

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR. (A/L)

NOVEMBER 19, 2018 CITY COUNCIL AGENDA

The Portland City Council will hold a City Council Meeting at 5:30 p.m. in City Council Chambers, City Hall. The Honorable Ethan K. Strimling, Mayor, will preside.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

ANNOUNCEMENTS:

RECOGNITIONS:

PRESENTATIONS:

ANNUAL MEETING:

Annual Meeting of Corporator of Portland Development Corporation.

Pursuant to the Bylaws of the Portland Development Corporation (PDC), the Portland City Council, as Corporator of the Portland Development Corporation, shall hold its annual meeting in the month of September each year or at a special meeting.

This year's Annual Meeting Agenda includes:

1. Acceptance of Portland Development Corporation Fiscal Year Ending 2018 Activity and Financial Reports;
2. Transaction of other business as may be deemed necessary.

PDC FYE2018 Activity and Financial Reports

For FY2018, the PDC invested just under \$1.1 Million in 19 businesses and economic development projects, which leveraged over \$5 Million in private sector funds associated with creating 26 jobs and retaining 62 jobs. Fiscal Year 2018 loan activity included a public to private investment ratio of 1:7.

Annual Meeting of Corporator of Creative Portland

Pursuant to the Bylaws of Creative Portland, the Portland City Council, as Corporator of Creative Portland, shall hold its annual meeting in the month of November each year or at a special meeting. This year's Annual Meeting Agenda includes:

1. Accepting Creative Portland Fiscal Year Ending 2018 Activity and Financial Reports .
2. Transaction of other business as may be deemed necessary.

SPECIAL MEETING:

APPROVAL OF MINUTES OF PREVIOUS MEETING:

November 5, 2018 Draft Regular City Council Meeting Minutes

PROCLAMATIONS:

Proclamation 17-18/19 Honoring Detective Kelly Gorham as Officer of the Month for September 2018 – Sponsored by Mayor Ethan K. Strimling.

APPOINTMENTS:

CONSENT ITEMS:

Order 100-18/19 Approving Transfer of Funds Under 15 M.R.S. §§5824(3) and 5826(6) Re: Melissa Emmons – Sponsored by Jon P. Jennings, City Manager.

This order authorizes the City Council to approve the transfer of \$600.00 in forfeited assets from the State of Maine to the City of Portland from the case of the State of Maine v. Melissa Emmons.

The money was seized during a drug investigation conducted by the M.D.E.A. in conjunction with the Portland Police Department. The money will be deposited into the Portland Police Department's drug investigation account. The money is used to offset the costs of drug investigations, such as drug analysis, drug purchases, covert surveillance, surveillance equipment, drug training and protective gear, such as body armor. The money may also be used to support the department's Law Enforcement Addiction Advocacy Program.

Five affirmative votes are required for passage of the Consent Calendar.

LICENSES:

Order 101-18/19 Granting Municipal Officers' Approval of Portland Shuck Shack LLC dba The Shop. Application for a Class I FSE with Entertainment without Dance and Outdoor Dining on Private Property at 123 Washington Avenue - Sponsored by Michael Russell, Director of Permitting & Inspections Department.

Application was filed on 10/26/2018. New City and State applications. The owners currently operate a Class III & IV with Entertainment without Dance and Outdoor Dining on Private Property at this location.

Five affirmative votes are required for passage after public comment.

Order 102-18/19 Approving Municipal Officers' Approval of Blue Lobster Urban Winery LLC dba Blue Lobster Urban Winery. Application for a Winery with Entertainment without Dancing and Outdoor Dining on Private Property at 219 Anderson Street - Sponsored by Michael Russell, Director of Permitting & Inspections Department.

Application was filed on 10/29/2018. New City applications. The owners currently operate the same business in a different unit.

Five affirmative votes are required for passage after public comment.

Order 103-18/19 Granting Municipal Officers' Approval of Pig Exchange, LLC dba Thirsty Pig. Renewal application for an Entertainment without Dance at 37 Exchange Street with the Condition of No Amplified Entertainment Outdoors - Sponsored by Michael Russell, Director of Permitting and Inspections.

Applicant holds a current Class A Lounge License with Entertainment without Dance and Outdoor Dining on Private Property with the condition of no amplified entertainment outdoors. The City Council requested that this business come back before them for renewal.

Five affirmative votes are required for passage after public comment.

Order 104-18/19 Granting Municipal Officers' Approval of Bunker Brewing LLC dba Bunker Brewing. Application for an Entertainment without Dancing at 17 Westfield Street with the Condition of Limiting the Events to 20 Per Year, Closing the Garage Door Closest to Neighbors and Ending All Events by 9:00pm. - Sponsored by Michael Russell, Director of Permitting & Inspections Department.

Application was filed on 10/11/2018. New City Application. This is currently a licensed Brewery.

Five affirmative votes are required for passage after public comment.

BUDGET ITEMS:

COMMUNICATIONS:

Communication 7 Re: the Rules Committee - Sponsored by Mayor Ethan K. Strimling.

The City Council Rules Committee will meet to review the Council Rules of Procedure on November 20, 2018 at 9:30 a.m. in Room 24 of Portland City Hall and November 28, 2018 at 3:30 p.m. in Room 209 in Portland City Hall. The Rules Committee will again review the Council Rules of Procedure and determine if and how the Rules should be amended. Any amendment of those Rules will be included on the December 3, 2018 City Council Agenda.

As a communication, this item requires no public comment or formal Council action.

RESOLUTIONS:

UNFINISHED BUSINESS:

Order 67-18/19 Amendment to Portland City Code Chapter 6 Re: Short Term Rentals – Sponsored by the Housing Committee, Councilor Jill C. Duson, Chair.

On July 31, 2018, the Housing Committee voted unanimously (2-0, Cook absent) to forward this item to the City Council with a recommendation for passage. On September 17, 2018, the Council voted to postpone this item until November 5, 2018 to allow the Housing Committee to complete additional work on the short term rental ordinance. On November 5, 2018, the City Council voted to postpone this order to November 19, 2018 to be considered with other amendments drafted by the Housing Committee.

If passed, this item would make changes to an individual's right to renew short term rental registrations and to how registrations subject to the 300 cap on certain types of registrations are allocated off the wait list.

Staff does not recommend passage of this Order in light of the other amendments being proposed.

This item must be read on two separate days. It was given a first reading on September 17, 2018. Five affirmative votes are required for passage after public comment.

Order 87-18/19 Amendment to the Portland City Code Chapter 6 Re: Non-Owner-Occupied Short Term Rental Units in Multi-Unit Buildings - Sponsored by Councilor Jill C. Duson

During the time that the Housing Committee has worked through changes to the short term rental ordinance, it was the Committee's desire that no non-owner occupied short term rental units – whether they were in an owner occupied building or otherwise – be registered above the 300 unit cap found in City Code § 6-153. The attached amendment, introduced at the City Council meeting on October 15, 2018 and then postponed at that meeting to November 19, 2018, is in lieu of a moratorium on owner-occupied short term rentals.

The amendment would change the short term rental ordinance to make it clear that non-owner occupied units in an owner occupied building will be counted towards the 300 unit cap. Because the total of non-owner occupied units in both owner-occupied and non-owner occupied buildings is at or slightly above that 300 cap, no new non-owner occupied units could be registered unless and until registrations fell below that cap or the cap was raised.

The amendment also contains a retroactivity clause, making it effective October 12, 2018. This means that it would apply to any applications for non-owner occupied units submitted on or after that date. However, any non-owner occupied units registered as of October 11, 2018, would remain registered, regardless of whether the 300 unit cap has been exceeded.

Given Order 99-18/19, which involves the same provisions, staff recommends that this Order be postponed indefinitely.

This item must be read on two separate days. It was given a first reading on October 15, 2018 and postponed twice, for final consideration at this meeting. Five affirmative votes are required for passage after public comment.

Order 97-18/19 Authorizing Lease-Purchase Agreement for Conversion to LED Street Lights - Sponsored by Jon P. Jennings, City Manager.

This item is being submitted on behalf of the Finance Committee.

In October 2017 the City Council unanimously approved an \$8M contract with TEN Connected Solutions in support of the City's goal to convert streetlights to LED. In advance of that approval a two-phase financing proposal for the project was presented to the City Finance Committee. The financing proposal included two \$4M municipal leases, paid entirely from savings generated by the LED conversion. The total cost of the first \$4M lease (approved unanimously by City Council in October 2017) was approximately \$446k annually, significantly less than the overall \$1.065M project savings projections from TEN. As noted in the original financing proposal, a second \$4M municipal lease would be required in FY19 and authorization for this lease must be approved by City Council. The second lease would add an additional \$475-\$525k in annual debt service costs to future City budgets (depending on final interest rate) and the combined cost of both municipal leases will be lower than the savings generated by the LED conversion. It is worth noting that the debt service on each municipal lease will end in 2028-2029 but the savings generated from the LED conversion project, approximately \$900-950k in reduced streetlight maintenance annually plus \$100-150k in electricity savings from reduced energy consumption, will continue for decades.

This item must be read on two separate days. It was given a first reading on November 5, 2018. Five affirmative votes are required for passage after public comment.

Order 98-18/19 Amendment to Portland City Code Chapter 14 Re: Impact Fees - Sponsored by the Planning Board, Sean Dundon, Chair and the Economic Development Committee, Council Justin Costa, Chair.

The Planning Board met on October 9, 2018 and voted unanimously (7-0) to forward this item to the City Council with a recommendation for passage. The Economic Development Committee met on October 16, 2018 and voted unanimously (3-0) to forward this item to the City Council with a recommendation for passage.

In response to a recommendation in the City's recently adopted comprehensive plan, *Portland's Plan*, the Department of Planning & Urban Development, in collaboration with the Department of Public Works and the Department of Parks, Recreation, and Facilities, has developed a draft impact fee ordinance for consideration by the Council. The ordinance was drafted based on the Maine state impact fee statute; guidance from the former Maine State Planning Office; review with Corporation Counsel, the Department of Permitting and Inspections, and Finance; as well as examples from comparable communities both in Maine and nationwide. The ordinance not only establishes a schedule for parks and recreation, transportation, and wastewater impact fees, under which development would pay the cost of infrastructure improvements necessary to accommodate that development, but also addresses issues critical to the administration of impact fees.

A minor edit to Division 30 (Affordable Housing) of the City's land use code to provide a fee reduction for affordable housing is also proposed. The ordinance was unanimously recommended by both the Planning Board and the Economic Development Committee at hearings in mid-October.

This item must be read on two separate days. This item was given a first reading on November 5, 2018. Five affirmative votes are required for passage after public comment.

Order 99-18/19 Amendment to Portland City Code Chapter 6 Re: Short Term Rental Registration and Regulation - Sponsored by the Housing Committee, Councilor Jill D. Duson, Chair.

On October 24, 2018, the Housing Committee voted unanimously (3-0) to forward this item to the City Council with a recommendation for passage. This item is the result of several meetings of the Housing Committee, extensive public comment, and substantial deliberation.

The proposed amendment would make significant changes to the short term rental ordinance, including limiting the number of short term rental units that a property manager can manage; requiring additional documentation from owners and tenants who are registering their primary residence; requiring certification that renting a unit as a short term rental is not prohibited by any condo or homeowners' association; requiring that owners disclose the number of nights rented on a short-term basis in the previous year; changing the fee structure for short term rental registrations; specifying certain violations; and providing that violations are grounds for denial of a new or renewal application.

