30,550	\$13,472

Tax Sheltering Benefits - As a result of the tax sheltering benefits of this TIF District, the City will see an overall savings estimated at an annual amount of \$25,171, or \$755,135 over the life of the district.

	1. Sheltered Valuation (same as Captured Valuation)	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	\$83,996,220	\$645,811	\$62,947	\$46,377	\$755,135
30 Year Average	\$2,799,874	\$21,527	\$2,098	\$1,546	\$25,171

Staff Analysis and Recommendation - The Housing and Community Development Division works with an independent consultant who performs third party underwriting reviews of all requests for City funding (local and federal resources), including Affordable Housing Tax Increment Financing requests. The financial analysis for this Project found that the Project is unlikely to proceed without the TIF CEA under the requested terms. A copy of the analysis is attached. Tax increment financing requests are reviewed by the Economic Development Committee with the Housing Committee weighing in on affordable housing TIF requests. The Economic Development Committee and the Housing Committee held a joint meeting on March 4, 2020 to review this request.

Public Benefits - In reviewing this TIF CEA request, staff notes the public benefit associated with the TIF District includes 23 units of workforce homeownership units, with 12 units affordable to households at or below 120% of the area median income. Additionally, the TIF will create tax sheltering benefits estimated at an average \$25,171 annually.

Staff recommendation - Staff is requesting the Economic Development Committee approve and recommend to the City Council approval of this Affordable Housing TIF CEA proposal which meets the City's policy goal of increasing access to safe, affordable and accessible housing for working families and is consistent with City TIF Policy. Staff is also seeking guidance from the Committee regarding the two captured revenue payout options mentioned above. If approved by the EDC, staff will prepare the TIF District Program documents to present to the City Council for final action.

ATTACHMENTS

1. Project Description
2. TIF District Map(s)
3. Project Pro Forma
4. Third Party Financial Analysis
5. TIF Model Spreadsheets

104 Grant Street

EXECUTIVE SUMMARY

Watson Renewal Grant LLC (“WRG”), a partnership consisting of Tom Watson and Renewal Housing Associates LLC (collectively, the “Sponsors”), proposes to redevelop 104 Grant Street (the “Property”) into 23-units of homeownership workforce housing (the “Project”). The project will consist of 1 two-bedroom and 22 one-bedroom condominiums ranging in size from 500 SF to 750 SF. Eight (8) of the 23 units will be regulated under the City of Portland’s Inclusionary Zoning ordinance and the State of Maine’s Affordable Housing Tax Increment Financing Statute 30-A MRSA Sec 5247. An additional four (4) units will be regulated under the Maine State Housing Authority’s Subdivision Grant Program. The remaining units will be sold without deed restrictions. The prices for the ‘conventional’ units are projected to be below the average sales price for condominium units sold on the Portland peninsula.

The Sponsors’ goals for the Project are two-fold; one, ***to provide high quality homeownership opportunities to first-time homebuyers and middle-income Portland residents***. Second, ***to strengthen the Parkside neighborhood by increasing the number of owner-occupied housing units***.

The Project’s total development costs are projected to be \$6,495,000. The Sponsors will finance the acquisition and development of the Project with a combination of conventional construction financing and public subsidy. Specifically, WRG will raise ***\$5,175,000 in private funds*** through a traditional construction loan, private capital and a deferment of Sponsor sale proceeds and fees.

WRG will also generate \$1,320,000 in funding through the Maine’s Affordable Housing Tax Increment Financing program and Maine Housing’s Subdivision Grant Program. Specifically, under this application, the Sponsors are seeking to establish an AHTIF District in order ***to utilize 75% of the incremental tax revenue generated by the new condominium units to repay principal and interest on a \$1,050,000 loan (the “AHTIF Loan”), the proceeds of which will be used to construct the building***. A detailed schedule of the Project’s sources and uses is provided below. Attached as Exhibit A is an AHTIF Schedule.

SOURCES

Construction Loan	4,250,000
AHTIF Loan	1,050,000
Additional Sub Debt	270,000
Seller Note	215,000
Deferred Developer Fee Note	215,000
Sponsor Equity	495,000
Total	6,495,000

USES

Acquisition	405,000
Hard Costs	4,850,000
Soft Costs	907,000
Financing Costs	333,000
Total	6,495,000



CITY OF PORTLAND
Planning & Urban Development Department
Housing and Community Development Division

TO: Councilor Costa, Chair
Members of the Economic Development Committee

FROM: Victoria Volent, Housing Program Manager
Mary P. Davis, HCD Division Director

DATE: May 15, 2020; revised May 22, 2020

SUBJECT: Affordable Housing Tax Increment Financing Request (AHTIF)
(1) 83 Middle Street; (2) 200 Valley Street; and (3) 577 Washington Avenue
(Washington Gardens)

The City of Portland's Division of Housing and Community Development recently received four Affordable Housing Tax Increment Financing (AHTIF) applications. The applications were reviewed by the Housing Committee on May 13; the Housing Committee is supportive of the proposals and will follow the process in the Economic Development Committee.

The Affordable Housing Tax Increment Financing applications received were for projects located at:

- (1) 83 Middle Street
- (2) 200 Valley Street
- (3) 577 Washington Avenue (Washington Gardens)

Summary spreadsheets highlighting the developments are attached and an overview of each project follows.

83 Middle Street is located in an existing city council approved area-wide TIF district, the Downtown TIF. The area-wide TIF district will need to be amended to carve out this site to enable a free standing 30-year affordable housing TIF district to be established.

In regards to 337 Cumberland Avenue, an additional request has been received to increase the percentage of captured revenue to provide financial assistance to the child care operation portion of the development. The Affordable Housing TIF statute [30-A Chapter 6 § 5249 1.A.(9)] indicates that "Costs for child care, including financing costs and construction, staffing, training, certification and accreditation costs related to child care located in the affordable housing development district;" is an authorized project cost. In order to allow for a more thorough review of the request, the project has been removed from this agenda and will be scheduled for committee review at your June 16th meeting.

Affordable Housing Development Funding Requests

Project Address	83 Middle Street	200 Valley Street	337 Cumberland	Washington Gardens
Project Description	Construction of 50 units of affordable housing	Construction of 60 units of mixed income housing	Construction of 60 units of mixed-income rental housing and increased childcare spots from 58 to 107	Rehabilitation of 100 rental unit property and relocation of senior and disabled population during renovation.
Developer	CHOM	Avesta	YFO & PHA	PHA
Affordable Housing Development Funding Requests	\$0	\$595,000	\$500,000	\$400,000
HOME (approved)	\$193,266	n/a	n/a	n/a
Housing Trust Fund (approved)	\$136,734	n/a	n/a	n/a
CDBG (approved)	\$200,000	n/a	n/a	\$184,150
Healthy Neighborhood RFP	n/a	tentative \$206,921	n/a	n/a
TIF Request	\$2,062,185	\$4,092,269	\$3,296,995	\$5,714,987
Land Lease	Yes	n/a	n/a	n/a

Affordable Housing Development Funding Requests				
Project Address	83 Middle Street	200 Valley Street	337 Cumberland	Washington Gardens
Project Description	Construction of 50 units of affordable housing	Construction of 60 units of mixed income housing	Construction of 60 units of mixed-income rental housing and increased childcare spots from 58 to 107	Rehabilitation of 100 rental unit property and relocation of senior and disabled population during renovation.
Developer	CHOM	Avesta	YFO & PHA	PHA
Type of Housing	62+	Individuals & Families	Individuals & Families	55+ and disabled
Total Units	50	60	60	100
Affordble Units	50	48	48	100
Market Rate Units	0	12	12	0
% of Affordale/Market rate units	100/0	80/20	80/20	100/0
no. of units affordable to < 50% AMI	20	36	36	0
no. of units affordable to < 60% AMI	30	12	12	100
homeless set aside	10%	10%	10% (6 units)	10%
efficiency	23	11	20	60
one-bedroom	23	25	15	36
two-bedroom	4	14	15	4
three-bedroom	0	10	10	0
New units created	50	60	60	0
Rehabilitated units	0	0	0	100
CURRENT FUNDING REQUEST	\$0	\$595,000	\$500,000	\$400,000
Previous funding Received for this project	\$530,000	\$0	\$0	\$0
City Subsidy per New Affordable Unit	\$10,602/unit	\$12,395.83/unit	\$10,416.66/unit	\$4,000/unit
City Subsidy per New/Renovated Affordable Unit	n/a	n/a	n/a	\$4,000/unit
TIF Request	\$2,062,185	4,092,269	\$3,296,995	\$5,714,987
LIHTC	Yes 9%	Yes 9% (\$945,149)	Yes 9% (\$980,000)	Yes 9% (secured) \$450,000
Healthy Neighborhood RFP	n/a	tentative \$206,921	n/a	n/a
HOME (approved)	\$193,266	n/a	n/a	n/a
Housing Trust Fund (approved)	\$136,734	n/a	n/a	n/a
CDBG (approved)	n/a	n/a	n/a	\$184,150
Other City Funding encumbered by Developer	n/a	*	**	**
Total Development Cost	\$10.7 million	\$14. million	\$13.5 million	\$14.7 million
Estimated Construction Start Date	Spring 2021	Aug. 2021	Aug. 2021	Fall 2020
Estimated Lease-up	Summer 2022	Fall 2022	Fall 2022	Fall 2022
* Encumbered Funds: Avesta's Deering Place project was awarded \$500,000 in HOME, and \$4,185,757 in AH TIF. This project is under construction.				
Avesta's 977 Brighton Ave was awarded \$300,000 in Housing Trust funds and \$1,954,486 in AH TIF.				
** Encumbered Funds: PHA 's Front Street project has an outstanding comittment of \$925,000 in Housing Trust funds, \$510,174 in HOME funding, and \$6,056,916 AHTIF. PHA's 58 Boyd Street project was awarded \$200,000 in HOME, \$30,000 in CDBG, and \$2,144,566 in AH TIF (under construction)				

(1) 83 Middle Street

Community Housing of Maine (CHOM) is proposing to construct a five-story building with 50 units of affordable rental housing for residents age 62 and over. Eleven units will be set aside for Long Term Stayers (LTS). The site will be leased for 99-years from the City of Portland.

CHOM is requesting an AHTIF Credit Enhancement Agreement to assist with the project. If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30-year annual average of \$68,740 with an estimated total of \$2,062,185 in captured revenue returned to the developer to off-set project operating costs. The proposed building will be taxable on this city-owned property, with an estimated annual assessment of \$3,000,000 and estimated annual tax of \$69,930 at the current 20FY millage rate. The remaining increased taxable value, currently estimated at a 30-year annual average of \$22,913, with an estimated total of \$687,395, will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

Other city financial assistance awarded to the project:

- (1) Affordable Housing Development funds received: \$330,000 0% interest rate loan, deferred for 30 years (HOME \$193,266 + Housing Trust Funds \$136,734).
- (2) CDBG Funds received: \$200,000, 0% interest rate loan, deferred for 30 years.
- (3) Option to Lease Agreement for the City-owned property at 83 Middle Street. Option expires June 30, 2021; option payment \$1.00; ground lease with term of 99 years and aggregate lease payment of \$99.00.

City Investment \$530,100/unit = \$10,602

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt of \$825,000 with Maine Housing contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer

Twenty-five (25) units will have project based rental assistance. According to the developer's application:

The development will be one 5-story elevator accessible building containing 50 units of affordable rental housing, a first-floor commercial space, and a below grade parking garage on the .2183 site. The 50 units consist of 23 studios, 24 one-bedroom, and 3 two-bedroom units; 17 units will be accessible, 12 more than required by code. The planned development will include an 11-unit preference for people experiencing homelessness. All of the components of the building will be designed to Passive House Standards, the industry standard for sustainable building construction. The project has been designed to be

affordable for households making 60% or less of the Area Median Income (AMI), with at least 40% of the project to be occupied by households making 50% or less of AMI. The project will further assist lower income populations through the use of 25 Project Based Housing Vouchers, which were awarded through a competitive process through Portland Housing Authority.

The development will tentatively include:

83 Middle Street		
Studio (23)	at or below 50% area median income	9
	at or below 60% area median income	14
One-bedroom (24)	at or below 50% area median income	10
	at or below 60% area median income	14
two-bedroom (3)	at or below 50% area median income	1
	at or below 60% area median income	2
Total	at or below 50% area median income	20
Total	at or below 60% area median income	30
Total Units		50

FINANCIAL IMPACT

When completed, this project's new building assessed value is estimated at \$3 million, which would yield \$69,930 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately \$2,062,185) will be captured revenue returned to the developer. The remaining 25% (approximately \$687,395) will be general fund revenue.

A Credit Enhancement Agreement will return approximately \$2,062,185 in captured revenue to the project (averaged at \$68,740 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at \$10.7 million. Non-captured general fund revenues are estimated at \$687,395 (average at \$22,913 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$18,879+, or \$566,377 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)	City OAV General Fund Revenues
30 Year TIF Total	\$2,062,185	\$0	\$687,395	\$0
30 Year Average	\$68,740	\$0	\$22,913	\$0

	1. Sheltered Valuation (same as Captured Valuation)	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	\$63,000,000	\$484,380	\$47,212	\$34,785	\$566,377
30 Year Average	\$2,100,000	\$16,146	\$1,574	\$1,160	\$18,879

Attachments:

83 Middle Street Tax Increment Financing Application Summary

TIF District Map

TIF Model Spreadsheets

Site Elevation

Project Pro Forma

Project Summary

The Portland City Council voted unanimously to approve a 99-year land lease for the surface parking lot located at 83 Middle Street (CBL: 028 0017001) to Community Housing of Maine (CHOM), in order to develop 50 units of affordable rental housing with eleven units set aside for Long Term Stayers (LTS), people who have stayed in a shelter for more than 180 days. The proposed building will fit into the rigors and complex design structure of the India Street Form Based Code and will not require a zoning change. The project will include a central laundry facility, community space, tenant storage, and a management office.

The development will be one 5-story elevator accessible building containing 50 units of affordable rental housing, a first-floor commercial space, and a below grade parking garage on the .2183 site. The 50 units consist of 23 studios, 24 one-bedroom, and 3 two-bedroom units; 17 units will be accessible, 12 more than required by code. The planned development will include an 11-unit preference for people experiencing homelessness. All of the components of the building will be designed to Passive House Standards, the industry standard for sustainable building construction. As shown in the attached site plan, the project will also make changes to the sidewalk along Middle and Franklin streets, making the intersection safer and more accessible to pedestrians and bicyclists while reconnecting the India Street Neighborhood to the Old Port.

The project has been designed to be affordable for households making 60% or less of the Area Median Income (AMI), with at least 40% of the project to be occupied by households making 50% or less of AMI. The project will further assist lower income populations through the use of 25 Project Based Housing Vouchers, which were awarded through a competitive process through Portland Housing Authority.

TIF funds will be used in partnership with the other financing to assist in the creation of affordable housing in downtown Portland. The TIF will allow for the creation of Affordable Housing through leveraging the reduced tax obligation to generate additional capital in order to fund the construction of the building. 100% of the acreage is within the current Downtown TIF district and is suitable for residential use and redevelopment. The total acreage is less than 1% of the TIF district.

The project has received \$330,000 through the City's Housing Assistance funds. In addition, Middle Street Apartments has requested debt, subsidy and LIHTC equity from MaineHousing. In total, the project is raising more than \$11.5M in capital and has secured Letters of Intent for construction financing from Bangor Savings Bank.

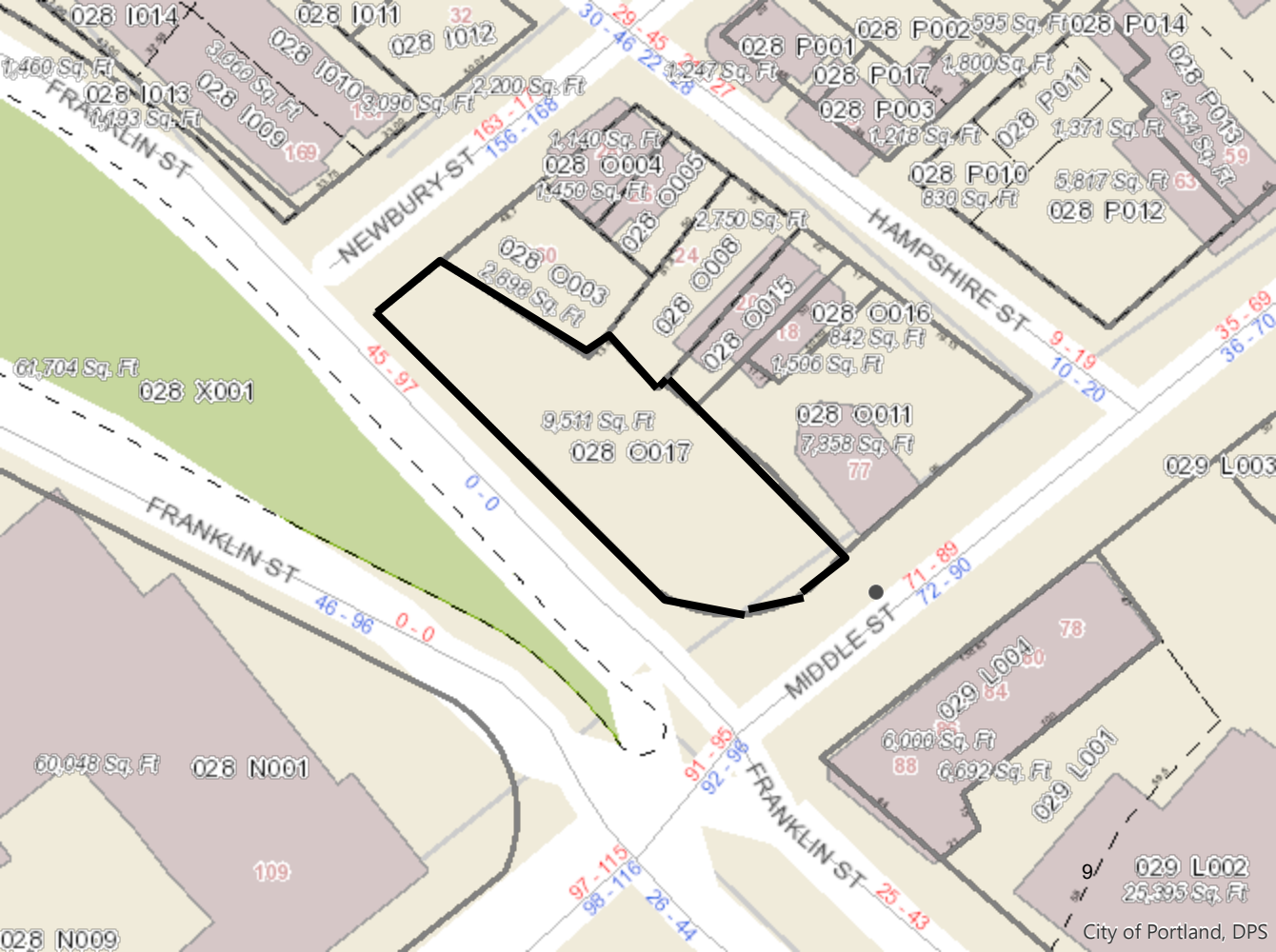
The India Street Neighborhood has seen a dramatic increase in development in recent years. As other parts of the neighborhood have gentrified, many of the long-time residents of the neighborhood have been priced out of their apartments, and homes. Creating a more equitable ratio of affordable housing is paramount to the continued long-term success of the neighborhood. According to the National Low-Income Housing Coalition, Maine currently has a shortage of more than 20,000 rental homes available, and affordable to households with extremely low incomes (ELI). Many of the low-income households that have been able to secure affordable

rental housing must sacrifice other necessities in order to maintain their housing. 53% of ELI households are severely rent overburdened, spending more than half of their income on housing costs. According to a Maine Real Estate Managers Association survey, there are 32,649 households on a waitlist for 13,824 units of affordable housing; a ratio of more than 2:1. Middle Street Apartments will target these individuals and provide permanently affordable housing, to reduce the burden that housing costs have levied against these households.

Middle Street Apartments will set aside eleven (11) units for long term shelter stayers. These individuals will be able make use of the twenty-five (25) Project Based Housing Vouchers (PBV) supplied by Portland Housing Authority and dedicated to Middle Street Apartments. The 25 PBV will allow the LTS households, and an additional 14 other households, to pay 30% of their income towards rent, with federal assistance paying for the remainder of their rent. The City of Portland will assist each of these individuals with sustained wraparound support services. Each LTS will have an individual support plan tailored to their individual needs. This individual support allows LTS to focus on the issues that caused their homelessness and allow them to successfully live independently. The units set aside for LTS will directly and immediately reduce the strain on the city's shelter system, removing more people from the street, and allowing people to access safe, affordable, and service enriched housing.

Furthermore, the need to reconnect the India Street Neighborhood to downtown has been ever-present since the construction of the Franklin Arterial. The corner of Middle and Franklin is an oversized intersection that promotes speed and dangerous traffic conditions. The proposed changes to the corner of the Middle and Franklin would increase the use of walkways and other means of travel while maintaining the current volume of automotive transportation.

CHOM has developed 79 housing sites in 32 communities, creating 776 units of high quality, inclusive, affordable, and service-enriched housing. CHOM currently serves 1,034 people, 337 were homeless at entry, 127 were LTS, 57 were homeless Veterans at entry, 94 were fleeing domestic violence, and 102 are people with intellectual/developmental disabilities. In the City of Portland alone, CHOM has more than 250 units of affordable and supportive housing under its charge. CHOM partnerships have provide low barrier housing to previously underserved populations. CHOM will partner with Preservation Management INC, a national property management company, based in Maine with expertise in the management and compliance of Affordable Housing.

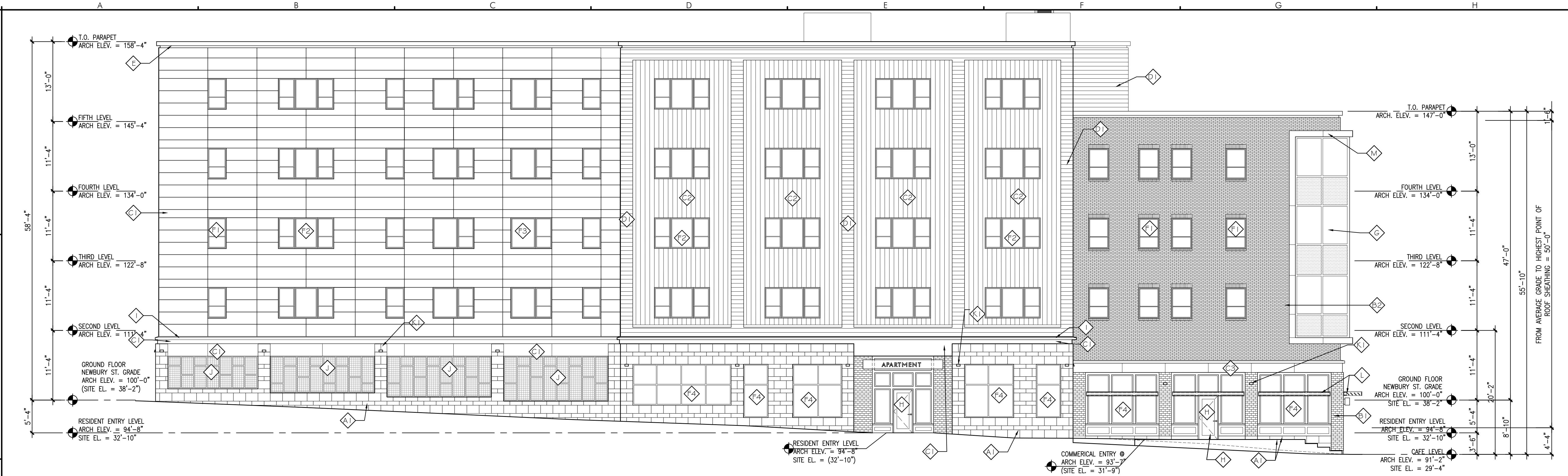




City of Portland - Affordable Housing (AH) TIF Model
83 Middle Street, 28-O-17
[OAV: \\$0 as of 3/31/2020](#)
2% Mill Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

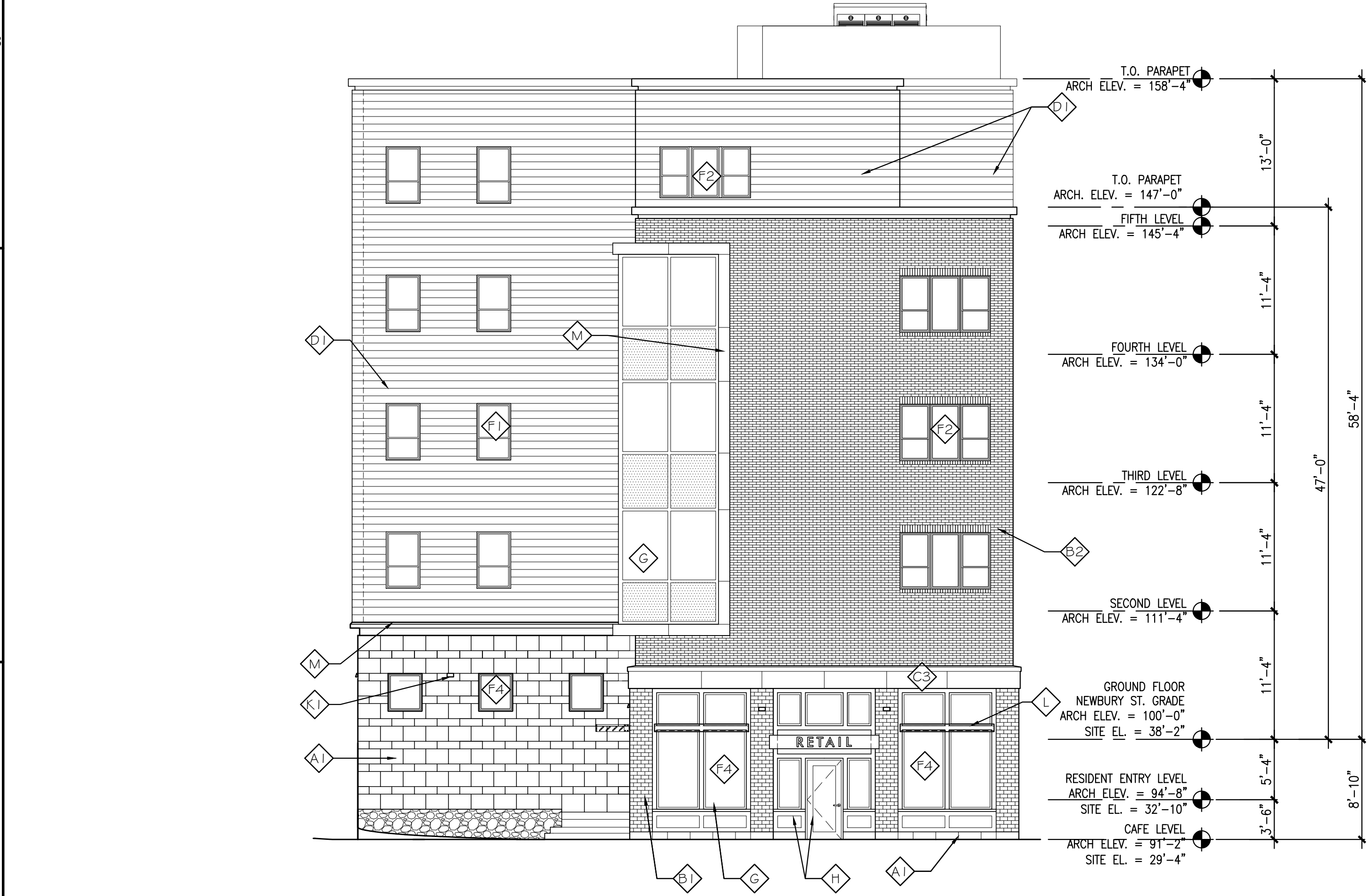
City of Portland- TIF Projection Table for 83 Middle Street AH TIF										
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues	City OAV General Fund Revenues
1	2020	\$0	75.00%	\$0	23.78	\$0	\$0	\$0	\$0	\$0
2	2021	\$0	75.00%	\$0	24.25	\$0	\$0	\$0	\$0	\$0
3	2022	\$3,000,000	75.00%	\$2,250,000	24.74	\$55,658	\$55,658	\$0	\$18,553	\$0
4	2023	\$3,000,000	75.00%	\$2,250,000	25.23	\$56,771	\$56,771	\$0	\$18,924	\$0
5	2024	\$3,000,000	75.00%	\$2,250,000	25.74	\$57,906	\$57,906	\$0	\$19,302	\$0
6	2025	\$3,000,000	75.00%	\$2,250,000	26.25	\$59,064	\$59,064	\$0	\$19,688	\$0
7	2026	\$3,000,000	75.00%	\$2,250,000	26.78	\$60,246	\$60,246	\$0	\$20,082	\$0
8	2027	\$3,000,000	75.00%	\$2,250,000	27.31	\$61,451	\$61,451	\$0	\$20,484	\$0
9	2028	\$3,000,000	75.00%	\$2,250,000	27.86	\$62,680	\$62,680	\$0	\$20,893	\$0
10	2029	\$3,000,000	75.00%	\$2,250,000	28.41	\$63,933	\$63,933	\$0	\$21,311	\$0
11	2030	\$3,000,000	75.00%	\$2,250,000	28.98	\$65,212	\$65,212	\$0	\$21,737	\$0
12	2031	\$3,000,000	75.00%	\$2,250,000	29.56	\$66,516	\$66,516	\$0	\$22,172	\$0
13	2032	\$3,000,000	75.00%	\$2,250,000	30.15	\$67,846	\$67,846	\$0	\$22,615	\$0
14	2033	\$3,000,000	75.00%	\$2,250,000	30.76	\$69,203	\$69,203	\$0	\$23,068	\$0
15	2034	\$3,000,000	75.00%	\$2,250,000	31.37	\$70,587	\$70,587	\$0	\$23,529	\$0
16	2035	\$3,000,000	75.00%	\$2,250,000	32.00	\$71,999	\$71,999	\$0	\$24,000	\$0
17	2036	\$3,000,000	75.00%	\$2,250,000	32.64	\$73,439	\$73,439	\$0	\$24,480	\$0
18	2037	\$3,000,000	75.00%	\$2,250,000	33.29	\$74,908	\$74,908	\$0	\$24,969	\$0
19	2038	\$3,000,000	75.00%	\$2,250,000	33.96	\$76,406	\$76,406	\$0	\$25,469	\$0
20	2039	\$3,000,000	75.00%	\$2,250,000	34.64	\$77,934	\$77,934	\$0	\$25,978	\$0
21	2040	\$3,000,000	75.00%	\$2,250,000	35.33	\$79,493	\$79,493	\$0	\$26,498	\$0
22	2041	\$3,000,000	75.00%	\$2,250,000	36.04	\$81,083	\$81,083	\$0	\$27,028	\$0
23	2042	\$3,000,000	75.00%	\$2,250,000	36.76	\$82,704	\$82,704	\$0	\$27,568	\$0
24	2043	\$3,000,000	75.00%	\$2,250,000	37.49	\$84,359	\$84,359	\$0	\$28,120	\$0
25	2044	\$3,000,000	75.00%	\$2,250,000	38.24	\$86,046	\$86,046	\$0	\$28,682	\$0
26	2045	\$3,000,000	75.00%	\$2,250,000	39.01	\$87,767	\$87,767	\$0	\$29,256	\$0
27	2046	\$3,000,000	75.00%	\$2,250,000	39.79	\$89,522	\$89,522	\$0	\$29,841	\$0
28	2047	\$3,000,000	75.00%	\$2,250,000	40.58	\$91,312	\$91,312	\$0	\$30,437	\$0
29	2048	\$3,000,000	75.00%	\$2,250,000	41.39	\$93,139	\$93,139	\$0	\$31,046	\$0
30	2049	\$3,000,000	75.00%	\$2,250,000	42.22	\$95,001	\$95,001	\$0	\$31,667	\$0
30 Year TIF Total		\$84,000,000		\$63,000,000		\$2,062,185	\$2,062,185	\$0	\$687,395	\$0
30 Year Average				\$2,100,000		\$68,740	\$68,740		\$22,913	\$0

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 200 Valley Street Affordable Housing TIF							
75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	\$0	\$0	\$0	\$0	\$0	\$0
2	2021	\$0	\$0	\$0	\$0	\$0	\$0
3	2022	\$3,000,000	\$2,250,000	\$0	\$1,686	\$1,242	\$2,928
4	2023	\$3,000,000	\$2,250,000	\$6,210	\$1,686	\$1,242	\$9,138
5	2024	\$3,000,000	\$2,250,000	\$12,420	\$1,686	\$1,242	\$15,348
6	2025	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
7	2026	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
8	2027	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
9	2028	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
10	2029	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
11	2030	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
12	2031	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
13	2032	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
14	2033	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
15	2034	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
16	2035	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
17	2036	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
18	2037	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
19	2038	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
20	2039	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
21	2040	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
22	2041	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
23	2042	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
24	2043	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
25	2044	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
26	2045	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
27	2046	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
28	2047	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
29	2048	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
30	2049	\$3,000,000	\$2,250,000	\$18,630	\$1,686	\$1,242	\$21,558
30 Year TIF Total		\$84,000,000	\$63,000,000	\$484,380	\$47,212	\$34,785	\$566,377
30 Year TIF Avg.		\$2,800,000	\$2,100,000	\$16,146	\$1,574	\$1,160	\$18,879



A3 BUILDING ELEVATION

REFERENCED FROM: SCALE: 1/8" = 1'-0"



A5 BUILDING ELEVATION

REFERENCED FROM: SCALE: 1/8" = 1'-0"

EXTERIOR FINISH MATERIAL LEGEND			
CODE	MATERIAL	COLOR AND FINISH	PATTERN LEGEND
D1	WESTBROOK CONCRETE BLOCK MANUFACTURE	COLOR: GF-326, GROUND FACE TEXTURE	
D2	ECONO MODULAR SIZE BRICK - 3 5/8" x 3 5/8" x 7-5/8"	COLOR: ACADEMY SMOOTH SERIES NARROW FLASHED RANGE	
D3	MODULAR SIZE THIN BRICK - 5/8" x 2 1/4" x 7-5/8"	COLOR: ACADEMY SMOOTH SERIES, NARROW FLASHED RANGE	
D4	HARDIE REVEAL PANEL SYSTEM - 5/16" SMOOTH FACE W/ SURROUNDED TRIM, STACKED LAYOUT. FACTORY PRIMED AND FACTORY FINISH.	COLOR: SHERWIN WILLIAMS URBANE BRONZE, FACTORY-FINISH	
D5	HARDIE ARTISAN SHIPLAP VERTICAL SIDING - .625", 10.25" WIDTH WITH 9" EXPOSURE. FACTORY PRIMED AND FIELD FINISH.	COLOR: SHERWIN WILLIAMS CARNELIAN, FIELD PAINT	
D6	HARDIE REVEAL PANEL SYSTEM - 5/16" SMOOTH FACE W/ SURROUNDED TRIM, STACKED LAYOUT. FACTORY PRIMED AND FACTORY FINISH.	COLOR: SHERWIN WILLIAMS AMAZING GRAY, FACTORY - FINISH	
D7	FIBERCEMENT LAP SIDING - 5/16", 9.25" SMOOTH TEXTURED, 8" EXPOSURE FACTORY PRIMED AND FIELD FINISH	COLOR: SHERWIN WILLIAMS AMAZING GRAY, SATIN FINISH, FIELD PAINT	
D8	BREAK METAL TRIM, PAINTED	PAINT: SHERWIN WILLIAMS URBANE BRONZE	
D9	SINGLE HUNG WINDOWS BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
D10	TRIPLE WINDOWS - SINGLE HUNG/ PICTURE WINDOWS BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
D11	DOUBLE WINDOWS - SINGLE HUNG/ PICTURE WINDOWS BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
D12	LARGE PICTURE WINDOWS ON FIRST FLOOR BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
D13	ALUMINUM THERMAL STOREFRONT WINDOW SYSTEM BY KAWNEER, TRIFAB VERSAGLAZE 451/451T, PELLA 250 SERIES OR EQUAL	COLOR: TERRATONE	
D14	ALUMINUM THERMAL STOREFRONT ENTRANCE DOOR WITH SIDELITES SYSTEM BY KAWNEER, TRIFAB VERSAGLAZE 451/451T, PELLA 250 SERIES OR EQUAL	COLOR: TERRATONE	
D15	BREAK METAL TRIM AT FIRST FLOOR, PAINTED	PAINT: SW IN THE NAVY	
D16	DECORATIVE GRILLES VENT	COLOR: TERRATONE /OPTIONS TO FOLLOW	
D17	EXTERIOR WALL MOUNT LIGHT FIXTURE	MODEL: BEGA 22-261 COLOR: BLACK	
D18	EXTERIOR WALL MOUNT LIGHT FIXTURE	MODEL: LNC2 LITEPAK BY HUBBELL LIGHTING; COLOR: BLACK	
D19	36" SUNSHADE SYSTEM BY CRL ALUMINUM MANUF. - 6" TALL SQUARE OUTRIGGER WITH 1x6" RECTANULAR FASCIA AND INFILL BLADES	COLOR: TBD	
D20	HARDIE REVEAL PANEL SYSTEM - 5/16" SMOOTH FACE W/ SURROUNDED TRIM, STACKED LAYOUT. FACTORY PRIMED AND FIELD FINISH.	COLOR: SHERWIN WILLIAMS IN THE NAVY, FACTORY-FINISH	

D5 ELEVATION NOTES

REFERENCED FROM:

DESIGNER

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN
264 US ROUTE ONE SUITE 100-A
SCARBOROUGH, MAINE 04074
207.774.4441
WWW.CWSARCH.COM

OWNER

CHOM COMMUNITY
HOUSING OF MAINE

ONE CITY CENTER, 4TH FLOOR
PORTLAND, MAINE 04101

PROJECT

MIDDLE STREET
APARTMENTS

MIDDLE STREET
PORTLAND, MAINE 04101

DRAWING

BUILDING ELEVATIONS

REVISIONS

NO.	DESCRIPTION	DATE

DRAWING NUMBER

A3.01

Middle Street Apartments

Sources & Uses Summary

Sources

MH Amortizing Loan	2,900,000
MH RLP	5,700,000
CDBG	200,000
City HOME Funds	330,000
Federal HTC Equity	0
State HTC Equity	0
Federal LIHTC Equity	4,587,396
Subsidized Advance	0
Developer Fee Loan	0
	<u>13,717,396</u>

Uses

Acquisition	99
Direct Construction	11,140,637
Soft Costs	999,391
Financing Costs	308,715
Reserves	518,554
Developer Fee	750,000
	<u>13,717,396</u>

Middle Street Apartments

DEVELOPMENT BUDGET

		Total	LIHTC BASIS		
			REHAB	ACQ	INELIGIBLE
Acquisition:					
Acquisition: Land		\$ 99			
Acquisition: Building	\$ 99	\$ -		\$ -	
Acquired Reserves		\$ -			
Construction:					
Construction/Rehab		\$ 10,610,130	\$ 10,610,130		
Site Improvements		\$ -	\$ -		
Environmental		\$ -	\$ -		
Contractor Fee	\$ 10,610,130	\$ -	\$ -		
P&P Bonds		\$ -	\$ -		
FF&E		\$ -	\$ -		
5.0% Contingency		\$ 530,507	\$ 530,507		
Soft Costs:					
1.50% Permits & Fees		\$ 95,000	\$ 95,000		
Architect - Design		\$ 360,000	\$ 360,000		
Architect - Supervision		\$ 120,000	\$ 120,000		
Environmental Engineering		\$ 60,000	\$ 60,000		
Engineering & Survey		\$ 70,000	\$ 70,000		
Pre-construction services		\$ 5,000	\$ 5,000		
Relocation					
Third Party Reports		\$ 55,866	\$ 55,866		
Accounting & Audit		\$ 10,500	\$ 10,500		
Developer Legal		\$ 80,000	\$ 70,000	\$ 10,000	
Taxes + Insurance		\$ 74,025	\$ 74,025		
Soft Cost Contingency		\$ 50,000	\$ 50,000		
Appraisal		\$ 5,000	\$ 5,000		
Title and Recording		\$ 14,000		\$ 13,300	\$ 700
Transfer Tax		\$ 0		\$ 0	
Financing:					
Construction Loan Fee	0.35%	\$ 30,000	\$ 30,000		
Construction loan interest		\$ 91,705	\$ 91,705		
Construction lender legal		\$ 20,000	\$ 20,000		
MH Commitment fee		\$ 2,000			\$ 2,000
Bank Inspections		\$ 7,500	\$ 7,500		
Syndication Fees		\$ 5,000			\$ 5,000
MH Loan Fee	2%	\$ 58,000			\$ 58,000
MH application fees		\$ 4,500			\$ 4,500
Allocation Fee	7.50%	\$ 40,010			\$ 40,010
Monitoring Fee	\$1,000	\$ 50,000			\$ 50,000
Other:					
Lease Up + Marketing					\$ -
Misc:		\$ -			\$ -
Startup & Organization		\$ -			\$ -
Developer Fees		\$ 750,000	\$ 725,000	\$ 25,000	\$ -
Reserves:					
Supportive Services Reserve		\$ -			\$ -
Replacement Reserves		\$ 106,101			\$ 106,101
Operating Reserves		\$ 273,855			\$ 273,855
Tax and Insurance Reserve		\$ 77,500			\$ 77,500
Lease Up Reserve		\$ 61,098			\$ 61,098
\$ 13,165,429.94		TOTAL	\$ 13,717,396	\$ 12,990,233	\$ 48,300
				\$ 678,765	

Middle Street Apartments

15 -YEAR PRO FORMA															
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Income															
Potential Gross Income	553,680	564,754	576,049	587,570	599,321	611,307	623,534	636,004	648,724	661,699	674,933	688,431	702,200	716,244	730,569
Vacancy Loss	(27,684)	(28,238)	(28,802)	(29,378)	(29,966)	(30,565)	(31,177)	(31,800)	(32,436)	(33,085)	(33,747)	(34,422)	(35,110)	(35,812)	(36,528)
Commercial Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	525,996	536,516	547,246	558,191	569,355	580,742	592,357	604,204	616,288	628,614	641,186	654,010	667,090	680,432	694,041
Expenses															
real estate taxes	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629
insurance	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067
utilities	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794	103,818	106,932	110,140	113,444
management fee	31,560	32,507	33,482	34,486	35,521	36,586	37,684	38,815	39,979	41,178	42,414	43,686	44,997	46,347	47,737
parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
administrative	56,400	58,092	59,835	61,630	63,479	65,383	67,345	69,365	71,446	73,589	75,797	78,071	80,413	82,825	85,310
audit	8,750	9,013	9,283	9,561	9,848	10,144	10,448	10,761	11,084	11,417	11,759	12,112	12,475	12,850	13,235
repairs + maintenance	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810	87,355	89,975	92,674	95,455	98,318
resident services	14,500	14,935	15,383	15,845	16,320	16,809	17,314	17,833	18,368	18,919	19,487	20,071	20,674	21,294	21,933
other	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
replacement reserve	22,500	22,950	23,409	23,877	24,355	24,842	25,339	25,845	26,362	26,890	27,427	27,976	28,535	29,106	29,688
Operating Expenses	(373,710)	(384,696)	(396,007)	(407,654)	(419,644)	(431,990)	(444,701)	(457,789)	(471,264)	(485,139)	(499,424)	(514,132)	(529,277)	(544,870)	(560,925)
Net Operating Income	152,286	151,820	151,239	150,538	149,711	148,752	147,655	146,415	145,024	143,475	141,762	139,878	137,814	135,562	133,116
TIF Reimbursement	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929	50,397	51,909	53,466	55,070	56,722
Financing Expenses															
MH Amortizing Loan	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)
LP Mgmt Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Mgmt Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DF Loan	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)
Net Cash Flow	15,786	16,445	17,023	17,515	17,917	18,225	18,432	18,535	18,528	18,404	18,159	17,786	17,280	16,632	15,838
DSCR	1.09	1.09	1.10	1.10	1.10	1.10	1.11	1.11	1.11	1.11	1.10	1.10	1.10	1.10	1.09
NOI/Unit	\$316	\$329	\$340	\$350	\$358	\$364	\$369	\$371	\$371	\$368	\$363	\$356	\$346	\$333	\$317

Middle Street Apartments

EXPENSE INFORMATION

	Escalation	2006 audit	2007 audit	2008 audit	2009 budget	Pro Forma Expenses	Per Unit
real estate taxes	3.0%					\$ 50,000	1,000
insurance	3.0%					\$ 45,000	900
utilities	3.0%					\$ 75,000	1,500
management fee	6.0%					\$ 31,560	631
parking	3.0%					\$ -	0
administrative	3.0%					\$ 56,400	1,128
audit	3.0%					\$ 8,750	175
repairs + maintenance	3.0%					\$ 65,000	1,300
resident services	3.0%					\$ 14,500	290
other	3.0%					\$ 5,000	100
replacement reserve	2.0%					\$ 22,500	450
TOTAL	3.0%	\$ -	\$ -	\$ -	\$ -	\$ 373,710	7,474
	PER UNIT	0	0	0	0	\$ 7,474	
Interest on Reserves	1.5%						

(2) 200 Valley Street

Avesta Housing Development Corporation (AHDC) is proposing to construct 60 apartment units on a site they own located at 200 Valley Street. 48 units will have income restrictions.