Similar to the order already pending before the Council, this amendment would also include in the 300-unit cap found in Sec. 6-153(b) all units that are not the owner's primary residence, even if the owner lives in the building. However, the amendment would not be passed as an emergency and would not be retroactive, unlike Order 87-18/19.

Finally, the proposed amendment would limit individuals to registering only one short term rental unit in the future. All currently registered units would be allowed to renew, regardless of the changes (grandfathered).

This item must be read on two separate days. This item was given a first reading on November 5, 2018. Five affirmative votes are required for passage after public comment.

ORDERS:

AMENDMENTS:

Order 105-18/19 Amendment to Portland City Code Chapter 6 Re: Energy Benchmarking - Sponsored by the Sustainability and Transportation Committee, Councilor Spencer Thibodeau, Chair.

The Sustainability and Transportation Committee met on October 17, 2018 and voted 2-0 (Councilor Batson absent) to forward this item to the City Council with a recommendation for passage.

The amendment changes the reporting date for buildings subject to the Energy Benchmarking and Disclosure ordinance.

The current deadline for properties affected by the benchmarking ordinance is December 7, 2018. Staff is recommending that the second reading be waived and the amendment be enacted as an emergency so it takes effect prior to this deadline.

This item must be read on two separate days. The Council will be asked to waive the second reading and enact this order as an emergency. Seven affirmative votes are required to waive the second reading and for passage as an emergency.

6:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:

MINUTES ARE DRAFT UNTIL APPROVED BY THE CITY COUNCIL AT THE FOLLOWING MEETING.

MEMORANDUM
City Council Agenda Item

FROM: Lori Paulette, Senior Executive Assistant
DATE: November 5, 2018
SUBJECT: **Annual Meeting of Corporator of Portland Development Corporation.**
SPONSOR: Mayor Ethan Strimling
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading 11/19/2018 **Final Action 11/19/2018**

Can action be taken at a later date: Yes Yes it can.

PRESENTATION: Greg Mitchell/5 Minutes

I. ONE SENTENCE SUMMARY

At the October 18, 2018 Annual Meeting of the Portland Development Corporation, the Board voted to set the date of the Annual Meeting of the Corporator as November 19, 2018.

II. AGENDA DESCRIPTION

Pursuant to the Bylaws of the Portland Development Corporation (PDC), the Portland City Council, as Corporator of the Portland Development Corporation, shall hold its annual meeting in the month of September each year or at a special meeting.

This year's Annual Meeting Agenda includes:

1. Acceptance of Portland Development Corporation Fiscal Year Ending 2018 Activity and Financial Reports;
2. Transaction of other business as may be deemed necessary.

PDC FYE2018 Activity and Financial Reports

For FY2018, the PDC invested just under \$1.1 Million in 19 businesses and economic development projects, which leveraged over \$5 Million in private sector funds associated with creating 26 jobs and retaining 62 jobs. Fiscal Year 2018 loan activity included a public to private investment ratio of 1:7.

III. BACKGROUND

At the October 18, 2018 Annual Meeting of the Portland Development Corporation, the Board voted to set the date of the Annual Meeting of the Corporator as November 19, 2018.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result of the Annual Meeting of the Corporator would be for it to receive the Annual Activity and Financial Report of the PDC for FYE2018.

A Council goal addressed is to promote economic development in the City in a manner that provides for

increased property values, diversification across industry sectors, and high paying jobs.

V. FINANCIAL IMPACT

There is no financial impact associated with these actions.

VI. STAFF ANALYSIS AND BACKGROUND

Each year the City Council holds its Annual Meeting of the Corporator of the PDC. At the PDC Board's October 18, 2018, meeting it voted to set the date of the Annual Meeting of the Corporator as November 19, 2018, and also voted to forward its Annual Report for FYE2018 to the City Council as a communication.

VII. RECOMMENDATION

It is recommended that the City Council hold its Annual Meeting of the Corporation of the PDC on November 19, 2018, and accept the Annual Report for FYE2018 as a communication.

VIII. LIST ATTACHMENTS

1. PDC Highlights fr Annual Mtg of Corp-Cln for FYE18

Prepared by: Lori Paulette, Senior Executive Assistant

Date: 11/05/2018



Portland Development Corporation

Board of Directors

Fiscal Year End 2018 Annual Report

The Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) with legal assistance from Corporation Counsel. The Economic Development Department is responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs.

The PDC Board of Directors met eleven times over the course of the fiscal year, not including its Annual Awards Reception held on November 30, 2017 – detailed further below. It is noted that the PDC invested just under \$1,082,900 in FY18 in 19 businesses and economic development projects, which leveraged over \$5 Million in private sector funds associated with creating 26 jobs and retaining 62 jobs. FY18 loan activity included a public to private investment ratio of 1:7.

Types of businesses provided loan assistance during FY18 included three food retailers, Thompson's Point, transportation, clothing manufacturer, and an electrician service company.

As of the end of FY18, the PDC loan portfolio exceeds \$2.87 Million, with 35 loans under management. This loan portfolio of \$2.87 Million leverages \$33.2 Million in private investment in Portland, for a leverage of \$11.5 of private funds to each dollar of public funds. These loans also retained 159 jobs and created 141 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as a paddle boat business on Portland's waterfront, energy, fitness, retail, and service. It is also noted that of the 35 loans under management, 5 are to the immigrant community.

The Business Assistance Grant Program for Job creation began in FY12. From FY12 through the end of FY18, grants awarded total \$425,000 to 28 recipients, including 6 to the immigrant community, resulting in the creation of 81 full-time jobs.

See table on following page for loan and grant activity for FY14 through FY18.

FY14, FY15, FY16, FY17, and FY18 Loan and Grant Activity Totals:

	FY14	FY15	FY16	FY17	FY18
No. of Commercial Loans Made	7	8	5	10	6
Total Amt. of Funds Lent	\$814,289	\$607,033	\$370,000	\$873,500	\$405,000
Total Private Investment Leveraged	\$48,505,172	\$3,467,095	\$1,139,361	\$11,439,338	\$5,112,884 (inc. Brownfield Loan Leveraging)
Jobs Created	65	40	8	40	14
Jobs Retained	13	55	11	17	62
No. of Brownfield Grants/Loans	2	1	1	2	2
Total Amt. of Grants/Loans	\$7,500/Grants	\$200,000/Loan	\$75,000/Grant	\$192,000/Grants	\$350,000/Loan; \$170,000/Grant
No. of Business Assistance Grants for Job Creation	5	8	7	0*	7
Total Amt. of Grants	62,200	\$100,000	\$100,000	0	\$120,000
Jobs Created	21	17	20	0	12
No. of Portland Econ. Dev. Plan Implementation Grants	3	8	3	8	4
Total Amt. of Grants	\$43,309	\$98,820	\$37,300	\$48,331	\$37,900
PDC Total Investment	\$984,798	\$856,503	\$502,300	\$926,831	\$1,082,900

*No funds were available during FY17.

PDC Fiscal Year 2018 Loan and Grant Detailed Activity

FY18 Loans Closed

FY18 was a year in which the PDC loan portfolio grew with seven loans closed for a total of \$755,000. The PDC's loans invested in seven Portland businesses, thereby retaining 62 jobs and creating 14 new jobs. In addition, these loans leveraged over \$5.1 Million in private commercial investment. Types of businesses provided loan assistance included three food retailers, Thompson's Point, transportation, clothing manufacturer, and an electrician service company.

During the past eight years, FY10 through FY18, the PDC has extended 63 loans for a total of just over \$5 Million, while leveraging over \$76 Million in private investment and creating/retaining over 550 jobs.

PDC Loan Portfolio

As of the end of FY18, the PDC loan portfolio exceeds \$2.87 Million, with 35 loans under management. This loan portfolio of \$2.87 Million leverages \$33.2 Million in private investment in Portland, for a leverage of \$11.5 of private funds to each dollar of public funds. These loans also retained 159 jobs and created 141 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as a paddle boat business on Portland's waterfront, energy, fitness, retail, and service. It is also noted that of the 35 loans under management, 5 are to the immigrant community.

As a result of a successful grant application, beginning in 2012, funds from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) became available to the City as a lending source. Through FY2018, the PDC has utilized \$922,500 in SSBCI funds for loans to six Portland businesses. Since the SSBCI Program expired in early 2017, all of the loan funds, once paid off by the borrowers, become the City's, expanding the PDC loan pool by what will likely be over \$1 million.

PDC Lending History

Since its inception in 1991, the PDC has made 166 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), hospitality, restaurants, retail, and service, among others. The following table provides an overall view of the activities:

Total Amount of Funds Lent:	\$10,841,535
Leveraged Amount of Private Financing:	\$122,651,284
Jobs Retained:	1,344
Jobs Created:	783
16 Loans Defaulted*	\$689,094

*Default amount of \$689,094 is 6.35% of total amount of funds lent.

Brownfields Grant Award from the United States Department of Environmental Protection (EPA)

The City of Portland applied for a Brownfields Grant from the EPA during FY2016. At the beginning of FY17, the City was awarded a grant of \$800,000 to support loan and grant investments in environmental site cleanup. The City was awarded an additional \$500,000 in cleanup funds and \$200,000 in assessment funds during FY18. The City Council accepted and appropriated these funds to recapitalize the Brownfields Revolving Loan and Grant Program and a Brownfield Assessment Program. The funds will be used as loans to for-profit developers, and, in some cases, as grants to non-profits for the assessment and clean-up of Brownfields sites throughout the City. The assessment funds will cover the cost of Phase I and Phase II Environmental Site Assessments in Portland.

Brownfield Loans/Grants Approved in FY18:

1. A loan of up to \$350,000 was approved and provided to Forefront Partners I LP for engineering and clean-up/remediation connected to four projects on Thompson's Point. Those projects include the Suburban Propane redevelopment site, the East Loop Road (to the future Children's Museum and Theatre building), a Pavilion, and a Hotel.
2. A \$170,000 grant was approved for Children's Museum & Theater of Maine (CMTM), a non-profit organization which purchased a 1.12 acre property (Lot 7) on Thompson's Point. In this \$14 Million project, CMTM will construct a 3-story 29,000 sq. ft. building on that property with outdoor play areas. This grant will assist in remediation and cleanup of the site.

Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund

The PEDPIP Grant Fund was created during FY12 to provide grant funds to invest in economic development projects and programs that carry out Portland's Economic Development Vision and Plan ("Plan"), and its companion Work Plan which is updated every two years. Grants must be matched by an equal or greater dollar amount from funding sources other than the PDC.

The PEDPIP grants fund planning studies and other "soft" costs associated with economic development projects and programs that advance the initiatives spelled out in the Plan and current Work Plan. PEDPIP does not invest in "hard" costs for public infrastructure or private development projects. Its focus is on expenditures for economic development projects and programs.

The PEDPIP program was capitalized by PDC funds in the amount of \$250,000 in FY12. The maximum grant amount was originally \$75,000. During FY2015, the PDC Board recommended to the City Council, and the City Council approved, amending the maximum grant amount to \$15,000, and establishing a yearly cap at the beginning of

each fiscal year at 10% of available/uncommitted, unrestricted PDC loan funds beginning with FY16.

Since its inception through FY18, the PDC Board approved grants in the total amount of \$440,245 as follows:

Portland Community Chamber for “Why Portland” Videos

Portland Community Chamber for Growing Portland Initiative

Creative Portland for the following projects:

- Branding Portland
- LiveWork Website Update
- Creative Economy Metrics
- Artspace Survey
- Creative Map and Guide
- Creative Space (inventory, web-based clearing house, resource guides)
- UNESCO Creative Cities Application
- Work in Place Summit
- Green Light Series Finale
- Update to Portland Cultural Plan

Portland Performing Arts Festival

Portland Community Chamber for Scorecard Updates (2014; 2015)

City of Portland staff to participate in the Maine International Trade Center

Mission to Iceland and UK

Portland Community Chamber for Startup and Create Week (2014; 2015)

World Affairs Council for its Celebrate Immigration Initiative

City of Portland/Portland Community Chamber – Industry Sector Research

Conducted by the Maine Center for Business and Economic Research

City of Portland – Greater Portland Economic Development Corporation

(GPEDC) - Maine International Trade Center/Invest in Maine Program

Cultivating Communities/Local Food Cluster Acceleration Project (Withdrawn by applicant)

Cooperative Development Institute – Institutional Food Service and Procurement

Maine Center for Enterprise Development – Top Gun Overhaul and Preflight

Maine Convention Center Collaborative/Portland Community Chamber –

Feasibility Study for Convention Center

Portland Buy Local – Host Community Forum to Strengthen Portland’s Economy

Maine Center for Enterprise Development – E*Next Pilot Project

Portland Downtown – Parking Study

Portland Downtown – Walking Tour

Maine College of Art – Campus Master Plan

GPCOG – Portland Food Launch and Festival

Women United Around the World – Vocational Training Program for Immigrant Women

City of Portland – Office of Economic Opportunity – Develop Strategies and Measurable Plan to Integrate Immigrants

City of Portland – Office of Economic Opportunity – Create Professional

Connector Program/Job Openings for New Mainers
Maine Immigrants Rights Coalition – Create Database/Immigrant Economic
Opportunity Network
Maine Crafts Association – Gallery at 519 Congress Street for Maine Craft
Artists, and a Hub for Education, and Culture

Business Assistance Grant Program for Job Creation

The Business Assistance Program for Job Creation offers grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs for low/moderate income individuals. A private match is required in an amount that is at least equal to the grant requested. The maximum grant amount request per recipient is \$20,000. For every \$10,000 of grant funds, one full-time permanent job must be created.

This program was originally capitalized with \$100,000 from Community Development Block Grant (CDBG) funds and launched in May 2012. It was re-capitalized by the CDBG program in FY14 and FY16 with an additional \$100,000 each of those years, and an additional \$145,000 for FY18.

Grants awarded since the Program's inception (FY12 through FY18) total \$425,000 to 28 recipients, including 6 to the immigrant community, resulting in the creation of 81 full-time jobs. The program has provided assistance to a diverse group of start-up and existing businesses, ranging from restaurants, bakeries, and a food production incubator, to clothing manufacturer/retailer, pharmacy, IT services, music venue, bicycle sales and services, and auto repair.

PDC Annual Awards Program

At the 22nd Annual Awards Reception on November 30, 2017, the PDC gave awards for New Business of the Year, Small Business of the Year, Business of the Year, and an Economic Achievement Award – as follows:

- The ***New Business of the Year*** award was given to ***Fork Food Lab***

Created by Neil Spillane and Eric Holstein, Fork Food Lab offers those thinking of starting a food business with space to begin, including 10 ovens, multiple ranges, 17 prep stations, and ample storage space; it can fit the needs of any small food business. At Fork you can rent kitchen space and join other food business startups. Instead of a formal lease, Fork offers two monthly membership options: full-time and part-time. Each option provides a prep table, access to equipment, cold/dry storage, as well as all paper goods and sanitation supplies needed. Fork also offers hourly kitchen rentals to businesses that need very occasional use of the space. Its members now total 40.

It is noted that Fork Food Lab has since undergone a change of ownership.

- The ***Small Business of the Year*** award was given to ***Think Tank Coworking***

Opened in November 2010, Think Tank Coworking provides Maine's urban professionals with a comfortable and convenient space to work, convene, and conference. Founder and President Patrick Roche has since opened two additional locations - in Yarmouth and Biddeford - and has over 300 members, providing remote workers, freelancers, and start-ups a productive place to base operations and network with area talent. Portland's Think Tank has also become integral to Portland's creative economy and professional ecosystem, hosting varied events as Propel's 2014 Entreverage Launch Party, Top Gun Pitch Night, Local Flames—Movie Night, and the Portland Maine Film Festival. Patrick is finding that Maine is not just known as "vacationland" but as a "lifestyle state" for the untethered workforce.

- The ***Business of the Year*** award was given to ***Bristol Seafood***

Located on the Portland Fish Pier, Bristol Seafood has been in business since 1992. All of the company's products meet the Marine Stewardship Council's (MSC) chain of custody standard, and they are a founding member of the Gulf of Maine Responsibly Harvested program. Bristol processes and sells fair trade certified scallops, Maine mussels, line-caught haddock from Norway, and Alaskan cod from an MSC-certified fishery and employs about 80 people.

Bristol operates a zero-fish-waste facility as all of the by-products from its production are recycled for future organic usage. In 2014 the company developed the EcoBox, which allowed them to eliminate nearly all Styrofoam packaging. The EcoBox is wax free which makes it fully recyclable.

When the company started, it promised that "we would never compromise our Maine standards. Today, we're proud that hasn't changed a bit. Quality starts with buying the best fish on earth. That's why we use line-caught fillets that are frozen at sea and taste fresher than fresh. It's why we'll travel the world to find the very best scallops. It's why we partner with local Maine fisherman to get the very best wild Maine mussels from the very best beds."

- The ***Economic Development Achievement*** award was given to the ***Eimskip***

Eimskipafélag Íslands (The Icelandic Steamship Company) was founded on January 17, 1914, making it the oldest shipping company in Iceland. Eimskip has from the beginning emphasized on shipping transport to and from Iceland, today offering total transport solutions around the world. Eimskip has offices in 19 countries worldwide, as well as agents in other strategic locations.

In early 2013, Eimskip chose Portland's International Marine Terminal to expand its presence in New England and cut its shipping time to Northern Europe. The

number of Eimskip containers moving through the port of Portland increases yearly, starting in 2013 with 3,381; 2014, 6,249; 2015, 6,955; 2016, 8,790; and 2017 estimated to be 10,300.

Portland is now the company's only port of call in the United States. Eimskip vessels that call on Portland also call on Halifax, Nova Scotia, and Argentia, Newfoundland.

With the recent rail connection to the port of Portland completed, it allows for containers to be moved between ships and rail cars. Eimskip's goal is to provide customers with transport services in the North Atlantic and transport forwarding around the world.

Summary

The PDC looks forward to continuing to assist in providing and leveraging investment in Portland area businesses and development projects. With grant programs, its loan portfolio growing, and loan funds available to invest, the PDC would like to thank the City Council for its continued support.

PDC Board of Directors: Mayor Ethan Strimling
Tim Agnew, President
Shelley Carvel, Secretary
Tom Dunne
Jed Harris, Treasurer
Jon Jennings, City Manager
Dennis Martin
Heather Sanborn
Ovid Santoro
Matthew Veith
Julie Viola

PDC Staff: Greg Mitchell, Economic Development Director
Nelle Hanig, Business Programs Manager
Lori Paulette, Senior Executive Assistant
Michael Goldman, Associate Corporation Counsel

PORTLAND DEVELOPMENT CORPORATION
Statement of Net Position
June 30, 2018

(Preliminary and Subject to Audit)

ASSETS

Cash		\$ 2,311,232
Due from other governments		200
Accounts receivable		1,648
Loans receivable	\$ 2,326,275	
Allowance for uncollectible loans	<u>(312,800)</u>	<u>2,013,475</u>
TOTAL ASSETS		<u><u>\$ 4,326,555</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$ -
Accrued salaries	<u>-</u>

Total Liabilities \$ -

Fund Equity:

Reserves

Loans Receivable	\$ 2,013,475	
Economic Development Fund	87,683	
Unrestricted UDAG	381,717	
Restricted CIP	285,733	
Unrestricted CIP	156,650	
FAME	304,243	
EPA Revolving Loan Fund (Brownfield)	364,251	
FAME SSBCI	729,102	
Brownfield Grants	<u>3,700</u>	
Total Fund Equity		<u><u>4,326,555</u></u>

TOTAL LIABILITIES AND FUND EQUITY **\$ 4,326,555**

PORTLAND DEVELOPMENT CORPORATION
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2018

(Preliminary and Subject to Audit)

Revenues and Financing Sources

Federal Grants	\$ 211,092
Application Fees	8,633
Interest Received on Loans	97,071
Investment Interest Income	15,728
Adjustments to Bad Debt Expense	50,111
Operating Transfers In	<u>23,320</u>

Total Revenues and Financing Sources	\$ 405,954
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Expenditures

Administrative Services	\$ 10,281
Contractual Services	285,740
Operating Transfers Out	<u>23,320</u>

Total Expenditures	<u>319,342</u>
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Excess (deficiency) of revenues over expenditures	\$ 86,612
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Fund Balance, June 30, 2017	<u>4,239,942</u>
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Fund Balance, June 30, 2018	<u><u>4,326,555</u></u>
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MEMORANDUM
City Council Agenda Item

FROM: Lori Paulette, Senior Executive Assistant
DATE: November 6, 2018
SUBJECT: Annual Meeting of Corporator of Creative Portland
SPONSOR: Mayor Ethan Strimling
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading 11/19/2018 **Final Action 11/19/2018**

Can action be taken at a later date: Yes Yes.

At the Annual Meeting of the Creative Portland Board of Directors held on November 7, 2018, the Board set the date for the Annual Meeting of the Corporator as November 19, 2018.

PRESENTATION:

David Brenerman, President/Creative Portland Board, 2 Minutes; Dina Minot, Creative Portland Executive Director, 2 Minutes

I. ONE SENTENCE SUMMARY

At the Annual Meeting of the Creative Portland Board of Directors, it set the date for the Annual Meeting of the Corporator as November 19, 2018.

II. AGENDA DESCRIPTION

Pursuant to the Bylaws of Creative Portland, the Portland City Council, as Corporator of Creative Portland, shall hold its annual meeting in the month of November each year or at a special meeting. This year's Annual Meeting Agenda includes:

1. Accepting Creative Portland Fiscal Year Ending 2018 Activity and Financial Reports .
2. Transaction of other business as may be deemed necessary.

III. BACKGROUND

At the Annual Meeting of the Creative Portland Board of Directors, the Board set the date for the Annual Meeting of the Corporator as November 19, 2018.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result of the Annual Meeting of the Corporator would be for it to receive and accept the annual Activity and Financial Report.

V. FINANCIAL IMPACT

There is no financial impact associated with this action.

VI. STAFF ANALYSIS AND BACKGROUND

Because the Creative Portland Board recommended that the Corporator hold its Annual Meeting of Creative

Portland on November 19, 2018, to review and accept the annual Activity and Financial Report, Creative Portland staff is requesting the Annual Meeting be held on November 19, 2018.

VII. RECOMMENDATION

It is recommended that the City Council hold its Annual Meeting of Creative Portland on November 19, 2018.