AHDC has requested two forms of financial assistance.

- (1) Affordable Housing Development (AHD) fund request: \$595,000, 0% interest rate loan, deferred for 30 years.

City AHD request of \$595,000/unit = \$9,916.66

City AHD request of \$595,000/affordable unit = \$12,395.83

AHDC plans to apply for \$206,921 in City of Portland and Maine Medical Center's Healthy Neighborhoods Funding. If successful, these funds could be used in lieu of an equal amount of HOME/HTF subsidy.

Final Affordable Housing Development funding recommendations from the Housing Committee are scheduled for the June 10th meeting. The final loan terms will be determined based on the results of the city's financial underwriting.

- (2) Tax Increment Financing request: AHDC is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) Credit Enhancement Agreement to assist with the project. Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30-year annual average of \$136,409 with an estimated total of \$4,092,269 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of \$6,200,000 and estimated annual tax of \$144,500 at the current 20FY millage rate. The remaining increased taxable value, currently estimated at a 30-year annual average of \$45,470, with an estimated total of \$1,364,090, will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

According to the developer's application:

Valley Street Apartments will create 60 homes in the St. John/Valley Street Neighborhood of Portland. Of the 60 units, 48 will have income restrictions: 36 will be reserved for households at or below 50% AMI and 12 will be reserved for households at or below 60% AMI. The remaining 12 apartments will be unrestricted market rate.

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt of \$945,149 with Maine Housing contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer.

The development will include:

200 Valley Street		
Studio (11)	at or below 50% area median income	7
	at or below 60% area median income	4
One-bedroom (25)	at or below 50% area median income	10
	at or below 60% area median income	3
	Market Rate	12
Two-bedroom (14)	at or below 50% area median income	11
	at or below 60% area median income	3
Three-bedroom (10)	at or below 50% area median income	8
	at or below 60% area median income	2
Total Units	at or below 50% area median income	36
Total Units	at or below 60% area median income	12
Total Units	Market Rate	12
Total Units		60

FINANCIAL IMPACT

When completed, this project's new total assessed value is estimated at \$6.2 million, which would yield \$144,500 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately \$4,092,269) will be captured revenue returned to the developer. The remaining 25% (approximately \$1,364,090) will be general fund revenue.

A Credit Enhancement Agreement will return approximately \$4,092,269 in captured revenue to the project (averaged at \$136,409 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at \$14 Million. Non-captured general fund revenues are estimated at \$1,364,090 (average at \$45,470 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$37,464+, or \$1,123,934 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)	City OAV General Fund Revenues
30 Year TIF Total	\$4,092,269	\$0	\$1,364,090	\$0
30 Year Average	\$136,409	\$0	\$45,470	\$0

	1. Sheltered Valuation (same as Captured Valuation)	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	\$125,019,300	\$961,220	\$93,689	\$69,026	\$1,123,934
30 Year Average	\$4,167,310	\$32,041	\$3,123	\$2,301	\$37,464

Attachments:

200 Valley Street Tax Increment Financing Application Summary

TIF District Map

TIF Model Spreadsheets

Site Elevations

Project Pro Forma



City of Portland 2020 AHTIF Application
Valley Street Apartments | A – Project Summary
April 27, 2020

Avesta Housing is proposing a 60-unit mixed-income family housing development at 200 Valley Street in Portland, ME. Avesta Housing is requesting a 30-year Affordable Housing TIF at 75% of the increased taxable value. The TIF will be utilized to pay operational expenses, is required to meet the minimum debt coverage ratio requirements, and is a critical component of receiving the federal Low Income Housing Tax Credits (LIHTC) needed to finance the project.

Property address	200 Valley Street, Portland, ME <i>Includes parcels addressed as 204 & 210 Valley St and 6 C St</i>
Tax chart, block and lot number	064 F015, 064 F007, 064 F008, 064 F009
Total district acreage	.34 acres (14,964sf)
Zoning designation where district is located, including allowed uses in that zone	Zone: B-2 Allowed Uses: Multifamily housing, among others. See attached for complete list. This project is currently undergoing the site plan approval process with the City of Portland, and we look forward to a project that is compatible with and complementary of the surrounding neighborhood and architecture.
Municipal housing need addressed by the creation of the district and how the district addresses that need	Valley Street Apartments will create 60 homes in the St. John/Valley Street Neighborhood of Portland. This neighborhood has traditionally been home to Portland’s workforce, and the recent MaineMed expansion has strengthened the neighborhood's dedication to preserving its identity as a home for people of all income levels who live and work in Portland. Portland is in desperate need of housing for individuals and families living at all income levels. Of the 60 units at Valley Street Apartments, 48 will have income restrictions: 36 will be reserved for households at or below 50% AMI and 12 will be reserved for households at or below 60% AMI. The remaining 12 apartments will be unrestricted market rate units. All units will have the same design features and characteristics, thus promoting economic integration and destigmatizing affordable housing.

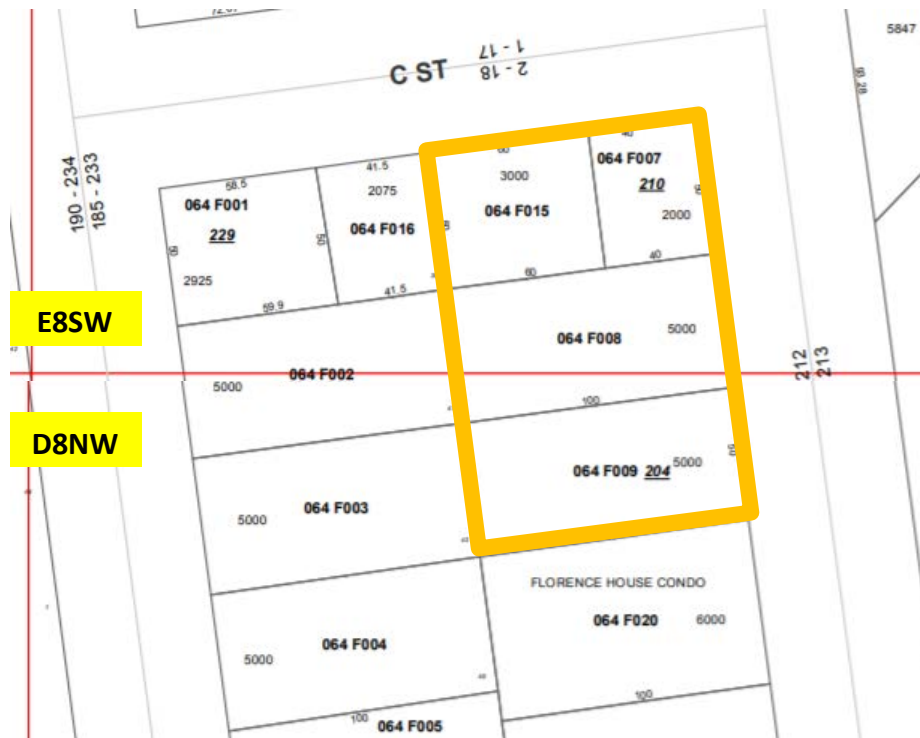
	There is significant, proven need for the sixty homes that would be created at Valley Street Apartments. There are 1093 income-eligible households on the waitlist for the 778 income-restricted apartments Avesta manages in the Greater Portland area, with additional households on preference lists for these properties. Because of the average tenancy length at Avesta's properties, the current households on the waitlist would not secure an apartment through Avesta until 2028. In 2019, over 3,380 households applied for housing and only 359 were able to move in.
Percentage of district acreage that is suitable for residential use, blighted, or in need of rehabilitation/redevelopment	100% of the parcel is suitable for residential use. 204 Valley Street is currently vacant and suitable for redevelopment. A two-story residential building with the address 210 Valley Street is located at the corner of Valley and C Streets and will be demolished prior to redevelopment. 6 C Street is vacant and used as unpaved surface parking.
Number and type of units to be constructed or rehabilitated	A total of 60 rental units: • 11 efficiency, of which 3 are Type A ADA/ADAAG units - o 7 at 50% AMI - o 4 at 60% AMI • 25 one-bedroom, of which 4 are Type A/ADAAG units - o 10 at 50% AMI - o 3 at 60% AMI - o 12 market • 14 two-bedroom, of which 4 are Type A/ADAAG units - o 11 at 50% AMI - o 3 at 60% AMI • 10 three-bedroom, of which 3 are Type A ADA/ADAAG units - o 8 at 50% AMI - o 2 at 60% AMI
Residential and non-residential uses in the district and acreage of each	The proposed development designates the entire parcel for residential use. Valley Street Apartments will have a footprint of approx. 12,300 square feet, including the construction of up to 40 parking spots.
Accessory uses relating to residential use, if any	None.
How housing and facilities in the district will be operated after completion	Avesta Housing Management Corporation (AHMC) will provide property management services for Valley Street Apartments. AHMC is a non-profit affordable housing management company that currently manages over 2700 units in more than 100 different properties.
Description of planned uses of tax increment revenues from the district	Tax increment revenue leverages millions of dollars from federal, state, and private sources to fund the construction of Valley Street Apartments and is critical to a successful LIHTC application and acceptable debt coverage ratios for the building operations. TIF revenue allows the project to carry over \$1.8 million in debt, which is a critical piece of funding for the project to move forward. Current annual property tax: \$5,750.58 Estimated annual property tax after redevelopment: \$132,000



City of Portland 2020 AHTIF Application
Valley Street Apartments | B6 – Tax Map with District Boundaries
April 8, 2020

Note: The parcels in question appear on two tax maps.

- **E8SW:** 064 F015, 064 F007, portion of 064 F008
- **D8NW:** portion of 064 F008, 064 F009



City of Portland - Affordable Housing (AH) TIF Model
200 Valley Street, 064-F-7-8-9-15
OAV: [\\$\\$246,700 ao 3/31/2020](#)
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 200 Valley Street AH TIF										
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues	City OAV General Fund Revenues
1	2020	\$0	75.00%	\$0	23.78	\$0	\$0	\$0	\$0	\$5,866
2	2021	\$0	75.00%	\$0	24.25	\$0	\$0	\$0	\$0	\$5,983
3	2022	\$5,953,300	75.00%	\$4,464,975	24.74	\$110,449	\$110,449	\$0	\$36,816	\$6,103
4	2023	\$5,953,300	75.00%	\$4,464,975	25.23	\$112,658	\$112,658	\$0	\$37,553	\$6,225
5	2024	\$5,953,300	75.00%	\$4,464,975	25.74	\$114,911	\$114,911	\$0	\$38,304	\$6,349
6	2025	\$5,953,300	75.00%	\$4,464,975	26.25	\$117,209	\$117,209	\$0	\$39,070	\$6,476
7	2026	\$5,953,300	75.00%	\$4,464,975	26.78	\$119,554	\$119,554	\$0	\$39,851	\$6,606
8	2027	\$5,953,300	75.00%	\$4,464,975	27.31	\$121,945	\$121,945	\$0	\$40,648	\$6,738
9	2028	\$5,953,300	75.00%	\$4,464,975	27.86	\$124,384	\$124,384	\$0	\$41,461	\$6,872
10	2029	\$5,953,300	75.00%	\$4,464,975	28.41	\$126,871	\$126,871	\$0	\$42,290	\$7,010
11	2030	\$5,953,300	75.00%	\$4,464,975	28.98	\$129,409	\$129,409	\$0	\$43,136	\$7,150
12	2031	\$5,953,300	75.00%	\$4,464,975	29.56	\$131,997	\$131,997	\$0	\$43,999	\$7,293
13	2032	\$5,953,300	75.00%	\$4,464,975	30.15	\$134,637	\$134,637	\$0	\$44,879	\$7,439
14	2033	\$5,953,300	75.00%	\$4,464,975	30.76	\$137,329	\$137,329	\$0	\$45,776	\$7,588
15	2034	\$5,953,300	75.00%	\$4,464,975	31.37	\$140,076	\$140,076	\$0	\$46,692	\$7,740
16	2035	\$5,953,300	75.00%	\$4,464,975	32.00	\$142,878	\$142,878	\$0	\$47,626	\$7,894
17	2036	\$5,953,300	75.00%	\$4,464,975	32.64	\$145,735	\$145,735	\$0	\$48,578	\$8,052
18	2037	\$5,953,300	75.00%	\$4,464,975	33.29	\$148,650	\$148,650	\$0	\$49,550	\$8,213
19	2038	\$5,953,300	75.00%	\$4,464,975	33.96	\$151,623	\$151,623	\$0	\$50,541	\$8,378
20	2039	\$5,953,300	75.00%	\$4,464,975	34.64	\$154,655	\$154,655	\$0	\$51,552	\$8,545
21	2040	\$5,953,300	75.00%	\$4,464,975	35.33	\$157,748	\$157,748	\$0	\$52,583	\$8,716
22	2041	\$5,953,300	75.00%	\$4,464,975	36.04	\$160,903	\$160,903	\$0	\$53,634	\$8,890
23	2042	\$5,953,300	75.00%	\$4,464,975	36.76	\$164,121	\$164,121	\$0	\$54,707	\$9,068
24	2043	\$5,953,300	75.00%	\$4,464,975	37.49	\$167,404	\$167,404	\$0	\$55,801	\$9,249
25	2044	\$5,953,300	75.00%	\$4,464,975	38.24	\$170,752	\$170,752	\$0	\$56,917	\$9,434
26	2045	\$5,953,300	75.00%	\$4,464,975	39.01	\$174,167	\$174,167	\$0	\$58,056	\$9,623
27	2046	\$5,953,300	75.00%	\$4,464,975	39.79	\$177,650	\$177,650	\$0	\$59,217	\$9,816
28	2047	\$5,953,300	75.00%	\$4,464,975	40.58	\$181,203	\$181,203	\$0	\$60,401	\$10,012
29	2048	\$5,953,300	75.00%	\$4,464,975	41.39	\$184,827	\$184,827	\$0	\$61,609	\$10,212
30	2049	\$5,953,300	75.00%	\$4,464,975	42.22	\$188,524	\$188,524	\$0	\$62,841	\$10,416
30 Year TIF Total		\$166,692,400		\$125,019,300		\$4,092,269	\$4,092,269	\$0	\$1,364,090	\$237,956
30 Year Average				\$4,167,310		\$136,409	\$136,409		\$45,470	\$7,932

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 200 Valley Street Affordable Housing TIF							
75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	\$0	\$0	\$0	\$0	\$0	\$0
2	2021	\$0	\$0	\$0	\$0	\$0	\$0
3	2022	\$5,953,300	\$4,464,975	\$0	\$3,346	\$2,465	\$5,811
4	2023	\$5,953,300	\$4,464,975	\$12,323	\$3,346	\$2,465	\$18,135
5	2024	\$5,953,300	\$4,464,975	\$24,647	\$3,346	\$2,465	\$30,458
6	2025	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
7	2026	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
8	2027	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
9	2028	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
10	2029	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
11	2030	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
12	2031	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
13	2032	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
14	2033	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
15	2034	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
16	2035	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
17	2036	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
18	2037	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
19	2038	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
20	2039	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
21	2040	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
22	2041	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
23	2042	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
24	2043	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
25	2044	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
26	2045	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
27	2046	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
28	2047	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
29	2048	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
30	2049	\$5,953,300	\$4,464,975	\$36,970	\$3,346	\$2,465	\$42,781
30 Year TIF Total		\$166,692,400	\$125,019,300	\$961,220	\$93,689	\$69,026	\$1,123,934
30 Year TIF Avg.		\$5,556,413	\$4,167,310	\$32,041	\$3,123	\$2,301	\$37,464

APARTMENTS
200 VALLEY STREET, PORTLAND, MAINE

APRIL 14, 2020



1 PERSPECTIVE 1
NTS



RYAN SENATORE **ARCHITECTURE**

PROGRESS PRINT ONLY
Not for Construction

APARTMENTS
200 VALLEY STREET, PORTLAND, MAINE

APRIL 14, 2020



1 PERSPECTIVE 3
NTS

PROGRESS PRINT ONLY
Not for Construction

RYAN SENATORE **ARCHITECTURE**

PROJECT NAME: **Valley Street Apartments**
LOCATION: 200-210 Valley St, Portland, ME

Date: 04/27/20

DEVELOPMENT ASSUMPTIONS					
Total Units	60	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 30% AMI (Low HOME)	0.0%	0	Rent	2.00%	2.00%
# @ 50% AMI (Low HOME)	0.0%	0	Operating Expense	3.00%	3.00%
# @ 50% AMI (LIHTC)	60.0%	36	Other Income	2.00%	2.00%
# @ 60% AMI (LIHTC)	20.0%	12	Debt Coverage Ratio	1.15	
# @ Market	20.0%	12	Vacancy	5.0%	

LIHTC Alloc.	945,149
Equity yield	0.86
Synd. %	99.99%
Equity Raise	8,128,281

Solar Credit FED	0
Equity yield	0.95
Synd. %	99.99%
Equity Raise	0

PRO FORMA DEVELOPMENT BUDGET				
	Residential	Per Unit	Commercial	Total
Site Improvements	0	0		0
Construction	12,271,000	204,517		12,271,000
General Requirements	0	0		0
Solar	0	0		0
Builder Profit	0	0		0
Bond Premium	0	0		0
Construction Contingency	5.0% 613,550	10,226		613,550
Subtotal Construction Costs	12,884,550	214,743	0	12,884,550
Building Permits and Fees	377,000	6,283		377,000
Off-Site Improvements	0	0		0
On-Site Improvements	0	0		0
Survey & Engineering	36,000	600		36,000
Design & Permitting	520,000	8,667		520,000
Legal	68,000	1,133		68,000
Title & Recording	18,885	315		18,885
Accounting	10,000	167		10,000
Construction Period Tax	15,000	250		15,000
Construction Period Insurance	30,000	500		30,000
Other: FF&E, Security, Soft Contingency	80,000	1,333		80,000
Subtotal Soft Costs	1,154,885	19,248	0	1,154,885
Construction Loan Origination Fees	28,750	479		28,750
Construction Loan Interest	425,000	7,083		425,000
Equity Bridge Loan Costs	0			0
Lender Inspection Fees	12,000	200		12,000
Letter of Credit Fee	5,000	83		5,000
Permanent Loan Fees	10,000	167		10,000
Other: Constrct Lender Legal, Constrct Close Fee; P	15,000	250		15,000
Subtotal Finance Costs	495,750	8,263	0	495,750
Market Survey	5,000	83		5,000
Appraisal	6,500	108		6,500
Environmental Study	4,000	67		4,000
LIHTC Fees - prepaid monitoring	124,386	2,073		124,386
Other: Testing & Special Inspections	25,000	417		25,000
Other:	0	0		0
Subtotal Miscellaneous	164,886	2,748	0	164,886
Acquisition: Buildings	0	0		0
Acquisition: Land	629,500	10,492		629,500
Acquisition: Legal	0	0		0
Subtotal Acquisition	629,500	10,492	0	629,500
Operating Deficit Escrow	409,000	6,817		409,000
Pre-funded Replacements	122,710	2,045		122,710
Tax & Insurance Escrow	87,000	1,450		87,000
Total Syndication Expenses	0	0		0
Consultant Fee	0	0		0
Developer Overhead	750,000	12,500		750,000
Developer Profit	0	0		0
Rent-Up Reserve & Marketing	50,000	833		50,000
Subtotal Fee and Reserves	1,418,710	23,645	0	1,418,710
Total Development Costs	16,748,281	279,138	0	16,748,281
	16,214,895	237,665 QAP TDC Index		

Total Equity:	8,128,281
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Total Dev Costs	16,748,281
Less Commercial Construction:	0
Less: Equity Bridge Interest	
Less: Prepaid Monitoring Fees	124,386
Less: ODE	409,000
Scored TDC	16,214,895
Per Unit	270,248

New TDC calculation
 $[(2 \times \text{TDC/unit}) + (\text{TDC/bedroom})] / 3$
TDC Per Unit \$237,665

Notes

1. Proposed funding reflects a 75% TIF for 30 years.
2. This application contemplates \$595,000 in City HOME/HTF and/or Healthy Neighborhoods Funding. Avesta intends to respond to the Healthy Neighborhoods RFP issued in April and any funds awarded through that process could be used in lieu of an equal amount of City HOME/HTF funds for a total funding level of \$595,000.