VIII. LIST ATTACHMENTS

1. FINAL - Annual Report FY2018

Prepared by: Lori Paulette, Senior Executive Assistant

Date: 11/06/2018

CREATIVE PORTLAND CORPORATION BOARD OF DIRECTORS

FISCAL YEAR 2018 ANNUAL REPORT

The Creative Portland Corporation (CP) submits this Annual Report to the Portland City Council, Corporator of Creative Portland, on November 19, 2018. This is the ninth Annual Report submitted as CP ended its eighth fiscal year of operations on June 30, 2018. A financial summary of Creative Portland's FY18 revenue and expenses is included with this document. The Creative Portland Board of Directors thanks the Portland City Council for allotting TIF funds in the amount of \$100,000 during FY18 from the Portland Development and Arts TIF District. With this investment, CP was able to leverage additional funding from various public and private sources in cash grants and donations just over \$39,441, plus \$3,642 in specific in-kind donations and hundreds of hours of in-kind support contributed by dozens of volunteers. We are also grateful to the city manager and economic development staff for the \$25,000 loan from the Portland Development Corporation in 2016, of which \$5630.35 is already paid off. The loan financed the renovation of our multi-use city-owned office space, which opened almost two years ago in January 2017, a few months after we hired a new executive director, Dinah Minot. Creation of an open architectural space with the help of several board members' in-kind services has provided an inviting street presence for CP, as well as an art gallery that has put us on the map in our efforts to cultivate arts patronage and a buyer's market for visual artists to showcase their work. In addition, the new space has attracted volunteers from all arts genres as we work toward becoming a cultural hub and clearinghouse of information and resources.

Creative Portland is the lead for the City of Portland's Economic Development Plan section *Enrich the Creative Economy* in the City's ten year comprehensive plan approved in 2017. The plan tasks Creative Portland with leading the efforts to create a brand identity for Portland to attract and retain artists and entrepreneurs in order to sustain creative growth. We partner on a regular basis with city partners Portland Downtown, Visit Portland, The Portland Regional Chamber of Commerce, and the Economic Development Department to create and update an Economic Development Steering Committee (EDSC) two-year work plan.

MISSION & VISION

Creative Portland was founded by Portland City Council to grow and support the creative economy. Eight new board members joined the board in 2017-18, and the board of 17 members adopted a clarifying mission statement that reinforced bylaws and board alignment under the leadership of David Brenerman, former city councilor and Mayor, appointed board chair in Fall 2017. The current mission statement, influenced by strategies identified in the cultural planning process of 2017-18, continues to support the creative economy through the arts, with an added focus of nurturing and promoting the local arts and cultural community.

The statement: Our mission is to support the creative economy through the arts by providing essential resources, by fostering partnerships, and by promoting Portland's artistic talents and

cultural assets. As the official nonprofit arts agency, we support economic development efforts by strengthening and stimulating our workforce, creative industries, and enterprises.

Previously, in 2009, the organization adopted the visionary goal of attracting 10,000 people to the city who value and support creativity, innovation and arts and culture. CP programs such as 2 Degrees Portland were designed to attract and connect people to the creative community and to provide support to the artists and creative entrepreneurs who make up that community.

This past year, with the help of grants from Maine Arts Commission (MAC) as well as a matching PEDPIP grant, plus corporate sponsorships, Creative Portland facilitated a citywide cultural planning process. The third and final phase of the planning process is scheduled to conclude in Fall of 2018. Phases 1 and 2 included the hiring of a Boston consultant to compare existing creative economy plans & reports and to facilitate a citywide cultural planning process to update the cultural plan of 1998, *Celebrating Community: A Cultural Plan for Portland, Maine*. A separate summary report of the cultural plan update is attached for city council review and support. The main takeaway from the report has been establishing solidarity and community buy-in to continue collaboration with an action item to host an annual arts & culture summit each spring. The objective of the summit is to address the five key strategies that were identified for meeting the overall goal of the community: to make the collective arts, culture, and creative economy of Portland more visible and provide more support to arts organizations, individuals and creative businesses through collaborations and other means of celebrating the arts and cultural life of Portland in an ongoing effort to sustain and grow the creative economy. These five key strategies are:

1. **Celebrate Congress Street and the Arts District.** Elevate Congress Street as an arts district with signage, maps, tours that connect to other “hot spots,” etc. Envision Congress Street as the spiritual home of the creative economy of the local and regional creative Portland community. Use the arts district to give visibility to the community and to provide a magnet for art buyers, audiences, and organizational members.
2. **Provide visibility and professional development/support for artists and creative entrepreneurs.** Provide a website gallery of artists and entrepreneurs, create maps of art centers within the city and region, and provide a host of professional supports including marketing, shipping, exhibition guidelines and actual services to help artists professionalize their craft and create a strong image of the city as a destination for buyers of art and audience for performances and museums.
3. **Focus on cultural tourism and coordinated marketing efforts.** Connect formally with Visit Portland, Portland Downtown and hotels, to focus on cultural tourism - package tours and promotions, weekend culture packages, website of events, etc. to encourage and better serve Portland visitors.
4. **Focus on “experience design.”** Ensure that the arts, culture, and creative economy of the city (and region) are visible, and user-friendly to navigate, visit, and enjoy. This includes addressing parking and transportation, website access and visitor information, signage, access to opportunities, and visibility and on-the-ground experiences. The experience of enjoying music, dance, fine art, dining, and entertainment should be easy and joyful.

5. **Advocate for maintaining and growing affordable live, work, and performance space** in Portland. Explore incentives, policies, and zoning tools. Facilitate extended collaborations with the public, non-profit, and private sectors to create affordable space.

CP's goal is to apply some of the cultural planning strategies in our programs and initiatives. The city has made a substantial investment in Creative Portland, and we are committed to reinforcing the necessity to collaborate and work together, as we recognize that the arts and cultural sector is the core foundation of the creative economy.

NOTABLE ACCOMPLISHMENTS

A Welcome Center for the Arts Community

Creative Portland's headquarters at 84 Free Street has celebrated a steady flow of visitors and is beginning to earn a reputation as a clearinghouse of information and cross-promotion. Open to the public weekdays from 10-4pm and also during First Friday Art Walk, CP hosts pop-up exhibits, concerts, performing arts 'show & tells' and art exhibitions.

Cultural Plan 2018 - Updating Portland's 1998 Cultural Plan

CP was awarded a \$10,000 grant from the Maine Arts Commission to update Portland's 1998 Cultural Plan, plus a matching Portland Development Corporation (PDC) grant of up to \$15,000. With the tremendous growth in the arts community over the last 20 years and the recent investments in creative economy strategies by the City of Portland via Creative Portland, it has been a pivotal time to invite peers into a formal, facilitated set of conversations about what challenges remain and how best to invest and leverage limited resources. Seventeen community meetings have been held in what is still an ongoing initiative. This first grant from the Commission is the first step toward the possibility of a much larger state contribution. Once a cultural plan is completed, the City of Portland will be eligible to apply for a \$75,000 grant from the Commission in March 2018 to implement an initiative identified in the plan.

ONGOING INITIATIVES & PROGRAMS

This past year we have facilitated and convened diverse groups in the arts community, hosting meetups, Monday Morning Drop Bys, talent showcases, art openings, professional development workshops, and cultural plan work groups.

Arts & Culture Summit - May 2018

In May 2018, we hosted over 70 cultural leaders under one roof in our first arts and culture summit to present cultural plan feedback and to assess community buy-in for an annual arts & culture summit. City planning staff and members of the Office of Economic Development, as well as representatives from New England for the Arts (NEFA) attended the summit and served as presenters. CP premiered a one-minute "sizzle reel" highlighting the cultural life of Portland

to a soundtrack by Batimbo United, Portland's Burundi drummers. The video can be viewed on the homepage of Creative Portland's website as well as several city partners' websites, including Visit Portland.

Art Outta the Park

An inaugural talent showcase, in partnership with the Portland Sea Dogs at Hadlock Field and sponsored by Coffee by Design, was launched in June 2018. Multiple cultural organizations showcased their programs outside the stadium on the plaza as fans entered the ballpark, including Portland Ballet, Portland Museum of Art, Friends of the Kotschmar Organ, Portland Public Library, SideXSide, Running with Scissors, Maine Academy of Modern Music, and African Dundada. Rising senior Madeline Fitzgerald from Deering High School performed the National Anthem, Batimbo United performed live on the field, and Slugger danced with dancers from the Portland Ballet.

First Friday Art Walk

Now in its 19th year, the Art Walk continues to attract thousands to downtown Portland every month for Maine's largest monthly free cultural event. Based on research conducted in 2011, we estimate that the Art Walk still brings an estimated \$1 million to the local economy every year, as consumers spend an average of \$28 per person when attending a Portland cultural event. Creative Portland promotes and manages the Art Walk with online listings and in print, generously sponsored by the Portland Phoenix and several organizational partnerships, including Portland Ovations, Portland Museum of Art, WMPG, 207/News Center Maine, and the Maine College of Art.

METRO partnered with CP in 2016 to offer free rides every First Friday after 4pm, including the Breeze connection from as far away as Brunswick. Meanwhile, we are in development phases to continue to work with METRO and GPCOG on other initiatives to celebrate our city's diversity through arts messaging on bus shelters. Our aim is to bring the "art" back into Art Walk and focus on facilitating a free, self-guided tour of galleries and venues. The success of the program has attracted visitors from all over the state, and city departments are currently working with CP to ensure safety and code compliance, particularly as crowds swell during the summer months.

2 Degrees Portland

Implemented in January 2011, the 2 Degrees Portland program, a connectivity and networking program for people interested in living and working in Portland, continues to attract about 10 people each month. The database of people who live and/or work in Portland volunteering to be "connectors" also grows every month. There are now over 300 connectors who are willing to connect, assist, and mentor participants who are interested in exploring Portland and/or moving here. In FY18, 56 people from as far away as California and the UK contacted 2 Degrees for information and connections while considering a move to the Portland area. Sponsorships with companies such as Northeast Bank and Vitalius Real Estate came with cash commitments that represented direct leveraging of public funds. We also organize six events each year at creative businesses and organizations throughout the city, including artist studios, co-working spaces,

cultural institutions, and historic buildings, as a means to introduce newcomers to Portland and encourage them to invest in these industries. Creative Portland is exploring a redesign of this program to attract sponsors and to assure greater exposure and participation.

Arts in the Chamber

In 2016, the Mayor initiated a new monthly program to showcase artists at the beginning of city council meetings, usually on the first Monday of the month, to present talent from all genres reflecting our diverse city. Creative Portland was asked to coordinate this program. CP has reached out to the arts community to scout and book 3-4 minute performances and/or presentations in front of the councilors in the chamber that are also broadcast on public access TV to encourage community engagement and to share highlights of Portland's diverse cultural life. Participants this past year included local dancers, drummers from Burundi, musicians, singer/songwriters, poets, visual artists, designers, student groups and performance artists.

Americans for the Arts: Arts & Economic Prosperity 5 (AEP5)

For the third time, the City of Portland via Creative Portland participated in a national economic development survey conducted by Americans for the Arts (AFTA) that repeats every five years. The AEP5 report, published in 2017, revealed that spending by arts organizations and their audiences in Portland totaled \$75 million, up over \$20 million since the last report five years ago. Of the 46 arts organizations surveyed, it was found that they supported 2,372 full-time equivalent jobs, up from the 1,535 jobs reported in the last survey. Additionally, the report validated data on who attends arts events, what they pay and what financial contributions Portland's nonprofit arts groups are making to the local economy in terms of direct dollars as well as tax revenue to the State of Maine in the form of sales taxes. It is extremely valuable as an advocacy tool in demonstrating how large and significant the nonprofit arts community is in Portland. This data has been valuable to the major cultural organizations and larger nonprofits (who contributed financially to the survey process) to leverage the final data for recruitment and strategic planning. Portland's participation in prior AEP surveys and the valuable information the city received as a result led to the addition of Bangor, Belfast, Waterville, and the Western Mountain Regions as new participating regions to the fifth iteration of the survey.

Challenge of Change 3.0 - Shaping the Future of Portland

This half-day conference at USM on October 28, 2017 featuring keynote speaker Susan Silberberg was sponsored and co-hosted by Creative Portland, Portland Society for Architecture (PSA), The Portland Regional Chamber of Commerce, UNE's Center for Global Humanities and the USM Muskie School of Public Service. Creative Portland continues to partner with PSA and others to present educational forums where the public can learn about the impacts of growth and hear various viewpoints on urban design.

Professional Development Workshops

Providing resources to the arts community is a top priority. In FY18, we hosted a half dozen free workshops to boost the creative economy, with a variety of topics and themes, including

Copyright 101, Social Media 101, Grant Writing & Grant Pursuits, Money Matters, and The Portfolio.

Fiscal Sponsorships

An important way we serve the creative community is as the fiscal sponsor for creative initiatives who require a 501(c)(3) organization to apply for grants and accept donations. In FY17 we were fiscal sponsors for organizations including:

- Startup Maine (formerly Maine Startup & Create Week), a weekend-long event that last year generated national publicity (including a New York Times Op-Ed) highlighting the entrepreneurial spirit and growth in Portland.
- Maine Youth Rock Orchestra (MYRO), an ensemble of classically trained young musicians performing modern arrangements on tour and as accompaniment for national acts that has since become an official 501(c)(3).
- Black Artists Forum, a coalition dedicated to maintaining the growth of individual creators and the community of black artists in Maine by creating visibility for artistic diversity while making cultural resources and opportunities accessible to the creative community, which in FY18 received grants from Maine Initiatives and the Maine Community Foundation.
- Pecha Kucha (Portland), a global storytelling presentation in which 20 slides are shown for 20 seconds each in a precise and fast-paced event with multiple speakers. A community-building program that has been active in Portland for 10 years.
- Bryan Robinson Consortium, a consortium commissioning an African American Requiem titled *A Tender Bridge* based on the poetry and prose of Ashley Bryan, composed by Aaron Robinson, and to be performed by consortium members across the United States through 2020.

CREATIVE PORTLAND FORMATION HISTORY

The City Council, by Order #92 passed November 17, 2008, authorized the establishment of Creative Portland (CP) as an economic development initiative to support Portland's creative economy. Formation of the Board of Directors was completed in the summer of 2009, with City Council appointments to the Board of Directors. One city councilor serves as the City Council representative and Greg Mitchell, Portland's Economic Development Director, serves as the City Manager's representative on the CP Board.

CREATIVE PORTLAND BOARD OF DIRECTORS FY18:

Kate Anker, **Vice President:** Running with Scissors

Carol Walker Aten, **Secretary:** consultant

Nicole Barna: Portland Monthly

Peter Bass: Random Orbit

Lisa Bloss: ethnographer

David Brenerman, **President:** Former City Councilor, City of Portland

Ezekiel Callanan: Opticliff Law
Mufalo Chitam: Maine Immigrants' Rights Coalition
Councilor Kimberly Cook, ex-officio: Portland City Council
Raffi Der Simonian: Maine College of Art
Randy Ferrell: Ocean Gate Realty
Dee Dee Germain: Barrett Made
Emily Isaacson: Oratorio Chorale, Portland Bach Experience
Brian Marshall, **Treasurer:** Verrill Dana
Daniel Minter: artist, Black Artists Forum, Maine College of Art
Greg Mitchell, ex officio: Economic Development Director - City of Portland
Gerard Salvo: TideSmart Global
Brianna Volk: Portland Hunt + Alpine, Little Giant

The City Council, by Order #94 passed November 17, 2008, established the Creative Portland Development and Arts Tax Increment Financing (TIF) District, as a ten-year program, to provide annual "seed" financing to support CP operations. In 2012, the Council voted to extend that funding to 15 years.

Creative Portland

Statement of Activity

July 2017 through June 2018

	<u>Jul '17 - Jun 18</u>
Ordinary Income/Expense	
Income	
4100 · Operations (unrestricted)	
4110 · Contribution Income	
4111 · Individual	1,833
4112 · Board Challenge	1,849
4116 · Art Sale Contributions	2,910
Total 4110 · Contribution Income	6,592
4114 · Special Event	1,905
4115 · Arts District TIF Funding	100,000
4140 · Corporate Sponsorships	14,000
4150 · Fiscal Sponsor Agent Fee	8,042
Total 4100 · Operations (unrestricted)	130,539
4200 · Programs (restricted)	
4215 · Cultural Plan Income	8,902
4250 · PEDPIP Committee Match	-3,500
Total 4200 · Programs (restricted)	5,402
4300 · Other	-88
49900 · Uncategorized Income & Adjustments	-1,015
Total Income	134,837
Cost of Goods Sold	
5000 · Cost of Programs	
5010 · Cost of Program Cultural Plan	7,443
5020 · Event Expenses	2,729
5030 · Cost of Program - First Friday	192
5040 · Cost of Program 2 Degrees	270
Total 5000 · Cost of Programs	10,634
Total COGS	10,634
Gross Profit	124,204
Expense	
Total 6000 · Marketing	3,802
Total 6100 · Personnel	91,115
Total 6200 · Occupancy Expenses	8,955
Total 6300 · Travel	12
Total 6500 · Professional Services	11,118
Total 6600 · Operating Expenses	13,161
Total Expense	128,163
Net Ordinary Income	-3,959
Other Income/Expense	
Other Income	
7000 · Other Income-Expense	
7200 · In-Kind Donations	309
7700 · Interest Exp - City Loan	-569
7900 · In-Kind Expenses	-309
Total 7000 · Other Income-Expense	-569
Total Other Income	-569
Net Other Income	-569
Net Income	<u><u>-4,529</u></u>

Creative Portland
Statement of Financial Position
As of June 30, 2018

	<u>Jun 30, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
Total Checking/Savings	29,014
Accounts Receivable	
1150 · Accrued Contribution Receivable	3,455
Total Accounts Receivable	<u>3,455</u>
Other Current Assets	
1200 · Art Sale Receivable	560
1600 · Prepaid expenses	
1610 · Prepaid Insurance	1,348
Total 1600 · Prepaid expenses	<u>1,348</u>
Total Other Current Assets	<u>1,908</u>
Total Current Assets	34,377
Total Fixed Assets	34,573
Other Assets	
1950 · Stock Ownership	524
Total Other Assets	<u>524</u>
TOTAL ASSETS	<u>69,474</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	20,776
Total Accounts Payable	<u>20,776</u>
Other Current Liabilities	
2100 · Payroll Liabilities	
2110 · Employee Expenses Payable	166
Total 2100 · Payroll Liabilities	<u>166</u>
2500 · Fiscal Sponsorship Liability	
Total 2500 · Fiscal Sponsorship Liability	<u>2,536</u>
Total Other Current Liabilities	<u>2,702</u>
Total Current Liabilities	23,478
Long Term Liabilities	
2800 · City of Portland Loan	19,398
Total Long Term Liabilities	<u>19,398</u>
Total Liabilities	42,876
Equity	
3050 · Retained Earnings	599
3100 · Unrest'd Net Assets	
Total 3100 · Unrest'd Net Assets	24,162
3200 · Temporarily Rest'd Net Assets	6,365
Net Income	-4,529
Total Equity	<u>26,598</u>
TOTAL LIABILITIES & EQUITY	<u>69,474</u>

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR. (A/L)

IN CITY COUNCIL A REGULAR MEETING NOVEMBER 5, 2018, VOL. 134 PAGE 36

NOVEMBER 5, 2018 CITY COUNCIL AGENDA

The Portland City Council will hold a regular City Council Meeting 5:30 p.m. in City Council Chambers, City Hall. The Honorable Ethan K. Strimling, will preside.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Mayor Strimling called the meeting to order at 5:30 P.M. (All Councilors present)

ANNOUNCEMENTS:

RECOGNITIONS:

Arts in the Chamber, Dance Artist Riley Watts

PRESENTATIONS:

State of the Schools Address - Anna Trevorrow, Portland Board of Education Chair

ANNUAL MEETING:

Motion was made by Councilor Mavodones and seconded by Councilor Duson to recess the meeting of the City Council and convene the Annual meeting of the Corporator of the Portland Fish Exchange. Passage 9-0.

SPECIAL MEETING:

Special Meeting of the Corporator of the Portland Fish Exchange - Sponsored by Mayor Ethan K. Strimling.

Order 88-18/19 Appointing Members to the Portland Fish Exchange - Sponsored by the Legislative/Nominating Committee, Councilor Pious Ali, Chair.

Motion was made by Councilor Mavodones and seconded by Councilor Batson for passage. Passage 9-0.

Motion was made by councilor Batson and seconded by Councilor Thibodeau to adjourn the Annual Meeting of the Corporator of the Portland Fish Exchange and

reconvene the regular meeting of the City Council. Passage 9-0.

6:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:

APPROVAL OF MINUTES OF PREVIOUS MEETING:

October 15, 2018 Draft Regular City Council Meeting Minutes

Motion was made by Councilor Ray and seconded by Councilor Costa for approval of the October 15, 2018 City Council minutes. Passage 9-0.

PROCLAMATIONS:

APPOINTMENTS:

CONSENT ITEMS:

Order 89-18/19 Declaring November 11, 2018 Veterans Day Parade Festival - Sponsored by Jon P. Jennings, City Manager

Order 90-18/19 Declaring June 22, 2019 the Shipyard Old Port Half Marathon and 5K Festival - Sponsored by Jon P. Jennings, City Manager.

Order 91-18/19 Declaring the Portland Downtown Light Up Your Holidays Festival 2018 - Sponsored by Jon P. Jennings City Manager.

Motion was made by Councilor Ray and seconded by Councilor Thibodeau to approve the consent items. Passage 9-0.

LICENSES:

Order 92-18/19 Granting Municipal Officers' Approval of TSNR Inc. dba Bonobo Wood Fire Pizza. Application for a Class I FSE with Outdoor Dining on Public Property at 46 Pine Street -Sponsored by Michael Russell, Director of Permitting and Inspections Department.

Motion was made by Councilor Thibodeau and seconded by Councilor Ray for passage. Passage 9-0.

Order 93-18/19 Granting Municipal Officers' Approval of The Sustainability Lab dba Fork Food Lab. Application for a Class III & IV at 72 Parris Street - Sponsored

by Michael Russell, Director of Permitting and Inspections Department.

Motion was made by Councilor Duson and seconded by Councilor Costa for passage.
Passage 9-0.