MAXIMUM DEVELOPER FEE AVAILABLE	750,000
ACTUAL DEVELOPER FEE	750,000
% OF MAXIMUM DEVELOPER FEE	100.0%
NET DEVELOPER FEE COLLECTED	750,000
% OF MAXIMUM DEVELOPER FEE	100.0%

FLOW OF FUNDS									
Sources	CLC 8/15/2021	11/13/21	During Construction			PLC 10/14/2022	2023	2024	Total
			2/11/22	4/12/22	8/10/22				
Beginning Cash	0	331,106	0	0	0	0	0	0	0
Construction Loan	0	2,404,253	3,385,359	5,024,913	726,562				11,541,087
Capital Contribution	1,219,242	0	0	0	1,019,242	5,689,797	150,000	50,000	8,128,281
--									0
MSHA Subsidy	480,000	0				480,000			960,000
MSHA Debt	0	0				5,390,000			5,390,000
City HOME/Healthy Neighborhoods	595,000					0			595,000
FHLBBoston Loan	0	0	0			1,025,000			1,025,000
FHLBBoston Subsidy		650,000				0			650,000
Conventional loan									0
Healthy Neighborhoods	0					0			0
Other	0	0				0			0
Development Fee Loan						0			0
TOTAL SOURCES	2,294,242	3,385,359	3,385,359	5,024,913	1,745,804	12,584,797	150,000	50,000	28,289,368
Uses									
Acquisition	629,500								629,500
Construction		3,221,138	3,221,138	4,831,706	1,610,569				12,884,550
Soft Costs	923,000	57,971	57,971	86,957	28,986	0			1,154,885
Financing Costs	70,750	106,250	106,250	106,250	106,250				495,750
Miscellaneous	139,886					75,000			214,886
Dev Fee	200,000					350,000	150,000	50,000	750,000
Reserves						618,710			618,710
TOTAL DEV. COSTS	1,963,136	3,385,359	3,385,359	5,024,913	1,745,804	1,043,710	150,000	50,000	16,748,281
Repay Equity Bridge Loan						0			0
Repay Construction Loan						11,541,087			11,541,087
Other Syndication Costs	0					0			0
SUBTOTAL OTHER ITEMS	0	0	0	0	0	11,541,087	0	0	11,541,087
TOTAL USES OF FUNDS	1,963,136	3,385,359	3,385,359	5,024,913	1,745,804	12,584,797	150,000	50,000	28,289,368
Ending Cash	331,106	0	0	0	0	0	0	0	0

PROJECT FINANCING								
Source		Amount	Rate	Term	Lien	Annual D/S		
						Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1:	MSHA Subsidy	960,000	0.00%	30	First	0	0	0
Source 2:	MSHA Debt	5,390,000	6.00%	30	First	323,400	323,400	323,400
Source 3:	City HOME/Healthy Neighborhood	595,000	0.00%	0	First	0	0	0
Source 4:	FHLBBoston Loan	1,025,000	2.50%	30	Second	48,600	48,600	48,600
Source 5:	FHLBBoston Subsidy	650,000	0.00%	0	Second	0	0	0
Source 6:	Conventional loan	0	5.50%	30	Second	0	0	0
Source 7:	Healthy Neighborhoods	0			Third	0	0	0
Source 8:	Other	0	0.00%	30	Unsecured	0	0	0
Source 9:	Development Fee Loan	0			Unsecured	0	0	0
Source 10:	Net Syndication	8,128,281	\$0.86					
Capitalization Gap (Surplus)		(0)						
Total Development Costs		16,748,281						

PROPOSED RENT SCHEDULE								
Type	AMI	# Units	Contract Rent	LIHTC Max Rents	Total Gross Rent*	Market Rent	Utility Allow.	Total Rent
Efficiency	50% LowHOME				0	\$1,300	33	0
	50% - PBV				0	\$1,300	33	0
	50% LIHTC	7	878	878	878	\$1,300	33	70,980
	60% LIHTC	4	1,054	1,054	1,054	\$1,300	33	49,008
	Market	0			1,100	\$1,300		0
11 BR	50% LowHOME		0	0	0	\$1,600	43	0
	50% - PBV				0	\$1,600	43	0
	50% LIHTC	10	941	941	941	\$1,600	43	107,760
	60% LIHTC	3	1,129	1,129	1,129	\$1,600	43	39,096
	Market	12			1,400	\$1,600		201,600
25 BR	50% LowHOME		0	0	0	\$1,800	56	0
	50% - PBV				0	\$1,800	56	0
	50% LIHTC	11	1,128	1,128	1,128	\$1,800	56	141,504
	60% LIHTC	3	1,354	1,354	1,354	\$1,800	56	46,728
	Market	0			1,600	\$1,800		0
14 BR	50% LowHOME				0	\$2,000	70	0
	50% - PBV				0	\$2,000	70	0
	50% LIHTC	8	1,304	1,209	1,304	\$2,000	70	118,464
	60% LIHTC	2	1,565	1,451	1,565	\$2,000	70	35,880
	Market				1,700	\$2,000		0
10 BR	50% LowHOME							0
	50% - PBV						0	0
	50% LIHTC						0	0
	60% LIHTC						0	0
	Market							0
Other:								0
Subtotals								811,020
Total Bedrooms		94						
			Vacancy Rate	5.00%				(40,551)
			Other Income	TIF	75%			99,000
			Other Income	Laundry				2,880
			Effective Gross Income					872,349

AFFORDABLE MORTGAGE CALCULATION		
Effective Gross Income		872,349
Annual Operating Expense		445,841
Stabilized NOI		426,508
DSC	1.15	
\$ Avail for D/S		
Other DS		372,000
DCR		1.15
Affordable Mortgage		

BREAKEVEN ANALYSIS:		RENT SENSITIVITY		OCCUPANCY	
		Total		Annual	
Operating Expense		445,841		Gross Revenues	912,900
Debt Service		372,000			
Breakeven Rent		1,136		Breakeven Occupancy	90%

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	50,907	848	71
Management Charges	50,907	848	71
Marketing Expenses	500	8	1
Legal Expenses	500	8	1
Auditing Expenses	7,500	125	10
Other Administrative Expenses	0	0	0
Administrative Expenses	110,313	1,839	153
Operating Expenses:		0	0
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	10,000	167	14
Natural Gas	30,000	500	42
Electricity	15,000	250	21
Water and Sewer	12,500	208	17
Garbage and Trash Removal	6,500	108	9
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
Operating Expenses	74,000	1,233	103
Maintenance Expenses:			
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	10,000	167	14
Miscellaneous Ground Maintenance	0	0	0
Tenant Damage Charges - Grounds	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies	0	0	0
Building Contractual Services	20,000	333	28
Building Systems Maintenance	30,000	500	42
Miscellaneous Building Maintenance	0	0	0
Tenant Damage Charges - Building	0	0	0
Maintenance Expenses	60,000	1,000	83
General Expenses:			
Property Taxes	132,000	2,200	183
Property and Liability Insurance	21,000	350	29
Investor Fees		0	0
Tenant Service Expenses	21,528	359	30
General Expenses	174,528	2,909	242
Replacement Reserve Funding	27,000	450	38
Parking Lease		0	0
Commercial Expenses (if applicable)		0	0
Total	445,841	7,431	619

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
	3 Months		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	9/1/2022	12/31/2022	12/31/2023	12/30/2024	12/31/2025	12/31/2026	12/31/2027	12/30/2028	12/31/2029	12/31/2030	12/31/2031	12/30/2032
Effective Gross Income		218,087	872,349	889,796	907,592	925,744	944,259	963,144	982,407	1,002,055	1,022,096	1,042,538
Less Operating Expense		111,460	445,841	459,217	472,993	487,183	501,798	516,852	532,358	548,329	564,779	581,722
Net Operating Income		106,627	426,508	430,579	434,599	438,561	442,460	446,291	450,049	453,726	457,317	460,816
Less RLP Repay		80,850	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400
Less Other Repay		12,150	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600
Cash Flow		13,627	54,508	58,579	62,599	66,561	70,460	74,292	78,049	81,726	85,317	88,816
Cash Flow per Unit		908	908	976	1,043	1,109	1,174	1,238	1,301	1,362	1,422	1,480
Debt Coverage Ratio(RLP)		1.15	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24
Operating Reserve Balance	409,000	429,450	450,923	473,469	497,142	521,999	548,099	575,504	604,279	634,493	666,218	699,529

Total Cash Flow
Projected over 12 Years
922,257

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20		
	12/31/2033	12/31/2034	12/31/2035	12/30/2036	12/31/2037	12/31/2038	12/31/2039	12/30/2040	12/31/2041	12/31/2042		
Effective Gross Income	1,063,389	1,084,656	1,106,349	1,128,476	1,151,046	1,174,067	1,197,548	1,221,499	1,245,929	1,270,848		
Less Operating Expense	599,174	617,149	635,663	654,733	674,375	694,606	715,445	736,908	759,015	781,786		
Net Operating Income	464,215	467,508	470,686	473,743	476,671	479,461	482,104	484,591	486,914	489,062		
Less RLP Repay	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400		
Less Other Repay	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600		
Cash Flow	92,215	95,508	98,686	101,743	104,671	107,461	110,104	112,591	114,914	117,062		
Cash Flow per Unit	1,537	1,592	1,645	1,696	1,745	1,791	1,835	1,877	1,915	1,951		
Debt Coverage Ratio(RLP)	1.25	1.26	1.27	1.27	1.28	1.29	1.30	1.30	1.31	1.31		
Operating Reserve Balance	699,529	734,505	771,230	809,792	850,282	892,796	937,435	984,307	1,033,523	1,085,199	1,139,459	

(3) 577 Washington Avenue (Washington Gardens)

Portland Housing Development Corporation (PHDC) is proposing to rehabilitate 100 affordable units of public housing serving seniors and person with disabilities at 577 Washington Avenue (Washington Gardens) to a project-based voucher funding platform. PHDC is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) to assist with the project. If approved, the AHTIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at an average \$190,500 annually over 30 years.

The developer has requested three forms of financial assistance.

- (1) Affordable Housing Development request: \$400,000, 0% interest rate loan, deferred for 30 years.
- (2) CDBG Funds received: \$184,150, 0% interest rate loan, deferred for 30 years.

City Investment \$584,150/unit = \$58,415

The developer secured a 9% Low Income Housing Tax Credit and tax-exempt debt subsidy for \$450,000 from MaineHousing in December 2019.

Final Affordable Housing Development funding recommendations from the Housing Committee are scheduled for the June 10th meeting. The final loan terms will be determined based on the results of the underwriting.

- (3) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of \$190,500, with an estimated total of \$5,714,987 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of \$7,900,000 and estimated annual tax of \$184,149 at the current FY20 millage rate. TIF projections and proposed district map are included in the backup to this memo backup to this memo.

Washington Gardens contains 100 rental units within 15 two-story residential buildings. There are currently 60 studios, 36 one-bedroom units, and 4 two-bedroom units. No change in unit mix is proposed for rehabilitation and Washington Gardens will remain a rental property. Sixty (60) units will be affordable to households earning up to 50% of the area median income, the remaining forty (40) units will be affordable to households earning up to 60% of the area median income. The project has applied for 100 project-based vouchers. Vouchers will guarantee that households will pay no more than 30% of their income towards housing costs.

As stated in the developer's application:

The TIF district and rehabilitation of Washington Gardens will help alleviate housing demand and preserve affordability:

- 100 units of affordable housing for seniors and persons with disabilities will be preserved.
- All Washington Gardens units will remain affordable for low-income families for at least 45 years, as required by MaineHousing for an award of Low Income Housing Tax Credits, and potentially up to 90 years, as required by the City of Portland.
- 100 Project Based Vouchers will guarantee that all households continue to pay no more than 30% of their income towards housing costs.
- 17 units (17% of units) will be reconfigured to be fully accessible. Proposed site work to sidewalks, ramps and parking lots will improve accessible routes throughout the property.
- The property will be in like-new condition following rehabilitation: all units will enjoy new finishes and fixtures; envelope and structural systems will be upgraded; plumbing and ventilation issues will be resolved; accessible units and accessible routes will improve livability and visit ability for persons with disabilities; and landscaping will improve property aesthetics and marketability.
- Washington Gardens is next to a METRO route (9A and 9B), thereby promoting smart growth and transit oriented development.

After nearly fifty years without a significant renovation, the property is in fair-to-poor condition and most major systems are nearing the end of their useful life. The proposed scope of work will include but is not limited to upgrading building envelopes and insulation, upgrading mechanical systems, adding new accessible units, improving site work and ramps, renovating unit interiors and finishes, installing new energy- and water-efficient fixtures and appliances, and installing rooftop solar photovoltaic panels.

Washington Gardens		
Studio (60)	at or below 50% area median income	37
	at or below 60% area median income	23
One bedroom (36)	at or below 50% area median income	22
	at or below 60% area median income	14
Two bedroom (4)	at or below 50% area median income	1
	at or below 60% area median income	3
Total Units	at or below 50% area median income	60
Total Units	at or below 60% area median income	40
Total Units		100

FINANCIAL IMPACT

Washington Gardens is currently under a Payment In Lieu of Taxes (PILOT) agreement with the City of Portland due to PHA's tax-exempt status. The PILOT is a voluntary payment made annually as a substitute for property taxes. The current PILOT amount is small in comparison to its taxable potential. Rehabilitation and the creation of AHTIF district would negate this property's PILOT and bring it onto the City Assessor's books. When completed, this project's new assessed value is estimated at \$7.9 million, which would yield \$184,149 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately \$5,714,987) will be captured revenue

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207- 874- 8711 mpd@portlandmaine.gov · www.portlandmaine.gov

returned to the developer. The remaining 25% (approximately \$1,904,996) will be general fund revenue.

A Credit Enhancement Agreement will return approximately \$5,714,987 in captured revenue to the project (averaged at \$190,500 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at \$14.7 million. Non-captured general fund revenues are estimated at \$1,904,996 (averaged at \$63,500 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$50,229+, or \$1,506,875 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)	City OAV General Fund Revenues
30 Year TIF Total	\$5,714,987	\$0	\$1,904,996	\$0
30 Year Average	\$190,500	\$0	\$63,500	\$0

	1. Sheltered Valuation (same as Captured Valuation)	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	\$177,750,000	\$1,275,534	\$133,205	\$98,136	\$1,506,875
30 Year Average	\$5,925,000	\$42,518	\$4,440	\$3,271	\$50,229

Attachments:

577 Washington Ave (Washington Gardens) Tax Increment Financing Application Summary
TIF District Map
TIF Model Spreadsheets
Site Elevation
Project Pro Forma



Project Summary

Affordable Housing Tax Increment Financing Application

Washington Gardens

Property Address

577 Washington Avenue, Portland, ME 04103

Tax Chart, Block and Lot Number

Washington Gardens is comprised of four parcels:

- Tax Map #428-B-022 – includes 12 Residential Buildings and Community Center
- Tax Map #428-C-009 – includes 3 Residential Buildings
- Tax Map #428-B-018 – includes Property Management Office
- Tax Map #428-B-019 – vacant land with small maintenance shed

Total District Acreage

±3.61 acres

Zoning Designation Where District Is Located

The property is currently zoned as R-5. This project is eligible for the affordable housing incentives, including density bonuses, in Division 30 of the Zoning Code. No change in zoning is proposed.

The R-5 zone allows for:

- Multiplex development with three (3) or more horizontally or vertically attached dwelling units or a series of such attached dwelling units.
- Planned residential unit development (PRUD) consisting of horizontally or vertically attached dwelling units, or a series of such dwelling units.
- Parks, and other active and passive noncommercial recreation spaces;
- Accessory uses customarily incidental and subordinate to the location, function, and operation of principal uses

Description Of Housing Need in Municipality And How It Is Met By Development

Washington Gardens is currently under a Payment In Lieu of Taxes (PILOT) agreement with the City of Portland due to PHA's tax-exempt status. The PILOT is a voluntary payment made annually as a substitute for property taxes. The current PILOT amount is small in comparison to its taxable potential. Rehabilitation and the creation of AHTIF district would negate this property's PILOT and bring it onto the City Assessor's books. A 75% AHTIF would significantly increase the amount Washington Gardens pays to the City as compared to the PILOT.

In terms of market conditions, high occupancy rates and long waitlists indicate significant pent-up demand for rental housing in Portland. Portland Housing's whole portfolio of 1,004 rental units has a current occupancy rate of 98%, and is often 99%. Our waitlist for rental apartments is ±1,400 households. This is especially true for Very Low Income (VLI) and Extremely Low Income (ELI) households. Currently, 91% of Washington Gardens residents are ELI, earning less than 30% of AMI, and 7% are VLI, earning between 30% and 50% of AMI.

PHA also manages the local Section 8 program of ±1,900 vouchers. There are currently ±3,800 households on our voucher waitlist. After applying, it takes 5 years on average before a household will be assigned a voucher. Moreover, many voucher-holders experience significant difficulty locating an available dwelling unit because of Portland's tight, competitive and expensive rental market.

The City of Portland has a very low vacancy rate. Between 2010 and 2015, rents increased 40%, according to the landmark report by the Portland Press Herald, *Welcome to Portland: No Vacancy*. Since then, rents have continued to rise annually. The report noted a majority of Portland's renters cannot afford the median rent in Portland, and the new supply of market-rate rental housing is not doing enough to reduce the affordability crisis in the City.

The following is from the Livable City section of the Comprehensive Plan, adopted by the City in 2017:

"While Portland has welcomed much needed new housing construction in recent years, both the lack of sufficient housing supply and the affordability of that housing for a healthy socioeconomic cross-section of the population remain critical challenges."

Additionally, the Housing section of the 2017 Comprehensive Plan notes:

*"The City has a suite of existing tools and policies that remain important in supporting a more equitable and diverse housing supply. To supplement ongoing efforts in this area, the City Council has established a Housing Committee to recommend new housing policies, promote balanced development, and make recommendations regarding available development tools, **such as tax increment finance zones**, the Affordable Housing Revolving Loan Fund, Community Development Block Grants, HOME Program, and zoning and policy changes. The committee engaged in a robust public process throughout the spring and summer of 2016 not only to identify housing issues, but develop creative solutions. **The Committee identified two main, interrelated themes: housing insecurity and lack of sufficient and suitable housing supply.**"*

The City of Portland's 2018 Rental Market Survey states "there are very few units renting for less than \$500/month," which would be an affordable rent for VLI and ELI households. Washington Gardens serves an overwhelmingly low-income population – 91% of households are ELI and 7% are VLI. Following rehabilitation, households will continue to pay 30% of their income towards housing costs, ensuring that Washington Gardens remains a valuable pocket of deep affordability for low-income families in an increasingly unaffordable region.

The City of Portland's 2019 Housing Report states that "affordable housing impedes the City's goals for future growth." The Report also notes that "in 2018, Maine had 59 affordable and available homes for every 100 extremely low income renter households," according to the National Low Income Housing Coalition (NLIHC) data. ELI renters are the group experiencing the highest rates of severe cost burden, defined as paying more than 50% of income towards rent - the precise group which this property serves.

The TIF district and rehabilitation of Washington Gardens will help alleviate housing demand and preserve affordability:

- 100 units of affordable housing for seniors and persons with disabilities will be preserved.
- All Washington Gardens units will remain affordable for low-income families for at least 45 years, as required by MaineHousing for an award of Low Income Housing Tax Credits, and potentially up to 90 years, as required by the City of Portland.
- 100 PBVs will guarantee that all households continue to pay no more than 30% of their income towards housing costs.
- 17 units (17% of units) will be reconfigured to be fully accessible. Proposed sitework to sidewalks, ramps and parking lots will improve accessible routes throughout the property.
- The property will be in like-new condition following rehabilitation: all units will enjoy new finishes and fixtures; envelope and structural systems will be upgraded; plumbing and ventilation issues will be resolved; accessible units and accessible routes will improve livability and visitability for persons with disabilities; and landscaping will improve property aesthetics and marketability.
- Washington Gardens is next to a METRO route (9A and 9B), thereby promoting smart growth and transit oriented development.

Percentage Of Acreage Suitable For Residential Use

100%

Percentage Of Acreage Blighted

0%

Percentage In Need Of Rehabilitation/Redevelopment

100%

Number and type of units to be constructed or rehabilitated (level of affordability, rental, homeownership, single-family home, condominium unit; number of bedrooms in each unit, etc.)

Washington Gardens contains 100 rental units within 15 two-story residential buildings. There are currently 60 studios, 36 one-bedroom units, and 4 two-bedroom units. All apartments are garden-style units served by shared stairwells. No change in unit mix is proposed for rehabilitation and Washington Gardens will remain a rental property.

Below is the affordability targeting table for Washington Gardens following rehabilitation. All units at Washington Gardens will remain affordable to households earning at or below 60% of AMI. Washington Gardens will meet the City's Inclusionary Zoning ordinance as all units meet the Workforce Rental Unit definition.

UNIT SIZE	INCOME TARGETING (% of AMI)	# OF UNITS
Studio	50% AMI	37
	60% AMI	23
1-Bedroom	50% AMI	22
	60% AMI	14
2-Bedroom	50% AMI	1
	60% AMI	3
TOTAL		100

All data and experience points to the need to create and preserve more safe, affordable, sustainable and quality homes in Portland. The rehabilitation of 100 affordable units at Washington Gardens will help alleviate housing demand, preserve deeply affordable homes for seniors and persons with disabilities, and have significant public benefits to Portland.

Description Of Residential And Non-Residential Uses In District And Acreage Of Each

100% of the uses (±3.61 acres) will be residential or accessory uses to residential.

Description Of Accessory Uses Relating To Residential Use

Washington Gardens currently contains an on-site Management Office (577 Washington Ave), a Community Center (66 Pembroke Street), and two small maintenance sheds.

Description Of How Housing And Facilities In The District Will Be Operated After Completion

Washington Gardens will remain restricted as an affordable apartment community for at least 45 years following rehabilitation, per MaineHousing LIHTC requirements, and potentially up to 90 years, as required by the City of Portland. The project will be regulated by MaineHousing, HUD, and a to-be-determined LIHTC equity investment partner, among others.

Portland Housing Authority (PHA) will continue to be the Management Agent at Washington Gardens. PHA has over 75 years of property management experience and currently manages a portfolio of over 1,000 affordable units within Portland. Additionally, PHA manages the administration of ±1,900 Section 8 housing vouchers. Overall, PHA houses ±6,500 residents, close to 10% of the City's population. As a long-term owner in affordable homes, the mission of PHA and its affiliates is to expand and preserve Portland's stock of affordable housing.

PHA's experienced and professional Property Management team will ensure maintenance and repairs are performed in a timely and satisfactory manner that sustain this asset for decades to come. They have the requisite training and knowledge of funding programs and regulations to ensure ongoing compliance with all funder requirements. Additionally, our Resident Services staff is skilled at assessing community and resident needs, and organizing to address those needs. Resident Services staff process referrals and connect Washington Gardens residents with services and resources. They develop and operate programs that enable residents to gain educational, financial and self-sufficiency skills, as well as build collaborative relationships with area providers and solicit resources.

Description Of Planned Uses of Tax Increment Revenues from the District

We request a 75% rebate of taxes for a period of 30 years under an Affordable Housing TIF district to reduce the operations cost burden on Washington Gardens. Without this, rehabilitation of this affordable project serving low-income seniors and persons with disabilities could not proceed. The proposed AHTIF District would return 75% of the captured value to the project, thereby reducing operating expenses and allowing the project to carry the necessary debt to finance rehabilitation and maintain affordable rents. All AHTIF revenue will go towards the improvements, facilities, programs and other activities inside the district.





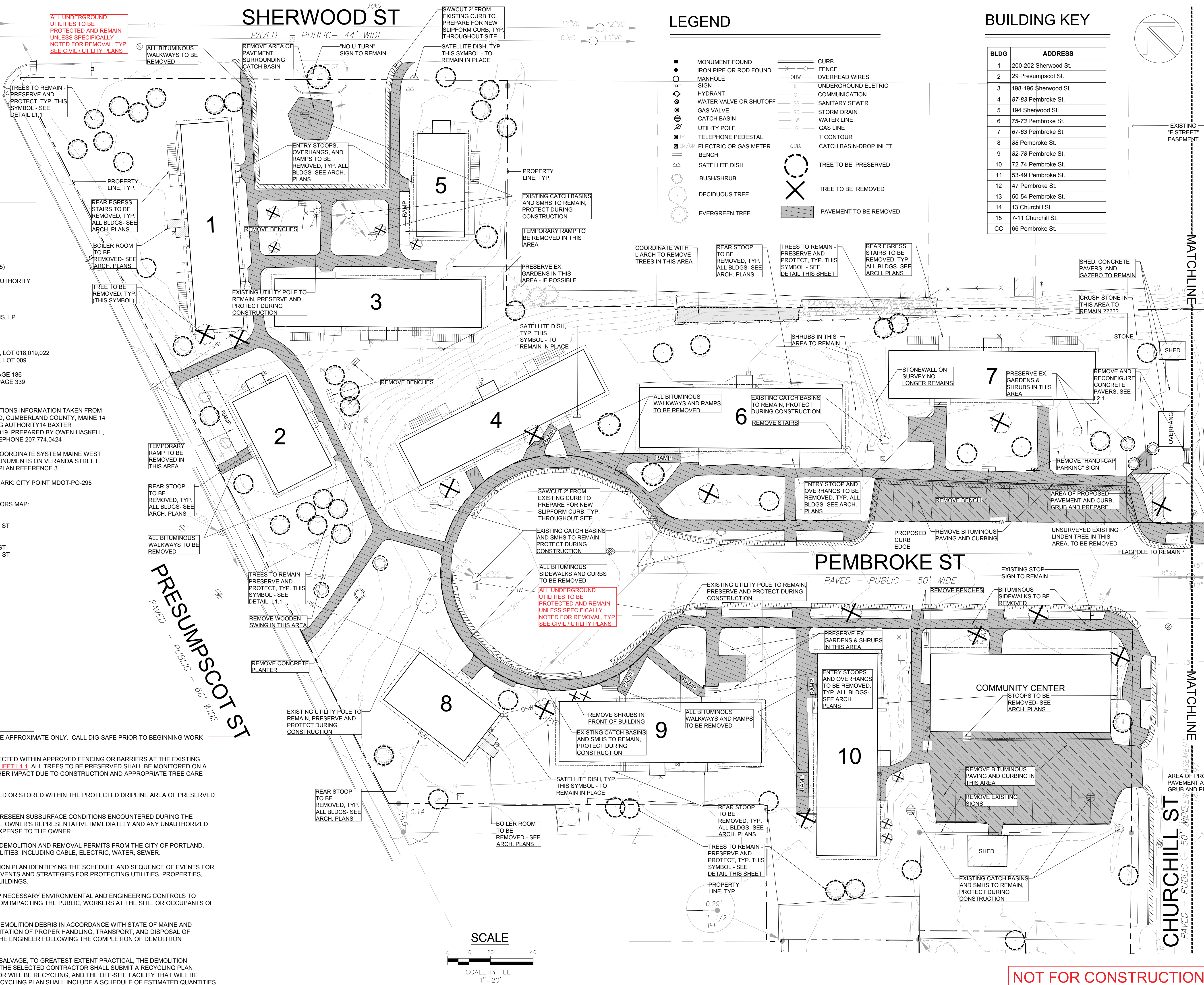
GENERAL NOTES

1. TOTAL SITE AREA: TM 428-B-18, 19 & 22
AREA= 133.073± S.F.
3.05± ACRES
TM 428-C-9
AREA= 24, 178± S.F.
0.56 ACRES
2. ZONING DISTRICT: RESIDENTIAL ZONE (R-5)
3. OWNER: PORTLAND HOUSING AUTHORITY
14 BAXTER BLVD
PORTLAND, ME 04101
(207) 773.4753
- APPLICANT: WASHINGTON GARDENS, LP
14 BAXTER BLVD.
PORTLAND, ME 04101
(207) 773.4753
4. TAX MAP TAX MAP 428, BLOCK B, LOT 018,019,022
TAX MAP 428, BLOCK C, LOT 009
5. BOOK AND PAGE: C.C.R.D. BOOK 3459, PAGE 186
C.C.R.D. BOOK 25235, PAGE 339
6. PROJECT ADDRESS: 577 WASHINGTON AVE.
7. BOUNDARY, TOPOGRAPHY, AND EXISTING CONDITIONS INFORMATION TAKEN FROM A PLAN TITLED: "WASHINGTON GARDENS PORTLAND, CUMBERLAND COUNTY, MAINE 1 CHURCHILL STREET MADE FOR PORTLAND HOUSING AUTHORITY 14 BAXTER BOULEVARD, PORTLAND, MAINE" DATED JUNE 29, 2019. PREPARED BY OWEN HASKELL INC. 390 US ROUTE ONE, FALMOUTH, ME 04105, TELEPHONE 207.774.0424
8. BEARINGS ARE BASED ON MAINE STATE PLANE COORDINATE SYSTEM MAINE WEST NAD83. CITY COORDINATES FOR 3 FOOT OFFSET MONUMENTS ON VERANDA STREET AT DALTON STREET AND SHERWOOD STREET PER PLAN REFERENCE 3.
9. ELEVATIONS ARE BASED ON NGVD 1929. BENCHMARK: CITY POINT MDOT-PO-295 ELEVATION 12.00'.
- LOCUS IS SHOWN ON CITY OF PORTLAND'S ASSESSORS MAP:
- 428-B-18 428-B-22
575-577 WASHINGTON ST 14-20 CHURCHILL ST
2-8 CHURCHILL ST
- 428-C-9
1-19 PEMBROKE ST
10-12 CHURCHILL ST 46-56 PEMBROKE ST

DEMO & SITE PREP NOTES

1. EXISTING UNDERGROUND UTILITIES SHOWN ARE APPROXIMATE ONLY. CALL DIG-SAFE PRIOR TO BEGINNING WORK (1-800-225-4977)
2. ALL TREES TO BE PRESERVED SHALL BE PROTECTED WITHIN APPROVED FENCING OR BARRIERS AT THE EXISTING DRIPLINE. **SEE TREE PROTECTION DETAIL ON SHEET L1.1.** ALL TREES TO BE PRESERVED SHALL BE MONITORED ON A REGULAR BASIS FOR SIGNS OF STRESS OR OTHER IMPACT DUE TO CONSTRUCTION AND APPROPRIATE TREE CARE SHALL BE INITIATED IMMEDIATELY.
3. NO EQUIPMENT OR MATERIALS SHALL BE PLACED OR STORED WITHIN THE PROTECTED DRIPLINE AREA OF PRESERVED TREES
4. THE CONTRACTOR IS ADVISED THAT ANY UNFORESEEN SUBSURFACE CONDITIONS ENCOUNTERED DURING THE COURSE OF WORK SHALL BE REPORTED TO THE OWNER'S REPRESENTATIVE IMMEDIATELY AND ANY UNAUTHORIZED REMOVALS SHALL BE DONE SO AT NO EXTRA EXPENSE TO THE OWNER.
5. THE CONTRACTOR SHALL OBTAIN NECESSARY DEMOLITION AND REMOVAL PERMITS FROM THE CITY OF PORTLAND, MAINE AND COORDINATE WITH NECESSARY UTILITIES, INCLUDING CABLE, ELECTRIC, WATER, SEWER.
6. THE CONTRACTOR SHALL PREPARE A DEMOLITION PLAN IDENTIFYING THE SCHEDULE AND SEQUENCE OF EVENTS FOR THE PROJECT, INCLUDING A DESCRIPTION OF EVENTS AND STRATEGIES FOR PROTECTING UTILITIES, PROPERTIES, AND RIGHT OF WAYS ADJACENT TO THE SITE BUILDINGS.
7. THE CONTRACTOR SHALL PROVIDE AND SET UP NECESSARY ENVIRONMENTAL AND ENGINEERING CONTROLS TO CONTAIN POTENTIALLY HAZARDOUS DUSTS FROM IMPACTING THE PUBLIC, WORKERS AT THE SITE, OR OCCUPANTS OF ADJACENT PROPERTIES.
8. PROPERLY TRANSPORT AND DISPOSE OF ALL DEMOLITION DEBRIS IN ACCORDANCE WITH STATE OF MAINE AND FEDERAL GUIDELINES, AND PROVIDE DOCUMENTATION OF PROPER HANDLING, TRANSPORT, AND DISPOSAL OF CONSTRUCTION AND DEMOLITION DEBRIS TO THE ENGINEER FOLLOWING THE COMPLETION OF DEMOLITION ACTIVITIES.
9. IT IS THE INTENT OF THE CITY TO RECYCLE OR SALVAGE, TO GREATEST EXTENT PRACTICAL, THE DEMOLITION MATERIAL PRODUCED DURING THIS PROJECT. THE SELECTED CONTRACTOR SHALL SUBMIT A RECYCLING PLAN IDENTIFYING MATERIALS THAT THE CONTRACTOR WILL BE RECYCLING, AND THE OFF-SITE FACILITY THAT WILL BE ACCEPTING THE RECYCLED MATERIAL. THE RECYCLING PLAN SHALL INCLUDE A SCHEDULE OF ESTIMATED QUANTITIES OF MATERIALS AND DISPOSAL/RECYCLING MEANS.

SHERWOOD ST



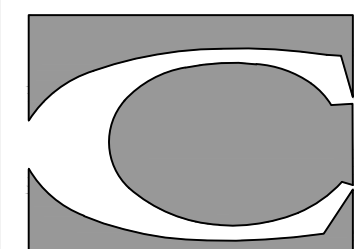
LEGEND

BUILDING KEY

BLDG	ADDRESS
1	200-202 Sherwood St.
2	29 Presumpscot St.
3	198-196 Sherwood St.
4	87-83 Pembroke St.
5	194 Sherwood St.
6	75-73 Pembroke St.
7	67-63 Pembroke St.
8	88 Pembroke St.
9	82-78 Pembroke St.
10	72-74 Pembroke St.
11	53-49 Pembroke St.
12	47 Pembroke St.
13	50-54 Pembroke St.
14	13 Churchill St.
15	7-11 Churchill St.
CC	66 Pembroke St.

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN

434 Cumberland Avenue Portland ME 04107
OFFICE: 207 774 4441 CWSARCH.COM



CARROLL ASSOCIATES
LANDSCAPE ARCHITECTS

217 COMMERCIAL STREET, STE 200
PORTLAND, MAINE 04101
207.772.1552 V. F. 207.772.0712

DESIGNER

WASHINGTON GARDENS, LP
PORTLAND HOUSING
AUTHORITY

14 BAXTER BLVD
PORTLAND, MAINE 04101

WASHINGTON GARDENS

577 WASHINGTON AVENUE
PORTLAND, MAINE 04101

RAWING

SITE PREPARATION PLAN

CWS PROJECT NUMBER: 19015

REVISIONS

DRAWING NUMBER

L-1.0

SCALE: 1" = 20'

DATE: 02/01/2020

ISSUED FOR: 50% MSHA
SUBMISSION

City of Portland - TIF Model

PHA 577 Washington Ave. Garden Affordable Housing Project

OAV as of 3/31/2019: \$0

Tax Map References:	428-B-022	428-C-009	429-B-018	428-B-019
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City of Portland- TIF Projection Table for 577 Washington Avenue Gardens									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues
1	2020	\$7,900,000	75.00%	\$5,925,000	23.78	\$140,874	\$140,874	\$0	\$46,958
2	2021	\$7,900,000	75.00%	\$5,925,000	24.25	\$143,691	\$143,691	\$0	\$47,897
3	2022	\$7,900,000	75.00%	\$5,925,000	24.74	\$146,565	\$146,565	\$0	\$48,855
4	2023	\$7,900,000	75.00%	\$5,925,000	25.23	\$149,497	\$149,497	\$0	\$49,832
5	2024	\$7,900,000	75.00%	\$5,925,000	25.74	\$152,487	\$152,487	\$0	\$50,829
6	2025	\$7,900,000	75.00%	\$5,925,000	26.25	\$155,536	\$155,536	\$0	\$51,845
7	2026	\$7,900,000	75.00%	\$5,925,000	26.78	\$158,647	\$158,647	\$0	\$52,882
8	2027	\$7,900,000	75.00%	\$5,925,000	27.31	\$161,820	\$161,820	\$0	\$53,940
9	2028	\$7,900,000	75.00%	\$5,925,000	27.86	\$165,056	\$165,056	\$0	\$55,019
10	2029	\$7,900,000	75.00%	\$5,925,000	28.41	\$168,357	\$168,357	\$0	\$56,119
11	2030	\$7,900,000	75.00%	\$5,925,000	28.98	\$171,725	\$171,725	\$0	\$57,242
12	2031	\$7,900,000	75.00%	\$5,925,000	29.56	\$175,159	\$175,159	\$0	\$58,386
13	2032	\$7,900,000	75.00%	\$5,925,000	30.15	\$178,662	\$178,662	\$0	\$59,554
14	2033	\$7,900,000	75.00%	\$5,925,000	30.76	\$182,236	\$182,236	\$0	\$60,745
15	2034	\$7,900,000	75.00%	\$5,925,000	31.37	\$185,880	\$185,880	\$0	\$61,960
16	2035	\$7,900,000	75.00%	\$5,925,000	32.00	\$189,598	\$189,598	\$0	\$63,199
17	2036	\$7,900,000	75.00%	\$5,925,000	32.64	\$193,390	\$193,390	\$0	\$64,463
18	2037	\$7,900,000	75.00%	\$5,925,000	33.29	\$197,258	\$197,258	\$0	\$65,753
19	2038	\$7,900,000	75.00%	\$5,925,000	33.96	\$201,203	\$201,203	\$0	\$67,068
20	2039	\$7,900,000	75.00%	\$5,925,000	34.64	\$205,227	\$205,227	\$0	\$68,409
21	2040	\$7,900,000	75.00%	\$5,925,000	35.33	\$209,331	\$209,331	\$0	\$69,777
22	2041	\$7,900,000	75.00%	\$5,925,000	36.04	\$213,518	\$213,518	\$0	\$71,173
23	2042	\$7,900,000	75.00%	\$5,925,000	36.76	\$217,788	\$217,788	\$0	\$72,596
24	2043	\$7,900,000	75.00%	\$5,925,000	37.49	\$222,144	\$222,144	\$0	\$74,048
25	2044	\$7,900,000	75.00%	\$5,925,000	38.24	\$226,587	\$226,587	\$0	\$75,529
26	2045	\$7,900,000	75.00%	\$5,925,000	39.01	\$231,119	\$231,119	\$0	\$77,040
27	2046	\$7,900,000	75.00%	\$5,925,000	39.79	\$235,741	\$235,741	\$0	\$78,580
28	2047	\$7,900,000	75.00%	\$5,925,000	40.58	\$240,456	\$240,456	\$0	\$80,152
29	2048	\$7,900,000	75.00%	\$5,925,000	41.39	\$245,265	\$245,265	\$0	\$81,755
30	2049	\$7,900,000	75.00%	\$5,925,000	42.22	\$250,170	\$250,170	\$0	\$83,390
30 Year TIF Total		\$237,000,000		\$177,750,000		\$5,714,987	\$5,714,987	\$0	\$1,904,996
30 Year Average							\$190,500		\$63,500

**Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model
for 577 Washington Avenue Gardens**

75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	\$7,900,000	\$5,925,000	\$0	\$4,440	\$3,271	\$7,711
2	2021	\$7,900,000	\$5,925,000	\$0	\$4,440	\$3,271	\$7,711
3	2022	\$7,900,000	\$5,925,000	\$0	\$4,440	\$3,271	\$7,711
4	2023	\$7,900,000	\$5,925,000	\$16,353	\$4,440	\$3,271	\$24,064
5	2024	\$7,900,000	\$5,925,000	\$32,706	\$4,440	\$3,271	\$40,417
6	2025	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
7	2026	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
8	2027	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
9	2028	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
10	2029	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
11	2030	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
12	2031	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
13	2032	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
14	2033	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
15	2034	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
16	2035	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
17	2036	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
18	2037	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
19	2038	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
20	2039	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
21	2040	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
22	2041	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
23	2042	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
24	2043	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
25	2044	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
26	2045	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
27	2046	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
28	2047	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
29	2048	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
30	2049	\$7,900,000	\$5,925,000	\$49,059	\$4,440	\$3,271	\$56,770
30 Year TIF Total		\$237,000,000	\$177,750,000	\$1,275,534	\$133,205	\$98,136	\$1,506,875
30 Year Average		\$7,900,000	\$5,925,000	\$42,518	\$4,440	\$3,271	\$50,229



WASHINGTON GARDENS RENOVATIONS

PROJECT TEAM:

BUILDING OWNER:

Washington Garden, LP
14 Baxter Blvd
Portland, Maine 04101
Tel: (207) 773-4753

DEVELOPER:



Portland Housing Authority
14 Baxter Blvd
Portland, Maine 04101
Tel: (207) 773-4753

ARCHITECT:



264 US ROUTE ONE, SUITE 100-2A
SCARBOROUGH, ME 04074
Tel: (207) 744-4441
www.cwsarch.com

LANDSCAPE ARCHITECT:



217 Commercial Street
Portland, ME 04101
Tel: (207) 772-1552
FAX: (207) 772-0712

MORTGAGEE:

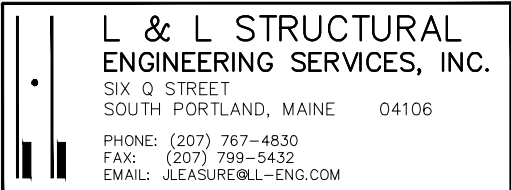
TBD

CONSTRUCTION MANAGER:

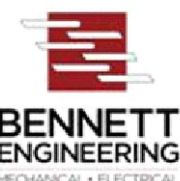


TPD CONSTRUCTION CO., INC.
P.O. Box V, Sanford, ME 04073
Tel: (207)490-5900

STRUCTURAL ENGINEERING:

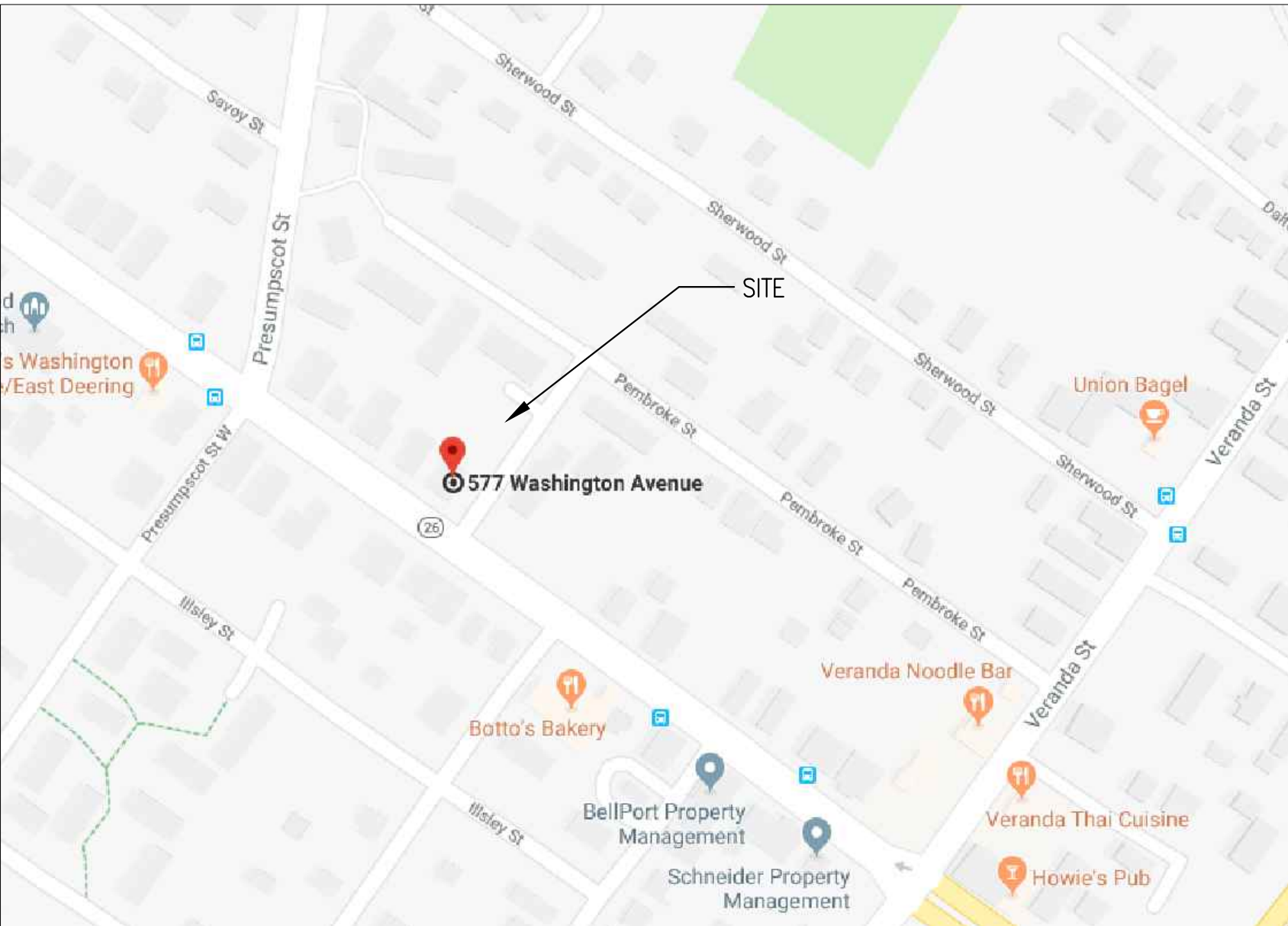


MECHANICAL/ELECTRICAL ENGINEERS:



7 Bennett Road, P.O. Box 297
Freeport, ME 04032
Tel: (207) 865-9475
Email: office@bennettengineering.net

LOCUS



SIGNATURE BLOCK

BUILDING OWNER:

DATE PORTLAND HOUSING AUTHORITY

ARCHITECT:

DATE CWS ARCHITECTS

CONSTRUCTION MANAGER:

DATE TPD CONSTRUCTION CO.

MORTGAGEE:

DATE MAINE STATE HOUSING AUTHORITY

CONSTRUCTION FINANCING:

DATE

PORTLAND, MAINE

ISSUED FOR: 50% PRICING FEBRUARY 03, 2020

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN

434 Cumberland Avenue Portland ME 04101
OFFICE: 207 774 4441 CWSARCH.COM

DESIGNER

CWS ARCHITECTS

ARCHITECTURE | INTERIOR DESIGN
434 CUMBERLAND AVENUE
PORTLAND, MAINE 04101
T: 207 774 4441
F: 207 774 4016
WWW.CWSARCH.COM

OWNER

WASHINGTON GARDENS, LP

PROJECT

WASHINGTON GARDENS
RENOVATIONS

DRAWING

TITLE AND
SIGNATURE PAGE

REVISIONS

DRAWING NUMBER

CP

SCALE:

DATE: 02/03/2020

ISSUED FOR: 50% PRICING

Unit Type	UNIT INFORMATION						RENTAL INCOME					OPERATING SUBSIDY INCOME			
	# of BR	# of Units	Unit Sq. Ft.	LIHTC Unit	PBV Unit	Income Limit (% AMI)	Max Gross LIHTC Rent	Less Utility Allowance	Max Contract LIHTC Rent	Proposed Contract Rent	Annual Rental Income	Voucher Rent	Monthly Voucher Diff.	Annual Voucher Diff. Total	Total Annual Rent. + Vouch. Income
					Sect_18								PUPM		
0BR @ 50% AMI - PBV	0	37		Y	Y	50%	813	0	813	813	360,972	1,018	205	91,020	451,992
0BR @ 60% AMI - PBV	0	23		Y	Y	60%	976	0	976	976	269,376	1,018	42	11,592	280,968
1BR @ 50% AMI - PBV	1	22		Y	Y	50%	871	0	871	871	229,944	1,109	238	62,832	292,776
1BR @ 60% AMI - PBV	1	14		Y	Y	60%	1,046	0	1,046	1,046	175,728	1,109	63	10,584	186,312
2BR @ 50% AMI - PBV	2	1		Y	Y	50%	1,046	0	1,046	1,046	12,552	1,440	394	4,728	17,280
2BR @ 60% AMI - PBV	2	3		Y	Y	60%	1,255	0	1,255	1,255	45,180	1,440	185	6,660	51,840
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
-							-	-	-		-	-	-	-	-
TOTAL	104	100	0	100	100						1,093,752			187,416	1,281,168

OTHER INCOME	
Description	Yr 1
Laundry	9,063
TOTAL OTHER INCOME	9,063

TAX INCREMENT FINANCING	
75% TIF for 30 years	138,750

COMMERCIAL RENTAL INCOME	
Commercial Rent	0

UNIT INFO			
BR Size	UA	Mrkt. Study	PBV Rent
0 BR	0	1,165	1,018
1 BR	0	1,445	1,109
2 BR	0	1,900	1,440
3 BR	0	2,263	1,882
4 BR	0	2,526	2,291
5 BR	0	2,735	2,635
6 BR	0	0	2,978

UTILITIES		
Utility	Responsible	Type
Electricity	Owner	CMP
Heat	Owner	Gas/Unitil
Hot Water	Owner	Gas/Unitil
Cooking	Owner	Electric/CMP
Water/Sewer	Owner	City
Trash	Owner	Private

EFFECTIVE GROSS INCOME	
Line Item	Yr 1
Gross Rental Income	1,093,752
Operating Subsidy Income	187,416
Other Income	9,063
Vacancy Loss @ 5.0%	(64,512)
Tax Increment Financing	138,750
Commercial Income	0
EFFECTIVE GROSS INCOME	1,364,469

SQUARE FOOTAGE AND APPLICABLE FRACTION		
Description	Units	Sq. Ft.
LIHTC Units	100	56,306
Non-LIHTC Units	0	0
TOTAL UNITS	100	56,306

Applicable Fraction	By Units	By Sq.Ft.
by Calculation Method:	100%	100%
APPLICABLE FRACTION		100%

Residential Units Sq. Ft.	56,306
Residential Common Areas Sq. Ft.	3,370
Commercial Rental Sq. Ft.	0
Other Sq. Ft.	0
TOTAL PROJECT SQUARE FOOTAGE	59,676

Operating Expenses - Washington Gardens

3/9/2020

Line Item	Total	Per Unit
ADMINISTRATIVE EXPENSES		
Management Fees	52,726	527
Management Charges	51,568	516
Marketing	906	9
Legal	2,768	28
Background Checks		0
Property Postage/Copier		0
Interpreting		0
Bank Charges		0
Rent Comp Study		0
Software and Maintenance of Computers		0
Auditing	6,500	65
Other Admin.	41,578	416
Subtotal Administrative Expenses	156,046	1,560

UTILITY EXPENSES		
Heating Fuel	52,398	524
Electricity	34,000	340
Water/Sewer	38,206	382
Property Internet/Phone for Tenant Use	784	8
Other Utility		0
Subtotal Utility Expenses	125,388	1,254

MAINTENANCE EXPENSES		
Janitorial Payroll	9,877	99
Janitorial Supplies and Equipment	348	3
Janitorial Contractual Services	4,694	47
Garbage and Trash Removal	34,455	345
Vehicle and Equipment	2,944	29
Grounds Maintenance Payroll	0	0
Grounds Tools and Supplies	0	0
Grounds Contractual Services	23,179	232
Miscellaneous Ground Maintenance	0	0
Building Maintenance Payroll	112,359	1,124
Building Tools and Supplies	29,562	296
Building Contractual Services	25,473	255
Building Systems Maintenance	13,895	139
Miscellaneous Building Maintenance	3,511	35
Other Maint.		0
Subtotal Maintenance Expenses	260,297	2,603

Line Item	Total	Per Unit
GENERAL EXPENSES		
Property Taxes	185,000	1,850
Property and Liability Insurance	19,174	192
Other Financial Expenses		0
Resident Services	49,708	497
Other General		0
Subtotal General Expenses	253,882	2,539

HOUSING OPEX	795,613	7,956
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COMMERCIAL EXPENSES		
Admin Expenses	0	0
Operating Expenses	0	0
Maintenance Expenses	0	0
General Expenses	0	0
Other Comm.	0	0
Subtotal Commercial Expenses	0	0

TOTAL OPEX	795,613	7,956
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RESERVE CONTRIBUTIONS		
Replacement Reserve	45,000	450
Other Reserve	0	0

TOTAL OPEX + RESERVES	840,613	8,406
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			LIHTC Basis			T-E Bonds	HTC Basis		
Line Item	Total	Per Unit	NC/R Basis	Acq Basis	Ineligible	50% Test	QRE	Non-QRE	Allocable
CONSTRUCTION COSTS									
On-Site Improvements	1,633,828	16,338	1,633,828	0	0	1,633,828	1,633,828	0	0
Construction: Residential	6,148,838	61,488	6,148,838	0	0	6,148,838	6,148,838	0	0
Construction: Commercial	0	0	0	0	0	0	0	0	0
Demolition	0	0	0	0	0	0	0	0	0
General Requirements	998,640	9,986	998,640	0	0	998,640	998,640	0	0
Builder Overhead	0	0	0	0	0	0	0	0	0
Builder Profit	342,645	3,426	342,645	0	0	342,645	342,645	0	0
Bond Premium	84,813	848	84,813	0	0	84,813	84,813	0	0
Other Construction Costs	280,000	2,800	280,000	0	0	280,000	280,000	0	0
Construction Contingency	1,000,000	10,000	1,000,000	0	0	1,000,000	1,000,000	0	0
Subtotal Construction Costs	10,488,764	104,888	10,488,764	0	0	10,488,764	10,488,764	0	0

SOFT COSTS

Permits & Impact Fees	133,234	1,332	133,234	0	0	133,234	133,234	0	0
Survey & Engineering	67,125	671	67,125	0	0	67,125	67,125	0	0
Architectural & Design	525,000	5,250	525,000	0	0	525,000	525,000	0	0
Legal	112,000	1,120	112,000	0	0	112,000	112,000	0	0
Title & Recording	22,000	220	22,000	0	0	22,000	22,000	0	0
Accounting	8,500	85	8,500	0	0	8,500	8,500	0	0
Construction Period Tax	20,000	200	20,000	0	0	20,000	20,000	0	0
Insurance	40,000	400	40,000	0	0	40,000	40,000	0	0
Soft Cost Contingency	90,000	900	90,000	0	0	0	90,000	0	0
Subtotal Soft Costs	1,017,859	10,179	1,017,859	0	0	927,859	1,017,859	0	0

FINANCING COSTS

Construction Loan Costs	450,000	4,500	450,000	0	0	450,000	450,000	0	0
Permanent Loan Costs	3,000	30	3,000	0	0	3,000	0	3,000	0
Subtotal Financing Costs	453,000	4,530	453,000	0	0	453,000	450,000	3,000	0

MISCELLANEOUS COSTS

Market Study	6,000	60	0	0	6,000	0	6,000	0	0
Appraisal	4,000	40	0	0	4,000	0	4,000	0	0
Environmental	35,650	357	35,650	0	0	35,650	0	35,650	0
LIHTC Process & Monitoring Fees	138,250	1,383	0	0	138,250	0	0	138,250	0
Relocation	300,000	3,000	0	0	0	0	0	0	0
FF&E	113,000	1,130	113,000	0	0	113,000	0	113,000	0
Other Misc Costs	85,000	850	85,000	0	0	85,000	20,000	65,000	0
Subtotal Miscellaneous Costs	681,900	6,819	233,650	0	148,250	233,650	30,000	351,900	0

Line Item	Total	Per Unit	LIHTC Basis			T-E Bonds	HTC Basis		
			NC/R Basis	Acq Basis	Ineligible	50% Test	QRE	Non-QRE	Allocable
ACQUISITION COSTS									
Structure	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0
Existing Reserve Account Balance	0	0	0	0	0	0	0	0	0
Repay Existing Mortgage Balance	410,376	4,104	0	0	410,376	0	0	410,376	0
Other	0	0	0	0	0	0	0	0	0
Subtotal Acquisition Costs	410,376	4,104	0	0	410,376	0	0	410,376	0
RESERVES									
Operating Deficit Escrow (ODE)	330,000	3,300	0	0	330,000	0	0	330,000	0
Replacement Reserve (IDRR)	100,000	1,000	0	0	100,000	0	0	100,000	0
Tax & Insurance Reserve (T&I)	120,000	1,200	0	0	120,000	0	0	120,000	0
Rent Up & Marketing/Working Capital	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Subtotal Reserves	550,000	5,500	0	0	550,000	0	0	550,000	0
DEVELOPMENT FEES									
Subtotal Development Overhead & Fees	750,000	7,500	750,000	0	0	750,000	750,000	0	0
TOTAL DEVELOPMENT COSTS	14,351,899	143,519	12,943,273	0	1,108,626	12,853,273	12,736,623	1,315,276	0
MAINEHOUSING TDC INDEX		137,057							

FINANCING

Source	Amount	Rate	Term	Amort.	Lien	Loan Type	Repayment Type	Annual Payment
MH Subsidy	1,199,999	0.00%	30	0		No Interest	CF Contingent	0
MH Interest-Only Loan	0	6.00%	40	0		Interest-Only	Must-Pay	0
Conventional Mortgage	0	5.15%	20	30		Amortizing	Must-Pay	0
City - FedHOME/HTF	425,000	0.00%	30	30		No Interest	CF Contingent	0
City - CDBG	184,150	0.00%	30	30		No Interest	CF Contingent	0
AHP Advance Loan (GSB)	7,071,700	5.00%	30	30	1st	Amortizing	Must-Pay	455,549
AHP Direct Subsidy	650,000	0.00%	30	30		No Interest	CF Contingent	0
Seller Note	0	0.00%	40	40		Amortizing	CF Contingent	0
Sponsor Loan	0	0.00%	30	30		Amortizing	CF Contingent	0
Deferred Developer Fee	0	0.00%	15	0		No Interest	CF Contingent	0
								0
								0
Total Financing	9,530,849							455,549

EQUITY

Source	Amount	Yield
LIHTC Equity	3,959,604	0.88
Fed HTC Equity	0	0.00
State HTC Equity	0	0.00
State LIHTC Equity	0	0.00
Capital Funds	0	
Existing Operating Reserves	284,396	
Interim Income	577,050	
Total Equity	4,821,050	

SOURCES & USES

	Total	Per Unit
Total Sources	14,351,899	143,519
Total Uses	14,351,899	143,519
CAPITALIZATION GAP (SURPLUS)	0	0

		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
% Infl.		2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
INCOME																
Gross Rental Income	(Below)	1,599,997	1,647,997	1,697,437	1,748,360	1,800,811	1,854,836	1,910,481	1,967,795	2,026,829	2,087,634	2,150,263	2,214,771	2,281,214	2,349,650	2,420,140
Operating Subsidy Income	(Below)	274,162	282,387	290,858	299,584	308,572	317,829	327,364	337,185	347,300	357,719	368,451	379,504	390,889	402,616	414,694
Other Income	(Below)	13,258	13,656	14,065	14,487	14,922	15,369	15,831	16,305	16,795	17,298	17,817	18,352	18,902	19,470	20,054
Less Vacancy Loss	5.0%	(94,371)	(97,202)	(100,118)	(103,122)	(106,215)	(109,402)	(112,684)	(116,064)	(119,546)	(123,133)	(126,827)	(130,631)	(134,550)	(138,587)	(142,744)
Tax Increment Financing	(Below)	202,971	209,060	215,332	221,792	228,445	235,299	242,358	249,628	257,117	264,831	272,776	280,959	289,388	298,069	307,011
Commercial Income	(Below)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME		1,996,017	2,055,898	2,117,574	2,181,102	2,246,535	2,313,931	2,383,349	2,454,849	2,528,495	2,604,350	2,682,480	2,762,954	2,845,843	2,931,218	3,019,155
OPERATING EXPENSES																
Administrative Expenses	3.0%	250,408	257,920	265,658	273,628	281,836	290,292	299,000	307,970	317,209	326,726	336,527	346,623	357,022	367,733	378,765
Utility Expenses	3.0%	201,211	207,247	213,465	219,869	226,465	233,259	240,256	247,464	254,888	262,535	270,411	278,523	286,879	295,485	304,350
Maintenance Expenses	3.0%	417,700	430,231	443,138	456,432	470,125	484,229	498,756	513,719	529,130	545,004	561,354	578,195	595,541	613,407	631,809
General Expenses	3.0%	407,406	419,628	432,217	445,184	458,539	472,295	486,464	501,058	516,090	531,573	547,520	563,945	580,864	598,290	616,238
Commercial Expenses	3.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPEX	3.0%	1,276,725	1,315,027	1,354,478	1,395,112	1,436,966	1,480,075	1,524,477	1,570,211	1,617,317	1,665,837	1,715,812	1,767,286	1,820,305	1,874,914	1,931,162
NET OPERATING INCOME		719,292	740,871	763,097	785,990	809,569	833,856	858,872	884,638	911,177	938,513	966,668	995,668	1,025,538	1,056,304	1,087,993
RESERVE DEPOSITS																
Deposit to Replacement Reserve	3.0%	72,212	74,378	76,609	78,908	81,275	83,713	86,225	88,811	91,476	94,220	97,047	99,958	102,957	106,045	109,227
Deposit to Other Reserve	3.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPEX + RESERVES		1,348,937	1,389,405	1,431,087	1,474,020	1,518,241	1,563,788	1,610,701	1,659,022	1,708,793	1,760,057	1,812,859	1,867,244	1,923,262	1,980,960	2,040,388
NOI AFTER RESERVES		647,080	666,492	686,487	707,082	728,294	750,143	772,647	795,827	819,702	844,293	869,621	895,710	922,581	950,259	978,766
DEBT SERVICE																
MH Subsidy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MH Interest-Only Loan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conventional Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City - FedHOME/HTF		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City - CDBG		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHP Advance Loan (GSB)		455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549
AHP Direct Subsidy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Seller Note		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sponsor Loan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE		455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549
DSCR		1.42	1.46	1.51	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.91	1.97	2.03	2.09	2.15
NET CASH FLOW		191,531	210,943	230,938	251,533	272,745	294,594	317,098	340,278	364,153	388,744	414,072	440,161	467,032	494,710	523,218
CASH FLOW PER UNIT		1,915	2,109	2,309	2,515	2,727	2,946	3,171	3,403	3,642	3,887	4,141	4,402	4,670	4,947	5,232

Rent & Income Inflation
Yr 1-5: 2.0%
Yr 6-15: 2.5%
Yr 16-30: 3.0%



CITY OF PORTLAND
Economic Development
Gregory A. Mitchell, Director

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: May 15, 2020

SUBJECT: Proposed Land Exchange Agreement between JB Brown and the City of Portland, including the discontinuance of an undeveloped portion of Emery Street at the Commercial Street Intersection

I. ONE SENTENCE SUMMARY

The proposed Land Exchange Agreement between the City of Portland and JB Brown supports new construction of an 80,000+ square foot VA facility with parking garage, and adds additional property to the City-owned Canco Road Public Works and Parks & Recreation Complex.