Order 94-18/19 Granting Municipal Officers' Approval of Ely Brothers Inc. dba Locally Sauced. Application for a Class I FSE at 4 Thompson's Point - Sponsored by Michael Russell, Director of Permitting and Inspections Department.

Motion was made by Councilor Batson and seconded by Councilor Thibodeau for passage. Passage 9-0.

Order 95-18/19 Granting Municipal Officers' Approval of Harry and Maries LLC dba Shays Grill Pub. Application for a Class I FSE at 18 Monument Square - Sponsored by Michael Russell, Director of Permitting and Inspections Department.

Motion was made by Councilor Ray and seconded by Councilor Costa for passage.
Passage 9-0.

COMMUNICATIONS

Com 6-18/19 Re: Order 225-17/18, Order Referring a Proposal to Increase Short Term Rental Registration Fees to the Housing Committee - Sponsored by the Housing Committee, Councilor Jill C. Duson, Chair

RESOLUTIONS:

Resolve 3-18/19 Resolution Condemning Hate Crimes and Discrimination - Sponsored by Councilor Belinda Ray, Councilor Spencer Thibodeau, Councilor Justin Costa, Councilor Kimberly Cook, Councilor Jill C. Duson, Councilor Pious Ali, Councilor Nicholas M. Mavodones, Jr., Councilor Brian Batson, and Mayor Ethan K. Strimling.

Motion was made by Councilor Mavodones and seconded by Councilor Batson for passage. Passage 9-0.

UNFINISHED BUSINESS:

Order 67-18/19 Amendment to Portland City Code Chapter 6 Re: Short Term Rentals – Sponsored by the Housing Committee, Councilor Jill C. Duson, Chair.

Motion was made by Councilor Thibodeau and seconded by Councilor Batson to postpone Order 67 to the November 19, 2018. Passage 9-0.

ORDERS:

Order 96-18/19 Approving Purchase and Sale Agreement with Waterstone

Properties Group, Inc. - Sponsored by the Economic Development Committee, Councilor Justin Costa, Chair.

Motion was made by Councilor Ray and seconded by Councilor Costa to postpone Order 96 to the December 17, 2018 City Council meeting. Passage 9-0.

Order 97-18/19 Authorizing Lease-Purchase Agreement for Conversion to LED Street Lights - Sponsored by Jon P. Jennings, City Manager.

This item was given first reading.

AMENDMENTS:

Order 98-18/19 Amendment to Portland City Code Chapter 14 Re: Impact Fees - Sponsored by the Planning Board, Sean Dundon, Chair and the Economic Development Committee, Council Justin Costa, Chair.

This item was given first reading.

Order 99-18/19 Amendment to Portland City Code Chapter 6 Re: Short Term Rental Registration and Regulation - Sponsored by the Housing Committee, Councilor Jill D. Duson, Chair.

This item was given first reading.

EXECUTIVE SESSION:

Bargaining Guidance for Communications Pursuant to 1 M.R.S. §405(6)(D) - Sponsored by Jon P. Jennings, City Manager.

Motion was made by Councilor Ray and seconded by Councilor Costa to adjourn the City Council meeting and go into Executive Session pursuant to 1 M.R.S.A. section 405 (6)(D). Passage 9-0 at 6:50 P.M.

Motion was made by Councilor Mavodones and seconded by Councilor Duson to move out of Executive Session. Passage 8-0 (Cook Absent), at 7:07 P.M.

A TRUE COPY.

Katherine L. Jones, City Clerk

PROCLAMATION

HONORING

DETECTIVE KELLY GORHAM

WHEREAS,

Detective Gorham joined the Portland Police Department in 2002 and is currently assigned to the Criminal Investigations Division where she maintains a full caseload with investigations of gross sexual assault. Detective Gorham receives case referrals regularly from the Children's Advocacy Center and works cooperatively with them, maintaining constant contact with staff; and

WHEREAS,

Detective Gorham received her Bachelor's and Master's degrees in Criminal Justice from Anna Maria College in Massachusetts. Prior to joining the police department, Detective Gorham worked for the U.S. Department of Justice as a border patrol agent in Arizona; and

WHEREAS,

Detective Gorham works diligently in the criminal investigations division, working on multiple complicated sexual assault cases at once. She provides a high level of efficiency to all her cases and her efforts show in the work she presents; and

WHEREAS,

Detective Gorham recently led a successful investigation of a suspect charged with multiple counts of gross sexual assault. The suspect was ultimately convicted on 15 counts of abuse over seven years and was sentenced to 40 years in prison. Kelly worked very closely to support the victim's family throughout the entire investigation and trial. She went above and beyond what was required to receive a conviction and provided both the victim and her family with much needed emotional support; and

WHEREAS,

Detective Gorham is commended for her exemplary performance and clear commitment to a higher standard of public service and public safety.

NOW, THEREFORE, BE IT RESOLVED, THAT I, Ethan K. Strimling, Mayor of the City of Portland, Maine, and the members of the Portland City Council do hereby proclaim honor and recognition to **Detective Kelly Gorham** as **Officer of the Month for September 2018**.

Signed and sealed this 19th day of November 2018



Ethan K. Strimling, Mayor
City of Portland, Maine

FROM: Sonia Bean, Senior Administrative Assistant

DATE: October 31, 2018

SUBJECT: **Order 100-18/19 Approving Transfer of Funds Under 15 M.R.S. §§5824(3) and 5826(6) Re: Melissa Emmons – Sponsored by Jon P. Jennings, City Manager.**

SPONSOR: Jon P. Jennings, City Manager
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/19/2018 **Final Action 11/19/2018**

PRESENTATION: No presentation

The State requires Council approval of the transfer of forfeited cash to the Portland Police Department.

This order authorizes the City Council to approve the transfer of \$600.00 in forfeited assets from the State of Maine to the City of Portland from the case of the State of Maine v. Melissa Emmons.

The money was seized during a drug investigation conducted by the M.D.E.A. in conjunction with the Portland Police Department. The money will be deposited into the Portland Police Department's drug investigation account. The money is used to offset the costs of drug investigations, such as drug analysis, drug purchases, covert surveillance, surveillance equipment, drug training and protective gear, such as body armor. The money may also be used to support the department's Law Enforcement Addiction Advocacy Program.

Five affirmative votes are required for passage of the Consent Calendar.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis and Background that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Emmons, Melissa forfeiture 11.19.2018 Council Order
2. Criminal Forfeiture Letter

Prepared by: Sonia Bean, Senior Administrative Assistant

Date: 10/31/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER APPROVING TRANSFER OF FUNDS
UNDER
15 M.R.S. §§ 5824(3) and 5826(6)
RE: MELISSA EMMONS

ORDERED, that the City Council hereby accepts \$600.00 in forfeited assets in the case of State of Maine vs. Melissa Emmons from the State of Maine to the City of Portland, pursuant to 15 M.R.S. § 5824(3) and § 5826(6) and as provided in the attached “Approval of Transfer.”

STATE OF MAINE
Cumberland, SS

UNIFIED CRIMINAL DOCKET
Criminal Action
Docket No. CR-18-1404

State of Maine

v.

Melissa Emmons,
Defendant

}
}
}
}
}
}
}
}
}
}

City of Portland
Approval of Transfer
15 M.R.S. §5824(3)
and §5826(6)

AND
\$600.00 U.S. CURRENCY
DEFENDANT IN REM

NOW COMES the City of Portland, Maine, by and through its legislative body, the City Council, and does hereby grant approval pursuant to Section 5824(3) and Section 5826(6) of Title 15 of the Maine Revised Statutes, to the transfer of any portion of the above captioned Defendant *In Rem*, namely \$600.00 U.S. Currency, on grounds that the City of Portland Police Department did make a substantial contribution to the investigation of this or a related criminal case.

WHEREFORE, the Portland City Council does hereby approve of the transfer of the Defendant(s) *In Rem*, to the City of Portland, Maine pursuant to 15 M.R.S. §5824(3) and §5826(6) on November 19, 2018.

Dated: _____

Mayor

(Impress Legislative Body Seal Here)

JANET T. MILLS
ATTORNEY GENERAL



TEL: (207) 626-8800
TTY USERS CALL MAINE RELAY 711

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0006

REGIONAL OFFICES
84 HARLOW ST. 2ND FLOOR
BANGOR, MAINE 04401
TEL: (207) 941-3070
FAX: (207) 941-3075

415 CONGRESS ST., STE. 301
PORTLAND, MAINE 04101
TEL: (207) 822-0260
FAX: (207) 822-0259

14 ACCESS HIGHWAY, STE. 1
CARIBOU, MAINE 04736
TEL: (207) 496-3792
FAX: (207) 496-3291

September 28, 2018

Portland Police Department
Interim Chief Vern Malloch
109 Middle Street
Portland, ME 04101

RE: State of Maine vs. Melissa Emmons
Cumberland County Unified Criminal Court Doc. No. CR-18-1404
Criminal Forfeiture
Required Vote of Municipal Officers/Approval of Transfer of Forfeiture Assets

Dear Chief Malloch:

Enclosed please find a draft Approval form for submission to the municipal officers.

Please inform the municipal officers that:

- A. 15 M.R.S.A. §5824(3) requires that, before any forfeitable item may be transferred to a State Agency, County or Municipality, the municipal legislative body must publicly vote to accept the item(s) **if subsequently ordered forfeited by the Court;**
- B. Under Rules issued by the Department of the Attorney General, a public vote must be made on each forfeiture "approval" and a "continuing resolution" of approval cannot be accepted;
- C. As with all forfeitures, an approval of a transfer by the municipal legislative body does not guarantee either that the Defendant(s) *In Rem* will in fact be forfeited or, if forfeited, that the Court will order the item(s) transferred to the approving Department, Agency, County or Municipality. The municipal legislative body's approval only signifies that, if the Defendant(s) *In Rem* are in fact ordered forfeited and, if the Attorney General and the Court agree to a transfer of all or part of the Defendant(s) *In Rem* to a Department, Agency, County or Municipality based upon the "*substantial contribution*" of that Department, Agency, County or Municipality, then that entity is in fact, willing to accept the Defendant(s) *In Rem* or portions thereof. In order to streamline what is otherwise a cumbersome forfeiture process, it is our practice to seek State, county or

municipal approval in anticipation of the final order of forfeiture. However, final forfeiture is not guaranteed and both the municipal legislative body and the law enforcement agency involved are **cautioned** that they **should not encumber** funds or property until a Final Order granting them lawful title to the property is delivered to them;

D. Under the provisions of the Forfeiture Statute, if the municipal legislative body fails to approve a transfer in a timely manner, any forfeited items shall be transferred to the State of Maine General Fund.

Assuming your municipal legislative body does grant its approval, kindly see to it that the accompanying form is signed by the appropriate person and is "embossed" with the seal of the municipality. Then, please return the **original** to me for filing, and retain a copy for your records.

My sincere thanks for your attention to this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Johanna Gauvreau
Assistant Attorney General
CRIMINAL DIVISION

Enclosure

STATE OF MAINE
Cumberland, ss

UNIFIED CRIMINAL COURT
Docket No. CR-18-1404

State of Maine	}	
	}	City of Portland
v.	}	Approval of Transfer
	}	15 M.R.S. §5824(3) and §5826
Melissa Emmons,	}	
Defendant;	}	
	}	
And	}	
	}	
\$600.00 U.S. Currency	}	
Defendant(s) In Rem	}	

NOW COMES the City of Portland, Maine, by and through its legislative body, the City Council, and does hereby grant approval pursuant to Section 5824(3) and §5826(6) of Title 15 of the Maine Revised Statutes, to the transfer of any portion of the above captioned Defendant *In Rem* namely \$600.00 U.S. Currency, on grounds that the City of Portland Police Department did make a substantial contribution to the investigation of this or a related criminal case.

WHEREFORE, the Portland City Council does hereby approve of the transfer of the Defendant(s) *In Rem* to the City of Portland, Maine pursuant to 15 M.R.S. § 5824(3) and §5826(6) as approved on _____ 2018.

Mayor

(Impress municipal legislative body seal here)

MEMORANDUM
City Council Agenda Item

FROM: Jessica Hanscombe

DATE: October 30, 2018

SUBJECT: **Order 101-18/19 Granting Municipal Officers' Approval of Portland Shuck Shack LLC dba The Shop. Application for a Class I FSE with Entertainment without Dance and Outdoor Dining on Private Property at 123 Washington Avenue - Sponsored by Michael Russell, Director of Permitting & Inspections Department.**

SPONSOR: Michael Russell, Director of Permitting & Inspections Department
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/19/2018

Final Action 11/19/2018

Can action be taken at a later date: No

PRESENTATION:

I. ONE SENTENCE SUMMARY

II. AGENDA DESCRIPTION

Application was filed on 10/26/2018. New City and State applications. The owners currently operate a Class III & IV with Entertainment without Dance and Outdoor Dining on Private Property at this location.

Five affirmative votes are required for passage after public comment.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. The Shop City Council Order
2. The Shop

Prepared by: Jessica Hanscombe

Date: 10/30/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY M. COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER
GRANTING MUNICIPAL OFFICERS’
APPROVAL OF:

**Portland Shuck Shack LLC dba The Shop. Application for a Class I FSE with
Entertainment without Dance and Outdoor Dining on Private Property at 123 Washington
Avenue.**

Date: 10/24/18

To: City Council Portland Me

From: Kit Paschal- General Manager "The Shop"

To whom it may concern,

Portland Shuck Shack LLC dba "The Shop" would like to add liquor to our existing beer and wine license so that we can offer a more diverse selection of beverages with our food.

Thank you for your consideration.

Kit Paschal

A handwritten signature in black ink, appearing to read "Kit Paschal", with a large, stylized loop at the end.

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director
389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557
www.portlandmaine.gov

Application for Food Service Establishment with Alcoholic Beverages License

Business Information	
Business Name (d/b/a):	The Shop Phone: (207) 699-4466
Location Address:	123 Washington Ave Portland ME 04101 Zip:
If new, what was formerly at this location:	flower Shop
Mailing Address:	123 Washington Ave Portland ME 04101 Zip:
Contact Person:	Kit Paschal Phone: 508 364 8371
Contact Person Email:	kit@islandcreekcoysters.com
Manager of Establishment:	Date of Birth: 11/10/78 Phone: 508 364 8371
Owner of Premises (Landlord):	Dayton Group LLC
Address of Premises Owner:	75 Washington Ave Portland ME 04101 Zip:

Sole Proprietor/Partnership Information (If Corporation, leave blank)

Name of Owner(s)	Date of Birth	Residence Address

Corporate/LLC/Non-Profit Organization Applicants (If Sole Proprietor or Partnership, leave blank)

Corporate Name		Corporate Mailing Address	
Portland Shucks Shack		123 Washington Ave Portland ME Zip:	
Contact Person:	Kit Paschal	Phone:	508 364 8371
Principal Officers	Title	Date of Birth	Residence Address
William Bennett	owner	7/8/65	11 White St Duxbury Ma.
Christopher Sherman	President	9/9/84	942 Tremont St Duxbury MA

About Your Establishment

Class of Liquor License:	<u>Class 1</u>	
Type of food served:		
Please circle all that will be served:	<u>Beer</u> <u>Wine</u> <u>Liquor</u>	
Projected percentage of sales:	Generated from Food: <u>65</u>	Generated from Alcohol: <u>35</u>
Hours & days of operation:	<u>11-9 M-S</u>	

QUESTIONS

Will full-course meals, only capable of consumption with the use of tableware, be served the entire time the establishment is open?

Y/N
Y

If No, please explain:

Is the establishment less than 300 feet from a school, dormitory, church or parish house, or similar establishment?

Y/N
N

If yes, give the distance:

Will you have entertainment on the premises? (If yes, a Supplemental Application for Dancing & Entertainment is required.)

Y/N
Y

Will you permit dancing on the premises?

Y/N
Y

Will you permit dancing after 1:00 a.m.?

Y/N
Y

Will you have outside dining? (If yes, an Outdoor Dining Application is required)

Y/N
Y

If yes, will the outside dining be on PUBLIC or PRIVATE property (circle one).

Will you have any amusement devices (pinball, video games, juke box)?

Y/N
N

If yes, please list: # of pinball machines: _____ # of amusements: _____ # of pool tables: _____

What is your targeted opening date?

Does the Issuance of this license directly or indirectly benefit any City employee(s)?

Y/N
N

If Yes, list name(s) of employee(s) and department(s):

Have any of the applicants, including the corporation (if applicable), ever held a business license with the City of Portland?

Y/N
Y

If Yes, please list business name(s) and location(s):

Is any principal officer under the age of 21?

Y/N
N

Have applicant, partners, associates, or corporate officers ever been arrested, indicted, or convicted for any violation of law?

Y/N
N

If Yes, please explain:

I Kir Pascho do hereby swear and affirm that every employee in my establishment that serves alcohol to the public has attended server training, or will attend server training within 90 days of their hire. I also understand that at any time the City license administrator can, upon request, require me to produce Server Training certificates for each employee that serves alcohol to the public in my establishment. Failure to meet the training requirement imposed by section 15-41 may result in the denial of a liquor license pursuant to 28-A M.R.S.A. § 653 (2) (G).

Applicant, by signature below, agrees to abide by all laws, orders, ordinances, rules and regulations governing the above licensee and further agrees that any misstatement of material fact may result in refusal of license or revocation if one has been granted. Applicant agrees that all taxes and accounts pertaining to the premises will be paid prior to issuance of the license.

It is understood that this and any application(s) shall become public record and the applicant(s) hereby waive(s) any rights to privacy with respect thereto. I/We, hereby authorize the release of any criminal history record information to the City Clerk's Office or licensing authority. I/We, hereby waive any rights to privacy with respect thereto.

Signature [Signature] Title General Manager Date 10/24/18

For more information about Liquor Licenses, see Portland City Code Chapter 15 at www.portlandmaine.gov and M.R.S.A. Title 28-A at www.maine.gov.

BUREAU OF ALCOHOL BEVERAGES AND LOTTERY OPERATIONS
DIVISION OF LIQUOR LICENSING AND ENFORCEMENT
8 STATE HOUSE STATION, AUGUSTA, ME 04333-0008
10 WATER STREET, HALLOWELL, ME 04347
TEL: (207) 624-7220 FAX: (207) 287-3434
EMAIL INQUIRIES: MAINELIQUOR@MAINE.GOV

DIVISION USE ONLY	
License No:	
Class:	By:
Deposit Date:	
Amt. Deposited:	
Cash Ck Mo:	

PRESENT LICENSE EXPIRES _____

NEW application: ☒ Yes ☐ No

If business is NEW or under new ownership, indicate starting date: _____

Requested inspection date: _____ Business hours: _____

INDICATE TYPE OF PRIVILEGE: ☒ MALT ☒ VINOUS ☒ SPIRITUOUS

INDICATE TYPE OF LICENSE:

- | | | |
|--|---|--|
| ☒ RESTAURANT (Class I,II,III,IV) | ☐ RESTAURANT/LOUNGE (Class XI) | ☐ CLASS A LOUNGE (Class X) |
| ☐ HOTEL (Class I,II,III,IV) | ☐ HOTEL, FOOD OPTIONAL (Class I-A) | ☐ BED & BREAKFAST (Class V) |
| ☐ CLUB w/o Catering (Class V) | ☐ CLUB with CATERING (Class I) | ☐ GOLF COURSE (Class I,II,III,IV) |
| ☐ TAVERN (Class IV) | ☐ QUALIFIED CATERING | ☐ OTHER: _____ |

REFER TO PAGE 3 FOR FEE SCHEDULE

ALL QUESTIONS MUST BE ANSWERED IN FULL

Corporation Name: <i>Portland Shook Shack LLC</i>		Business Name (D/B/A) <i>The Shop</i>	
APPLICANT(S) –(Sole Proprietor) DOB:		Physical Location: <i>123 Washington Ave</i>	
DOB:		City/Town <i>Portland</i>	State <i>ME</i>
Address		Zip Code <i>04101</i>	
Mailing Address <i>Same</i>			
City/Town	State	Zip Code	
City/Town	State	Zip Code	
Telephone Number	Fax Number	Business Telephone Number <i>(207) 699 4466</i>	Fax Number
Federal I.D. #		Seller Certificate #: or Sales Tax #: <i>82-1078633</i>	
Email Address: Please Print	Website:		

- If premise is a Hotel or Bed & Breakfast, indicate number of rooms available for transient guests: _____
- State amount of gross income from period of last license: ROOMS \$ _____ FOOD \$ *440,000* LIQUOR \$ *283,000*
- Is applicant a corporation, limited liability company or limited partnership? YES ☒ NO ☐
If Yes, please complete the Corporate Information required for Business Entities who are licensees.
- Do you own or have any interest in any another Maine Liquor License? ☐ Yes ☒ No
If yes, please list License Number, Name, and physical location of any other Maine Liquor Licenses.
(Use an additional sheet(s) if necessary.)

License #	Name of Business
Physical Location	City / Town

5. Do you permit dancing or entertainment on the licensed premises? YES ☐ NO ☒

6. If manager is to be employed, give name: Kit Paschal

7. Business records are located at: 123 Washington Ave Portland ME

8. Is/are applicants(s) citizens of the United States? YES ☐ NO ☐

9. Is/are applicant(s) residents of the State of Maine? YES ☐ NO ☐

10. List name, date of birth, and place of birth for all applicants, managers, and bar managers.

Full Name (Please Print)	DOB	Place of Birth
William A. Bennett	7.8.65	Plymouth
Christopher G. Sherman	9.9.84	Boston
Kit Paschal	11/10/78	Middletown Ct.
Residence address on all of the above for previous 5 years (Limit answer to city & state)		
11 White St Duxbury Ma. Ma 02332		
942 Tremont St Duxbury Ma 02332		
519 Cumberland Ave #3 Portland ME 04101		

11. Has/have applicant(s) or manager ever been convicted of any violation of the law, other than minor traffic violations, of any State of the United States? YES ☐ NO ☒

Name: _____ Date of Conviction: _____

Offense: _____ Location: _____

Disposition: _____ (use additional sheet(s) if necessary)

12. Will any law enforcement official benefit directly in your license, if issued?

Yes ☐ No ☒ If Yes, give name: _____

13. Has/have applicant(s) formerly held a Maine liquor license? YES ☒ NO ☐

14. Does/do applicant(s) own the premises? Yes ☐ No ☒ If No give name and address of owner: _____

Dayton Group LLC 75 Washington Ave

15. Describe in detail the premises to be licensed: (On Premise Diagram Required) _____

16. Does/do applicant(s) have all the necessary permits required by the State Department of Human Services?

YES ☒ NO ☐ Applied for: _____

17. What is the distance from the premises to the **NEAREST** school, school dormitory, church, chapel or parish house, measured from the main entrance of the premises to the main entrance of the school, school dormitory, church, chapel or parish house by the ordinary course of travel? Church 1 mile

Which of the above is nearest? _____

18. Have you received any assistance financially or otherwise (including any mortgages) from any source other than yourself in the establishment of your business? YES ☐ NO ☒

If YES, give details: _____

The Division of Liquor Licensing & Enforcement is hereby authorized to obtain and examine all books, records and tax returns pertaining to the business, for which this liquor license is requested, and also such books, records and returns during the year in which any liquor license is in effect.