II. BACKGROUND

Under direction of the EDC, a Land Exchange Agreement has been negotiated to swap an undeveloped portion of Emery Street at the Commercial Street intersection, which must first be discontinued, in exchange for undeveloped industrial property owned by JB Brown located at the end of Quarry Road.

The City is need of additional property adjacent to the City Canco Road Complex for outside storage. The JB Brown property proposed for the land exchange includes 20,000+/- square feet. JB Brown has allowed the City to use this property, at no cost, for over two (2) years.

The City property to be exchanged includes an undeveloped portion of Emery Street at the Commercial Street intersection with 11,000+/- square feet which is proposed for street discontinuance. The final square footage and descriptions for each property will be determined by property surveys. It is noted that the City will retain easements for below and above ground utilities, including a pedestrian access

easement across the portion of Emery Street to be discontinued. The separate properties have been determined to be of equivalent value, which is approximately \$49,000.00.

In order to provide JBBrown with access to the Emery Street property as early as possible, the Land Exchange Agreement also includes a semi-permanent License Agreement that will allow JBBrown to close on its construction financing and begin construction of the project prior to the completion of the street discontinuance and the closing of the exchange. The License Agreement will terminate upon the completion of the discontinuance, or if JBBrown fails to build the proposed development, fails to rebuild the building in the event that it is destroyed, or if they otherwise fail to comply with the terms of the Agreement.

III. INTENDED RESULT AND OR COUNCIL GOAL ADDRESSED

This land exchange will support new construction of an 80,000+ square foot VA facility and parking garage located on West Commercial Street, as well as to add to City-owned property located on Canco Road which supports municipal Public Works and Parks & Recreation Department services.

IV. FINANCIAL IMPACT

The separate properties have been determined to be of equivalent value so there is no direct cost to the City other than property survey expenses.

V. RECOMMENDATION

City staff recommends the EDC vote to recommend approval of the City of Portland and JB Brown Land Exchange Agreement to the City Council.

VI. LIST ATTACHMENTS

- Proposed Land Exchange Agreement

LAND EXCHANGE AGREEMENT

This Land Exchange Agreement (this “Agreement”) is made as of the ____ day of May, 2020 (the “Effective Date”), by and between **J.B. BROWN & SONS** (“JBB”), a Maine corporation with offices in Portland, Maine, and the **CITY OF PORTLAND**, a Maine municipal corporation with a place of business in Portland, Maine and mailing address of 389 Congress Street, Portland, Maine 04101 (the “City”).

Section 1. Introduction.

Each of the parties owns real property in Portland, Maine. The parties have agreed to exchange certain property, and to provide for certain appurtenant easements in connection with the exchange, all on the terms and conditions set forth in this Agreement. The properties that are the subject of this exchange are shown on Exhibit A and Exhibit B attached hereto and are incorporated herein.

Section 2. Property to be Exchanged.

In the exchange:

- (i) The City will take steps to discontinue the parcel of land depicted on Exhibit A and identified as part of an unimproved portion of an approximately 60-foot wide public right of way, known as Emery Street (“Parcel 1”), *provided, however*, that the City shall retain easements, in common with JBB, on Parcel 1 for (i) pedestrian ingress and egress and (ii) underground, on ground, and above ground utilities ((i)-(ii) collectively referred to as the “Easements”). The approximate locations of the retained easements are generally depicted on Exhibit A. JBB hereby waived any right to any damages or other compensation from the City resulting from the discontinuance of Parcel 1.
- (ii) JBB will convey to the City the parcel of unimproved land depicted on Exhibit B and identified as a portion of Tax Map 150-A-8, together with an easement for vehicular and pedestrian access over the private portion of Quarry Road labeled “Extension of Quarry Road” on Exhibit B (Parcel 2);

All of these conveyances will be on the terms and conditions set forth in this Agreement.

Section 3. Equivalent Value.

The parties agree that (i) the value of Parcel 1, including the Easements, is equivalent to the value of Parcel 2, and (ii) each party’s conveyance is in full consideration of the other party’s conveyance. Except for any closing expenses as provided in Section 10 (herein) below, neither JBB nor the City is providing any other consideration for the exchange, unless the City exercises the Parcel 2 Alternative, as that term is defined below.

Section 4. Property Being Exchanged “As-Is”.

(a) Parcel 1. Except as described in Section 2(i) above and as hereinafter set forth, JBB acknowledges that it is acquiring Parcel 1 “as is” with all faults. The City has made no representations or warranties of any kind whatsoever with respect to the condition of Parcel 1 or the compliance of Parcel 1 with any laws, rules, regulations or ordinances, including (without limitation) any relating to zoning, the environment, or hazardous materials.

(b) Parcel 2. The City acknowledges that it is acquiring Parcel 2 “as is” with all faults. JBB has made no representations or warranties of any kind whatsoever with respect to the condition of Parcel 2 or the compliance of Parcel 2 with any laws, rules, regulations or ordinances, including (without limitation) any relating to zoning, the environment, or hazardous materials.

Section 5. Title, Inspections.

(a) Title Examinations. The parties will have from the date of this Agreement until 6:00 PM Eastern Daylight Savings Time on the sixtieth (60th) day after the date of this Agreement (the “Due Diligence Period”) to complete their respective title examinations. Title shall be good, marketable and insurable title, free and clear of all encumbrances except (i) as set forth in Exhibit B, (ii) the Easements described in Section 2(i) herein, (iii) zoning ordinances, and (iv) real estate taxes not yet due and payable.

(b) Inspections. During the Due Diligence Period, each party and its employees, consultants, contractors and agents shall have the right, at their own expense, to enter on Parcel 1 or 2 at reasonable times in order to (i) inspect the same, (ii) conduct engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things that each party determines, in its sole discretion, to be required to determine the suitability of the property for the parties’ intended use (collectively, the “Inspections”).

(c) Objections. Each party will have until the end of the Due Diligence Period to deliver to the other party any written objections to title matters (other than the permitted exceptions identified herein) that materially affect marketability, insurability, or use of Parcel 1 or Parcel 2, respectively, or to unacceptable results of the Inspections. Objections not made prior to the end of the Due Diligence Period will be deemed waived; *provided, however*, that objections pertaining to matters of record first appearing after the date of this Agreement may be made at any time prior to the Closing.

(d) Option to Cure. In the event of a title or Inspection objection, the party owning the property that is the subject of the objection will have the option, but not the obligation, to cure the objection and will notify the other party of its election within ten (10) business days after receipt of the title objection. In the event that the party owning the property that is the subject of the objection elects to cure the objection, that party thereupon will have thirty (30) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the party owning the property that is the subject of the objection does

not elect to cure the objection, or having elected to cure the objection fails to timely do so, the other party will have the option either to terminate this Agreement (after which neither party will have any further obligation or liability to the other under this Agreement) or to waive the objection in writing and proceed to the Closing.

Section 6. Conditions Precedent to Closing.

(a) The City shall make reasonable efforts to cause the discontinuance of the portion of Emery Street identified as Parcel 1 on or before August 1, 2020. Provided, however, that in the event that the City Council votes not to approve the discontinuance of Parcel 1, but the parties have executed the License Agreement (as that term is defined in Section 11 hereof), the parties shall proceed to Closing with respect to Parcel 2, provided, however, if the occurrence of the Parcel 2 Alternative described below has also occurred, the City may elect to accept from JBB in lieu of acquiring Parcel 2 in exchange for the License the Back-up Consideration (as defined in paragraph (b) below).

(b) The City is satisfied in its sole discretion (1) with the results of the Inspections, (2) that JBB has good, marketable and insurable title in Parcel 2, and (3) that JBB has the corporate power to convey Parcel 2 to the City. Notwithstanding anything to the contrary in this Agreement, and provided that the parties have executed the License Agreement, in the event that the City determines at any time prior to closing that title to Parcel 2 or the results of any Inspection are in any way unsatisfactory to the City (the “Parcel 2 Alternative”), the City may elect to accept from JBB in lieu of acquiring Parcel 2 the sum of Forty-Nine Thousand Dollars (\$49,000.00) (the “Back-up Consideration”).

Section 7. Closing.

The Closing will be held on or before the thirtieth (30th) day after the later of the following: (i) the expiration of the Due Diligence Period, (ii) the date on which the Conditions to Closing described in Section 6 above are completed to the satisfaction of each party to this Agreement, or (iii) October 31, 2020 (the “Closing”), which Closing shall be held at the Offices of Verrill, LLP, at One Portland Square, Portland, Maine, or on such other date or at such other place as the parties may agree.

Section 8. Deeds.

(a) Deed or Parcel 2 Alternative Price to City. At the Closing, JBB will deliver to the City a fully-executed Quitclaim Deed with Covenant conveying Parcel 2, or in the event the City elects the Parcel 2 Alternative as described in Section 6(b) above, JBB shall pay to the City the Back-up Consideration.

(b) Certificate of Discontinuance. At the Closing, the City will record a certificate of discontinuance for Parcel 1, subject to the Easements set forth in Section 2(i) herein, provided that the City Council has approved the discontinuance.

(c) Property Descriptions. The property descriptions contained in the deed to the City

and the Certificate of Discontinuance will be based on survey plans (the “Plans”) that will more specifically describe the properties shown on **Exhibit A** and **Exhibit B**. The Plans will be distributed to the parties prior to the expiration of the Due Diligence Period for final approval. The parties will agree on the descriptions of Parcel 1 and Parcel 2 prior to the Closing.

(d) Abutter Status. Each deed or street discontinuance, as applicable, will recite that the grantee is an abutter to the grantor.

Section 9. Closing Deliverables.

(a) City Deliverables. At the Closing, and as a condition thereto, the City will deliver in connection with its conveyance to JBB the following as applicable:

- (i) the executed street discontinuation subject to the provisions of Section 8(b) above;
- (ii) documentation acceptable to JBB indicating that this transaction has been duly authorized and that the person executing documents on behalf of the City is duly authorized to do so;
- (iii) an executed owner’s affidavit in form satisfactory to the City indicating no tenants or other occupants presently in possession and indicating no debts due for labor or services performed or materials used that could give rise to mechanic’s liens.

In the event the contemplated transfer by the executed street discontinuation is not part of the transaction to be conducted at Closing, then in such an event, the items listed in this Section 9(a), clauses (i) through (iii), inclusive, will not be applicable or required.

(b) JBB Deliverables. At the Closing, and as a condition thereof, JBB will deliver in connection with its conveyance to the City, as applicable:

- (i) the executed deed or the Back-up Consideration described in Section 8(a) above;
- (ii) an executed State of Maine Real Estate Transfer Tax Declaration;
- (iii) an executed notice pursuant to 38 M.R.S.A. § 563(6) stating that, to the best of JBB’s knowledge, no underground storage facility for the storage of oil or petroleum exists on Parcel 2;
- (iv) documentation acceptable to the City indicating that this transaction has been duly authorized and that the person executing documents on behalf of JBB is duly authorized to do so;
- (v) an executed certificate of non-foreign and Maine residency status; and
- (vi) an executed owner’s affidavit indicating no tenants or other occupants presently

in possession and indicating no debts due for labor or services performed or materials used that could give rise to mechanic's liens.

In the event the contemplated transfer by JBB to City of Parcel 2 is not part of the transaction to be conducted at Closing, then in such an event, the items listed in this Section 9(b), clauses (ii) through (vi), inclusive, will not be applicable or required.

Section 10. Closing Costs and Apportionments.

(a) Real Estate Taxes and Assessments. The parties acknowledge that the City is exempt from taxes or assessments on Parcel 1 and that Parcel 1 is exempt from the same for fiscal year 2020/21. As to Parcel 2, JBB shall be liable for all real estate taxes and assessments for fiscal year 2020/21. JBB shall pay all such taxes for fiscal year 2020 on or before the Closing.

(b) Real Estate Transfer Tax. Each real estate transfer tax declaration will state that the value of the properties that is the subject of the declaration is the assessed value, and JBB will pay its share of real estate transfer taxes. The parties acknowledge that, pursuant to 36 M.R.S.A. §4641-C(1), the City is exempt from real estate transfer taxes.

(c) Recording Fees. The City will pay the recording fees for the deed from JBB on Parcel 2. JBB will pay the recording fees for the Certificate of Discontinuance for Parcel 1.

(d) Legal Fees and Expenses. The parties each will bear the cost of their respective legal fees, costs, and expenses.

Section 11. License Prior to Closing. Upon execution of this Agreement, the parties hereby agree and acknowledge that the parties shall execute a license agreement for JBB's use of Parcel 1, substantially in the form attached hereto as **Exhibit C** and incorporated herein by reference (the "License Agreement").

Section 12. Representations and Warranties.

(a) City. The City represents and warrants that:

(i) It has full power and authority to enter into this Agreement and to carry out its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed, and delivered by the City and is a legal, valid, and binding agreement of the City, enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement by the City will not violate any judgment or order applicable to the City or the City's instruments of organization, governance or operation, and will not result in any material breach of, or constitute a material default under, or result in the creation of any material lien, charge, security interest, or other encumbrance upon Parcel 1 or any note, bond, indenture, mortgage, deed of trust, bank loan, or credit agreement to which the City is a party or by which Parcel 1 is bound.

(iii) The City has not received any written notice of any pending condemnation, violation of law, or other legal action of any kind materially and adversely affecting Parcel 1.

(iv) The City has no knowledge of any pending or threatened litigation, administrative action, or governmental investigation or examination (including, but not limited to, environmental investigations, examinations, claims, and demands) concerning Parcel 1.

(v) To the best of City's knowledge, no third party other than JBB, its successors and assigns, has any right to acquire all or any part of Parcel 1.

(b) JBB. JBB represents and warrants that:

(i) JBB has full power and authority to enter into this Agreement and to carry out its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed, and delivered by JBB and is a legal, valid, and binding agreement of JBB, enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement by JBB will not violate any judgment or order applicable to JBB or JBB's instruments of organization, governance or operation, and will not result in any material breach of, or constitute a material default under, or result in the creation of any material lien, charge, security interest, or other encumbrance upon Parcel 1 or any note, bond, indenture, mortgage, deed of trust, bank loan, or credit agreement to which JBB is a party or by which Parcel 1 is bound.

(iii) JBB has not received any written notice of any pending condemnation, violation of law, or other legal action of any kind materially and adversely affecting Parcel 2.

(iv) JBB has no knowledge of any pending or threatened litigation, administrative action, or governmental investigation or examination (including, but not limited to, environmental investigations, examinations, claims, and demands) concerning Parcel 2.

(v) No third party has any right to acquire all or any part of Parcel 2.

(c) Survival. All representations and warranties contained herein are intended to remain true and correct as of the Closing, are deemed to be restated at the Closing, and will survive the Closing.

Section 13. General Provisions.

(a) Assignment. Neither this Agreement nor any of the rights or obligations of any party pursuant to this Agreement may be assigned without the prior written consent of the other party.

(b) Brokers. Each party will indemnify and hold harmless the other from and against

any claims for brokerage commissions arising out of any brokerage agreements entered into by the indemnifying party.

(c) Governing Law. This Agreement is governed by, and is to be construed and enforced in accordance with, the laws of the State of Maine (without regard to conflicts-of-laws principles that would require the application of any other law).

(d) Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the exchange of the property that is the subject of this Agreement, supersedes all prior oral or written offers, negotiations, agreements, understandings, and courses of dealing between the parties relating thereto, and is subject to no understandings, conditions or representations other than those expressly stated herein. This Agreement may be modified or amended only by means of a writing signed by the parties.

(e) Notices. Any notices required or permitted to be given hereunder will be given in writing, signed by the party giving the same, and will be delivered (a) in person, (b) by a commercial overnight courier that guarantees next business day delivery and provides a receipt, or (c) by electronic mail (with Request a Read Receipt), and such notices will be addressed as follows:

To JBB:

Vincent P. Veroneau
J.B. Brown & Sons
10 Free Street
P.O. Box 207
Portland, Maine 04112-0207
E-Mail: veroneau@jbbbrown.com

with a copy to:

David L. Galgay, Jr., Esq.
Verrill Dana
One Portland Square
Portland, Maine 04101-4054
E-Mail: dgalgay@verrill-law.com

To City:

Jon P. Jennings
City Manager
City of Portland
389 Congress Street
Portland, Maine 04101
E-Mail: gmitchell@portlandmaine.gov

with a copy to:

Danielle West-Chuhta, Esq. Corporate Counsel
City of Portland
389 Congress Street
Portland, Maine 04101
E-Mail: DWCHUHTA@portlandmaine.gov

[End of Page / Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the day and year first above written.

J.B. Brown & Sons

City of Portland

By: _____
Vincent P. Veroneau
Its President

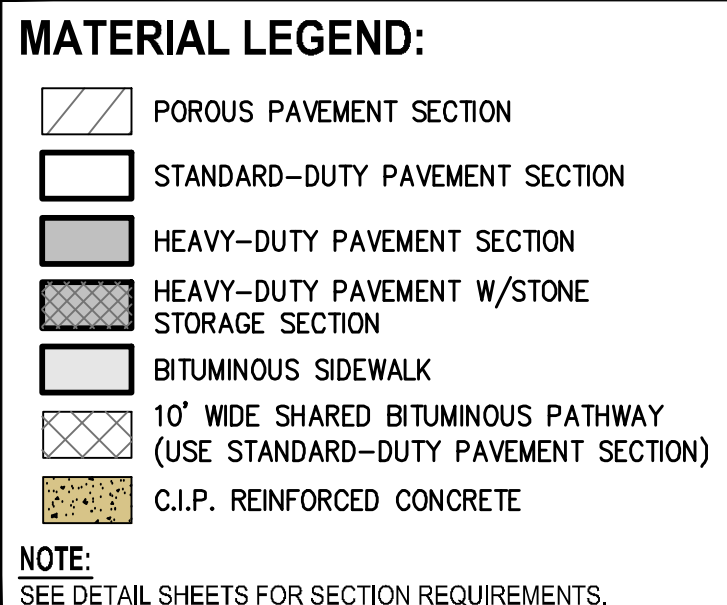
By: _____
Jon P. Jennings
Its City Manager

Approved as to Form: _____
Corporation Counsel

Approved as to Funds: _____
Finance Dept.

EXHIBIT A
[Depiction of Parcel 1]

1. EXISTING ZONE:	B5b - Urban Commercial Mixed-Use Zone R-4 - Residential Zone	
2. PARCEL SIZE:	8.40 ACRES	
3. SPACE AND BULK:	<u>REQUIRED / ALLOWED</u>	<u>PROVIDED</u>
MAXIMUM LOT COVERAGE	100%	< 100%
MAXIMUM BUILDING HEIGHT	55 FT. (62 FT. FOR ROOFTOP PROJECTIONS)	< 55 FT.
MINIMUM LOT SIZE	NONE	8.40 ACRES
MINIMUM SIDE YARD	NONE	5.3 FT.±
MINIMUM REAR YARD	NONE	120 FT.±
MINIMUM FRONTAGE	NONE	1,394 FT.
MAXIMUM FRONT YARD BUILDING SETBACK	10 FT.	< 10 FT.
4. PARKING REQUIREMENT:		
MEDICAL OFFICE - 1 SPACE/400SF		
PROPOSED OUTPATIENT CLINIC 62,300 SF	156 SPACES	400± SPACES



NOTES:

1. OWNER OF RECORD: J.B. BROWN & SONS
10 FREE STREET
PORTLAND, ME 04101
TAX MAP-BLOCK-LOT NUMBER 080 A001001
C.C.R.D. BOOK 29147 PAGE 254
2. BEARINGS ARE BASED ON MAINE STATE PLANE COORDINATE SYSTEM, NAD83. WEST ZONE. BEARINGS ARE REFERENCED TO GRID NORTH.
3. ELEVATIONS ARE BASED ON CITY OF PORTLAND DATUM.
4. BOUNDARY LINES SHOWN ARE TAKEN FROM PLAN REFERENCE 2.
5. PROPERTY IS LOCATED IN THE CITY OF PORTLAND B-5b & R-4 ZONES.
6. SNOW REMOVAL AND PROPERTY MAINTENANCE SHALL BE BY THE OWNER.
7. WASTE DISPOSAL SHALL BE BY PRIVATE WASTE HAULER.
8. ALL GRANITE TYPEDOWNS SHALL BE 7' LENGTH. NO GRANITE CURB PIECES SHALL BE LESS THAN 4' LONG MINIMUM.
9. THE DOMESTIC WATER ENTRY SHALL INCLUDE SPACE FOR THE METER ASSEMBLY AND BACKFLOW PREVENTER IN ACCORDANCE WITH P.W.D. REQUIREMENTS (SEE STANDARD METER SET DETAILS).

1. "PLAN OF ALTA/LCMS Land Title Survey, 113 West Commercial Street, Portland, Maine, MADE FOR, J.B. Brown & Sons, 10 Free Street, Portland, Maine", by Titcomb Associates, JOB #215093, DATE: February 9, 2016, SHEET 1 OF 2 AND SHEET 2 OF 2.
2. "PLAN, Property Division, 113 West Commercial Street, Portland, Maine, MADE FOR, J.B. Brown & Sons, 10 Free Street, Portland, Maine", by Titcomb Associates, JOB #215093, DATE: November 12, 2019
3. "CONTRACT NO. 3, LOWER FOWE RIVER INTERCEPTOR, CROSS COUNTRY AND WEST COMMERCIAL STREET", by CAMP DRESSER & McKEE INC., CONSULTING ENGINEERS, BOSTON, MASS., SHEETS 25, 26 AND 27, REVISED FOR CONCEPT DRAWING 8/81
4. "PLANS FOR 115 C.V. UNDERGROUND TRANSMISSION LINE 275' - SEWALL ST. S/S TO CAPE SABLE BRIDGE, 115 C.V. UNDERGROUND TRANSMISSION LINE 3/26/75, SHEETS PP-1, PP-8 & PP-10, BY CMC
5. "CANAL, LANDING AMENDED SITE PLAN, PHASE III SITE LAYOUT PLAN", FOR NEW PP-9, BY GORRILL PALMER, REVISED 10.08.19.

STEPHEN R. BUSHEY, P.E.
LIC. #7429

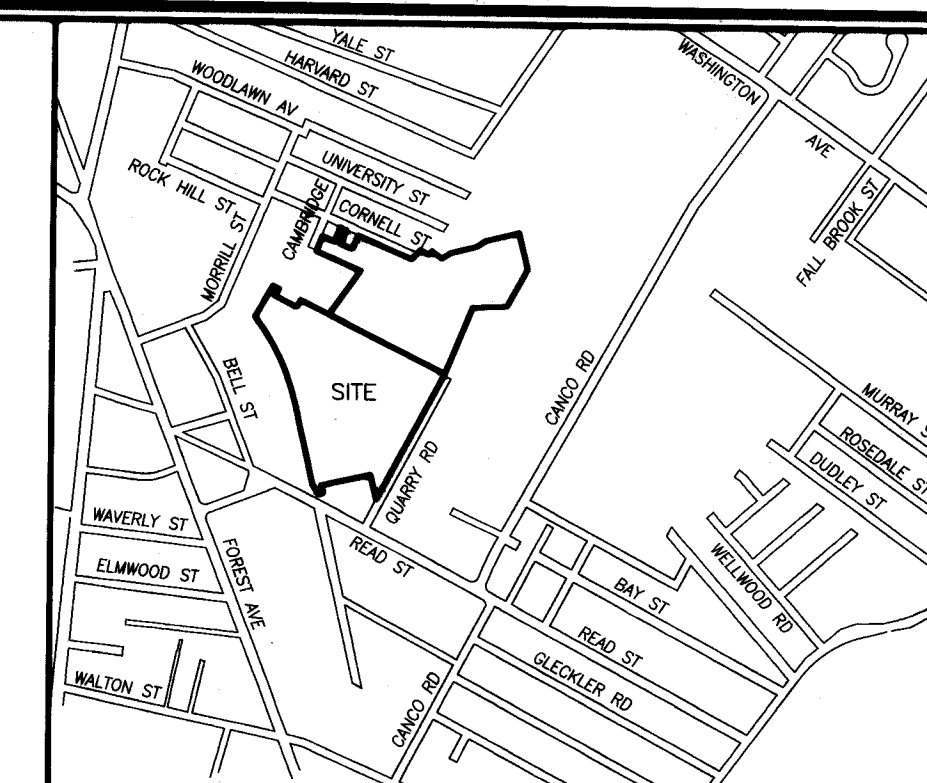
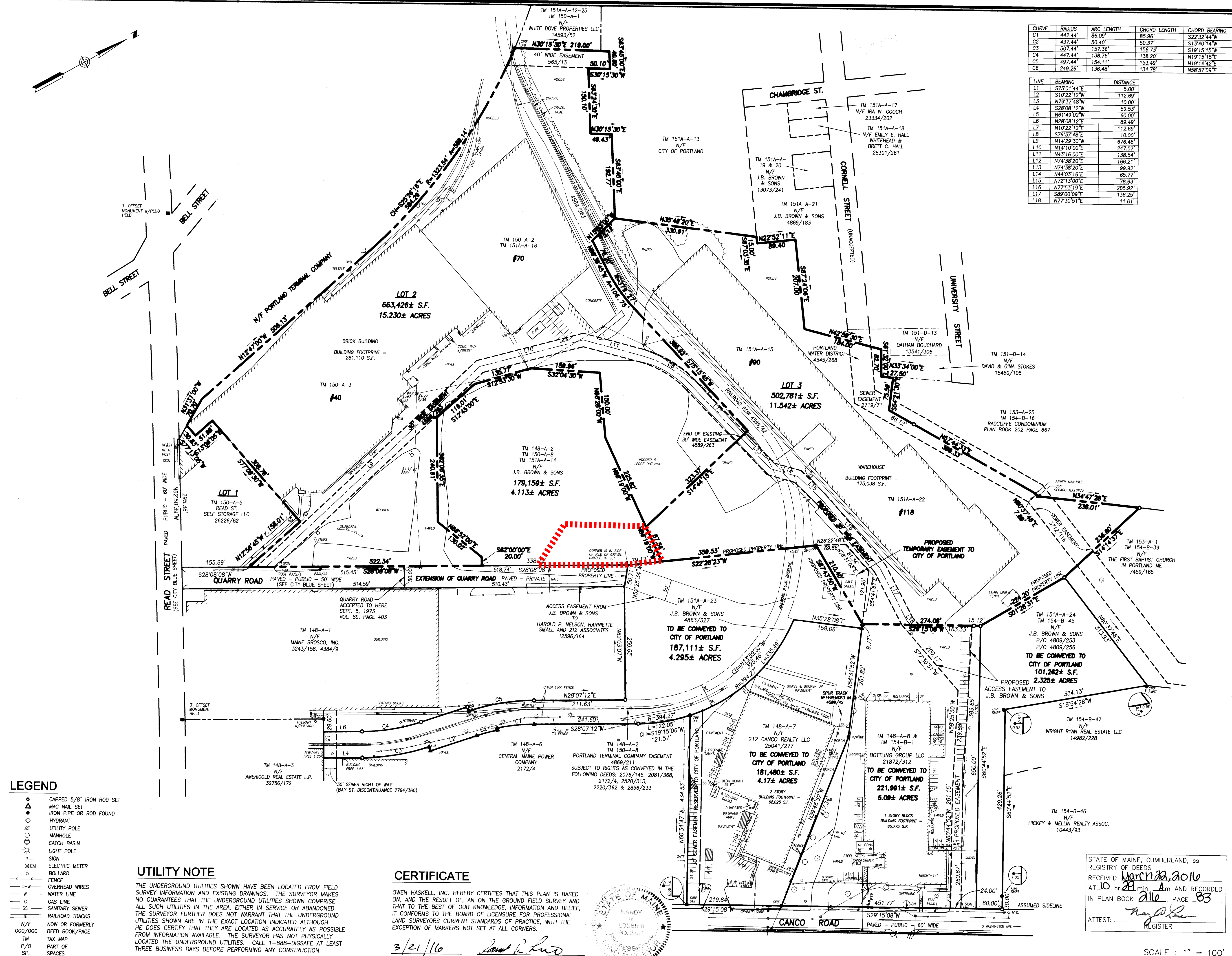
Design: SRB	Draft: CDD	Date: NOV. 2019
Checked: SRB	Scale: AS NOTED	Job No.: 3572
File Name: 3572-SITE.dwg		

This plan shall not be modified without written permission from Corroll Palmer Consulting Engineers, Inc.(GP). Any alterations, authorized or otherwise, shall be at the user's sole risk and without liability to GP.



Drawing No.
C-4.0

EXHIBIT B
[Depiction of Parcel 2]



PLAN REFERENCES

1. PLAN OF PROPERTY IN PORTLAND, MAINE MADE FOR J.B. BROWN & SONS PLAN SHOWING THE EXISTING R.R. LOCATION EXHIBIT A AND THE PROPOSED RELOCATION EXHIBIT B AT ROCKY HILL BY J.B. BROWN & SONS BY H.I. & E.C. JORDAN, SURVEYORS DATED AUGUST 1, 1979.
2. PLAN OF SUBDIVISION IN PORTLAND, MAINE MADE FOR J.B. BROWN & SONS BY H.I. & E.C. JORDAN, SURVEYORS DATED MARCH 27, 1981. RECORDED IN PLAN BOOK 130, PAGE 43.
3. COMPOSITE PLAN OF J.B. BROWN & SONS PARCELS IN PORTLAND, MAINE, MADE BY H.I. & E.C. JORDAN, SURVEYORS DATED SEPT. 14, 1995, RECORDED IN PLAN BOOK 132, PAGE 10.
4. PLAN OF PROPERTY IN PORTLAND, MAINE, MADE FOR FIRST BAPTIST CHURCH OF PORTLAND BY H.I. & E.C. JORDAN, SURVEYORS DATED APRIL 1, 1986.
5. PLAN OF SURVEY FOR SELTZER & RYDHOLM BY E.C. JORDAN DATED 1981.
6. EXISTING CONDITIONS SURVEY ON ALLEN AVE., MAGNOLIA ST., PRINCETON ST. & MORRILL ST. EXTENSION, PORTLAND, MAINE MADE FOR VHB BY OWEN HASKELL, INC. DATED SEPTEMBER 20, 2001 REVISED THROUGH DECEMBER 16, 2003.
7. STANDARD BOUNDARY & TOPOGRAPHIC SURVEY AT 212 CANCO ROAD, PORTLAND, MAINE MADE FOR NELSON & SMALL DATED AUGUST 28, 1996, REV. 05-01-07 BY OWEN HASKELL, INC.
8. ALTA/ACSM LAND TITLE SURVEY 212 & 250 CANCO ROAD, PORTLAND, CUMBERLAND COUNTY, MAINE MADE FOR THE CITY OF PORTLAND BY OWEN HASKELL, INC. DATED JANUARY 25, 2016.
9. PLAN OF TRACK AT ROCKY HILL PORTLAND TERMINAL COMPANY DATED JANUARY 14, 1952 RECORDED IN PLAN BOOK 38, PAGES 16 & 17.

GENERAL NOTES

1. OWNER OF RECORD:
J.B. BROWN & SONS
TAX MAP 148 BLOCK A LOT 2
TAX MAP 150 BLOCK A LOTS 2, 3 & 8
TAX MAP 151A BLOCK A LOTS 14, 15, 16 & 22
PART OF TAX MAP 151A BLOCK A LOT 23
C.C.R.D. 3531/151, 4256/60, 4468/226, 4589/152, 4839/13, 12118/16
2. BEARINGS ARE BASED ON TRUE NORTH PER PLAN REFERENCE 2.

APPROVED BY THE
CITY OF PORTLAND PLANNING BOARD

S. G. O'Brien
SHERIDAN G. O'BRIEN
CITY PLANNING DIRECTOR
pursuant § 14-496(c) of
Portland City Code

DATE

THIS PLAN AMENDS
"PLAN OF SUBDIVISION IN PORTLAND, MAINE MADE
FOR J.B. BROWN & SONS MARCH 27, 1981"
RECORDED IN
C.C.R.D. PLAN BOOK 130 PAGE 43

AMENDED SUBDIVISION PLAN

ON
QUARRY ROAD, PORTLAND, MAINE
MADE FOR RECORD OWNER
J.B. BROWN & SONS
10 FREE STREET, PORTLAND, MAINE

OWEN HASKELL, INC.
390 U.S. ROUTE ONE, FALMOUTH, ME 04105 (207) 774-0424
PROFESSIONAL LAND SURVEYORS

Drawn By	Date	Job No.
RRL	FEBRUARY 26, 2016	2016-009 P
Trace By	Scale	Drawn No.
JLW	1" = 100'	1
Check By		
RRL		
Book No.		
1104		

STATE OF MAINE, CUMBERLAND, ss
REGISTRY OF DEEDS
RECEIVED March 22, 2016
AT 10 hr. 22 min. A.M. and RECORDED
IN PLAN BOOK 130, PAGE 83

ATTEST: *Maya P. Lee*
REGISTER

SCALE: 1" = 100'

0' 50' 100' 200'

REVOCABLE LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this “Agreement”) is made this ____ day of May, 2020 (the “Effective Date”), by and between the **CITY OF PORTLAND**, a Maine municipal corporation with a place of business in Portland, Maine (“Licensor” or “City”) and the **J.B. BROWN & SONS**, a Maine corporation with offices in Portland, Maine (“Licensee”).

WHEREAS, Licensor is the current owner of that certain portion of an approximately 60-foot wide public right of way identified as Emery Street (the “City Property”) as shown on that certain plan entitled “Site Layout Plan – East Side, U.S. Department of Veterans Affairs—Community Based Outpatient Clinic,” prepared by Gorrill Palmer and dated Nov. 2019 (the “Plan”);

WHEREAS, Licensee is the abutting owner on both sides of the City Property as shown on the Plan (“JBB Property”); and

WHEREAS, subject to approval by the Portland City Council, Licensor intends to discontinue the City Property (i.e., that certain portion of Emery Street as shown on the Plan to be discontinued) and being more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the “License Area”), in exchange for certain land owned by Licensee on Quarry Road in Portland, Maine, which land swap will be evidenced by a certain Land Exchange Agreement of near or even date herewith; and

WHEREAS, until License Area is discontinued by Licensor, or until this Agreement is otherwise terminated, Licensor intends to allow Licensee to use License Area for the purposes set forth below in accordance with the terms and conditions of this Agreement; and

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. TERM: This License shall commence on the Effective Date and terminate upon the earlier of (i) the City Council’s approval of the discontinuance of the City Property and the recording of a certificate of discontinuance in the Cumberland County Registry of Deeds, or (ii) an Event of Revocation, as that term is defined below.

ARTICLE II. PERMITTED USES: Licensor hereby grants to Licensee, together with its lessees, agents, contractors, subcontractors, visitors and invitees, the right to use the License Area for pedestrian and vehicular access to the JBB Property and all uses depicted on the Plan within the License Area; *provided, however*, that said use by Licensee does not interfere with Licensor’s

existing use of the License area for (i) pedestrian ingress and egress and (ii) underground and overhead utilities.

ARTICLE III. ASSIGNMENT: This License is assignable to any subsequent owners of the property depicted on the Plan, and in the event of such assignment, Licensee shall notify the City of such assignment no fewer than 10 days prior to the effective date of such assignment.

ARTICLE IV. NOTICES: Any notices required or permitted to be given hereunder will be given in writing, signed by the party giving the same, and will be delivered (a) in person, (b) by a commercial overnight courier that guarantees next business day delivery and provides a receipt, or (c) by electronic mail (with Request a Read Receipt), and such notices will be addressed as follows:

Licensors at: **City of Portland**
389 Congress Street
Portland, Maine 04101

Licensee at: **J.B. Brown & Sons**
10 Free Street, Suite 100
Portland, Maine 04112

ARTICLE V. INDEMNITY: To the fullest extent permitted by law, Licensee shall defend, indemnify and hold the Licensors, 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, just or unjust, that arise out of or are caused by the any act or omission of Licensee, its partners or members, agents, invitees, contractors, subcontractors, 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. Licensee's obligations under this paragraph shall survive the termination of this License.

ARTICLE VI. INSURANCE: Prior to the execution of this Agreement, the Licensee 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;
- Occurrence-based Automobile 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 Automobile and Commercial General Liability Insurance, the Licensee shall name the Licensors as an additional insured for coverage only in those areas where government immunity has been expressly waived, including, without limitation, 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 Licensors 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 Licensors. Prior to execution of this Agreement, the Licensee shall furnish the Licensors and thereafter maintain certificates evidencing all such coverages, which certificates shall guarantee thirty (30) days' notice to the Licensors of termination of insurance from the insurance provider or agent. Licensee shall also provide a copy of any endorsement naming the Licensors as additional insured. The Workers' Compensation insurance shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees. Upon Licensors' request, Licensee shall provide Licensors with a complete copy of any of the above-referenced policies. Licensee 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). Licensors' acceptance or lack of acceptance of Licensee's Certificate of Insurance or other evidence of insurance shall not be construed as a waiver of the Licensee's obligation to obtain and maintain such insurance as required by this agreement. If the Licensee maintains broader coverage and/or higher limits than the minimum shown above, the Licensors require and shall be entitled to the broader coverage and/or higher limits maintained by the Licensee.

ARTICLE VII. RELEASE: Licensee hereby releases the Licensors and its officers, agents and personnel (collectively, the "Releasees") from any and all claims, liabilities, damages, losses, costs, fees and expenses arising out of or resulting, directly or indirectly, from Licensee's use of any City Property, including, without limitation, injuries, losses and damages for bodily injury (including disability or death) and property damage, regardless of cause, including any and all claims, damages and liabilities that arise out of or result from any actions or omissions, including negligence, on the part of any of the Releasees. Licensee promises not to sue any of the Releasees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows and shall survive termination of this agreement.

ARTICLE VIII. MAINTENANCE, RESTORATION. Licensee shall be responsible for the proper maintenance of any improvements it makes in the Licensed Area. In the event of damage to such improvements and/or the Licensed Area, Licensee shall promptly repair/restore the same. Prior to such repair/restoration, Licensee shall notify the City (in writing and by telephone) at least forty-eight hours before it plans to conduct such repair or restoration and shall work with City staff on the closure, if needed, of any City streets in the vicinity of the property in order to conduct such repair/restoration. All work performed upon and use of the Licensed Area for the purposes set forth herein shall be at Licensee's sole cost and expense (unless otherwise agreed in writing), the parties acknowledging that there may be temporary interruptions in enjoyment of the City's property adjacent to the Licensed Areas related to the conduct of any work related to this License. Licensee agrees at its sole expense to restore any portion of the Licensed Areas and adjacent City property

affected by work conducted by Licensee under this License to substantially the same condition that it was in prior to such work or as close to that condition as is reasonably practicable.

ARTICLE IX. CITY UTILITIES. Licensee agrees that City may enter and utilize the Licensed Area at any time for the purpose of installing, repairing, replacing, or maintaining improvements to its public facilities or utilities necessary for the health, safety and welfare of the public or for any other public purpose. City shall bear no responsibility or liability for any damage or disruption or other adverse consequences resulting from any improvements installed by Licensee, but City will make reasonable efforts to minimize such damage. In the event that any installation, reinstallation, relocation or repair of any existing or future utility or improvements owned by, constructed by or on behalf of the public or at public expense is made costlier by virtue of the construction, maintenance or existence of Licensee's improvements and use, Licensee shall pay to City an amount equal to such additional cost as reasonably determined by the Director of Public Works or said Director's duly authorized representatives.

ARTICLE X. REVOCATION. Licensors may revoke this License six (6) months after receipt by the Licensee of written notice that an Event of Revocation (as defined below) has occurred, identifying such Event of Revocation, provided that such Event of Revocation is not cured within six (6) months after Licensee's receipt of such notice, except as set forth in subsection (d) below. "Event of Revocation" shall mean:

- a. Licensee's non-compliance with any of the terms of this Agreement;
- b. the building shown on the Plan fails to be constructed substantially in accordance with the Plan or any amendments thereto;
- c. the building as shown on the Plan is destroyed, removed or otherwise thereafter ceases to exist on Licensee's property and construction to rebuild said building has not begun within twelve (12) months of said destruction or removal, or
- d. failure to maintain insurance as required under Section 6 above, and such failure is not remedied within thirty (30) days after written notice thereof.

Notwithstanding any other provision herein, in the event that a notice of an Event of Revocation is delivered to Licensee, any mortgagee of Licensee's property shall be entitled to cure the matter set forth in such notice within the time frames set forth above, and the City agrees to accept such performance by any such mortgagee of Licensee's obligations hereunder.

ARTICLE XI. NO PROPERTY RIGHTS. This instrument is a license only and no provision hereof shall be construed as conveying an easement or other estate in land.

ARTICLE XII. MISCELLANEOUS: This License sets forth the entire agreement of the parties with respect to the subject matter hereof. Any changes to this License shall be approved in writing, signed by all of the parties. No provision of this License shall be deemed to have been waived unless the event giving rise to such waiver has occurred, and unless such waiver is in writing.

No such waiver shall be deemed to be a waiver of any other or further similar or dissimilar obligation or liability of the party or parties in whose favor the waiver was given. This License shall be governed by the laws of the State of Maine.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first above mentioned.

WITNESS:

CITY OF PORTLAND

By: _____
Jon P. Jennings
Its City Manager

“Licensor”

WITNESS:

J.B. BROWN & SONS

By: _____
Vincent P. Veroneau
Its President

“Licensee”

STATE OF MAINE
CUMBERLAND, ss.

_____, 2020

Then personally appeared the above-named Jon P. Jennings, City Manager of the City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said City of Portland.

Before me,

Notary Public/Attorney at Law

STATE OF MAINE
CUMBERLAND, ss.

_____, 2020

Then personally appeared the above-named Vincent P. Veroneau, President of J.B. Brown & Sons, as aforesaid, and acknowledged the foregoing to be his free act and deed in his said capacity, and the free act and deed of said corporation.

Before me,

Attorney-at-Law/Notary Public