NOTE: "I understand that false statements made on this form are punishable by law. Knowingly supplying false information on this form is a Class D offense under the Criminal Code, punishable by confinement of up to one year or by monetary fine of up to \$2,000 or both."

Dated at: Portland ME on 10/29, 20 18
Town/City, State Date

[Signature] Please sign in blue ink [Signature]
Signature of Applicant or Corporate Officer(s) Signature of Applicant or Corporate Officer(s)

William A. Bennett Christopher E. Sherman
Print Name Print Name

FEE SCHEDULE

FILING FEE: (must be included on all applications)..... \$ 10.00

Class I Spirituous, Vinous and Malt \$ 900.00
CLASS I: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; Vessels; Qualified Caterers; OTB.

Class I-A Spirituous, Vinous and Malt, Optional Food (Hotels Only) \$1,100.00
CLASS I-A: Hotels only that do not serve three meals a day.

Class II Spirituous Only \$ 550.00
CLASS II: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; and Vessels.

Class III Vinous Only \$ 220.00
CLASS III: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; Restaurants; Vessels; Pool Halls; and Bed and Breakfasts.

Class IV Malt Liquor Only \$ 220.00
CLASS IV: Airlines; Civic Auditoriums; Class A Restaurants; Clubs with catering privileges; Dining Cars; Golf Clubs; Hotels; Indoor Ice Skating Clubs; Indoor Tennis Clubs; Restaurants; Taverns; Pool Halls; and Bed and Breakfasts.

Class V Spirituous, Vinous and Malt (Clubs without Catering, Bed & Breakfasts) \$ 495.00
CLASS V: Clubs without catering privileges.

Class X Spirituous, Vinous and Malt – Class A Lounge \$2,200.00
CLASS X: Class A Lounge

Class XI Spirituous, Vinous and Malt – Restaurant Lounge \$1,500.00
CLASS XI: Restaurant/Lounge; and OTB.

UNORGANIZED TERRITORIES \$10.00 filing fee shall be paid directly to County Treasurer. **All applicants in unorganized territories shall submit along with their application evidence of payment to the County Treasurer.**

All applications for NEW or RENEWAL liquor licenses must contact their Municipal Officials or the County Commissioners in unincorporated places for approval and signatures for liquor licenses prior to submitting them to the bureau.

All fees must accompany application, make check payable to the **Treasurer, State of Maine.**



Division of Alcoholic Beverages and Lottery
Operations
Division of Liquor Licensing and Enforcement

**Corporate Information Required for
Business Entities Who Are Licensees**

For Office Use Only:

License #: _____

SOS Checked: _____

100% Yes ☐ No ☐

Questions 1 to 4 must match information on file with the Maine Secretary of State's office. If you have questions regarding this information, please call the Secretary of State's office at (207) 624-7752.

Please clearly complete this form in its entirety.

1. Exact legal name: Portland Shuck Shack LLC
2. Doing Business As, if any: The Shop
3. Date of filing with Secretary of State: 5/17 State in which you are formed: Mass
4. If not a Maine business entity, date on which you were authorized to transact business in the State of Maine:
6/17
5. List the name and addresses for previous 5 years, birth dates, titles of officers, directors and list the percentage ownership: (attach additional sheets as needed)

NAME	ADDRESS (5 YEARS)	Date of Birth	TITLE	Ownership %
William A. Bennett	11 White St. Duxbury, MA	7-8-65	Owner	100%
Christopher G. Sherman	22 Pine Ridge Ln Duxbury 942 Tremont St. Duxbury	9-9-84	President	0%

(Stock ownership in non-publicly traded companies must add up to 100%.)

6. If Co-Op # of members: _____ (list primary officers in the above boxes)

7. Has any principal person involved in the entity ever been convicted of any violation of the law, other than minor traffic violations, in the United States?

Yes ☐ No ☒

8. If Yes to Question 8, please complete the following: (attached additional sheets as needed)

Name: _____

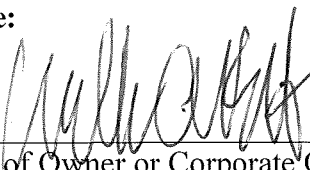
Date of Conviction: _____

Offense: _____

Location of Conviction: _____

Disposition: _____

Signature:



Signature of Owner or Corporate Officer

10.19.18

Date

William A Bennett

Print Name of Owner or Corporate Officer

Submit Completed Forms to:

Bureau of Alcoholic Beverages
Division of Liquor Licensing and Enforcement
8 State House Station, Augusta, Me 04333-0008 (Regular address)
10 Water Street, Hallowell, ME 04347 (Overnight address)
Telephone Inquiries: (207) 624-7220 Fax: (207) 287-3434
Email Inquiries: MaineLiquor@Maine.gov

EVERYBODY
WINS

MADE IN
DUXBURY MA

FRESH
OYSTERS

ISLAND CREEK OYSTERS

PORTLAND
MAINE

WASHINGTON AVENUE
123



	ISLAND CREEK	DUXBURY MA	1.5 1.5
	MOOKIE BLUES	DAMARISCOTTA ME	1.5 1.5
	NONESUCH	CASCO BAY ME	1.5 1.5
	WOLFE'S NECK	SCARBOROUGH ME	1.5 1.5
	MOUNT DESERT ISLAND	MT DESERT ISLAND ME	1.5 1.5
	WILD BELON	HARPSWELL ME	1.5 1.5
	LIVE SCALLOPS	PENOBSCOT BAY ME	1.5 1.5
	GOLD OCTOPUS IN PAPRIKA SAUCE, 138G	GALICIA, SPAIN	25 17
	SILVER MUSSELS IN PICKLED SAUCE, 110G	GALICIA, SPAIN	9 4
	GOLD CLAMS IN BRINE, 111G	GALICIA, SPAIN	44 32
	GOLD SQUID IN OLIVE OIL, 130G	GALICIA, SPAIN	18 11
	GOLD SARDINES IN SAUCE, 130G	GALICIA, SPAIN	15 9
	SILVER SMALL SARDINES IN OLIVE OIL, 265G	GALICIA, SPAIN	23 11
	WHITE STURGEON STERLING AQUAFARM, 30G	SACRAMENTO CA	70 70

*CONSUMING RAW OR UNDERCOOKED MEATS, POULTRY, SEAFOOD,
SHELLFISH, OR EGGS MAY INCREASE YOUR RISK OF FOODBORNE ILLNESS.

//////////

EVERYBODY
WINS

MADE IN
DUXBURY MA

FRESH
OYSTERS

ISLAND CREEK OYSTERS

PORTLAND
MAINE

WASHINGTON AVENUE
123



BEER ON TAP

NAME	LOCATION	OZ	ABV%	PRICE
NIGHT SHIFT HARBORSIDE GOSE	EVERETT MA	12	5.2	7
FORE RIVER JOHN HENRY NITRO STOUT	SOUTH PORTLAND ME	12	5.2	7
BUNKER BREWING SALAD DAZE LAGER	PORTLAND ME	12	4.7	6

WINES ON TAP

			PRICE	
YR	NAME	LOCATION	GLASS	BOTTLE
	OYSTER RIVERS MORPHOS PET NAT	WARREN ME	7	26
16	FUORSTRADA ROSATA NERO D AVOLA	SICILY IT	8	30

BOTTLED WINES

			PRICE	
YR	NAME	LOCATION		BOTTLE
16	ASTOBIZA TXAKOLI ROSE HONDARRABI ZURI	BASQUE SP		31
16	VIGNOBLE DINOCHAU PINEAU D' AUNIS ROSE	LOIRE FR		32
13	DOMAINE DANIEL DUGOIS SAVAGNIN	ARBOIS FR		65
15	LES BARONNES SANCERRE	LOIRE FR		47
14	CHATEAU L' ETOILE TROUSSEAU	JURA FR		38

CHAMPAGNES

			PRICE	
YR	NAME	LOCATION		BOTTLE
NV	MEINKLANG "FOAM" PINOT GRIS FRIZZANTE	BURGENLAND AUS		38
NV	FRANCOIS CHIDAINÉ, CHENIN BLANC PETILLANT	VOUVRAY FR		42
NV	BILLECART- CART SALMON BRUT PINOT NOIR, PINOT MEUNIER	CHAMPAGNE FR		100

Re: The Shop

Kevin Cashman <kevindc@portlandmaine.gov>

Fri, Oct 26, 2018 at 9:48 AM

to: Jessica Hanscombe <jhanscombe@portlandmaine.gov>

cc: Danielle Buck <dbuck@portlandmaine.gov>, David Nichols <nicholsd@portlandmaine.gov>, David Petruccelli <petruccellid@portlandmaine.gov>, Eric Cobb <ecobb@portlandmaine.gov>, James Sweatt <jjs@portlandmaine.gov>, John Brennan <brennanj@portlandmaine.gov>, Laurie Carlson <lac@portlandmaine.gov>, Tom Williams <tw@portlandmaine.gov>, Treasury Division <treasury@portlandmaine.gov>, Vernon Malloch <vwm@portlandmaine.gov>

PD has no objections.

Kevin C.

On Fri, Oct 26, 2018 at 09:40 Jessica Hanscombe <jhanscombe@portlandmaine.gov> wrote:

Good Morning

Please see the attached application for The Shop. They currently hold a Class III & IV license and are upgrading to a Class I. This will go before Council on 11/19. Please advise. Thanks Jess

Jessica Blais Hanscombe

Licensing and Registration Coordinator

389 Congress Street Room 307

Portland, Maine 04101

207-874-8783

jhanscombe@portlandmaine.gov

--

Sent from Gmail Mobile

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director

October 30, 2018

Portland Shuck Shack
123 Washington Avenue
Portland ME 04101

Re: Portland Shuck Shack LLC dba The Shop. Application for a Class I FSE with Entertainment without Dance and Outdoor Dining on Private Property at 123 Washington Avenue.

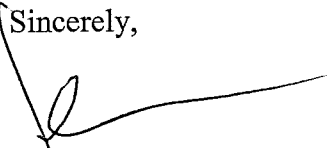
Dear Kit Paschal,

This letter shall serve as a reminder of the public hearing before the Portland City Council on **Monday November 19, 2018 at 5:30 p.m.**, for the review of application for a Class I FSE with Entertainment without Dance and Outdoor Dining on Private Property at 123 Washington Avenue. The meeting will take place in Council Chambers on the 2nd floor of City Hall, 389 Congress Street, Portland, ME 04101.

You or a representative of the business must be present at this meeting in the event that the city council has questions regarding the license application. If there is no representation and questions arise, the item may be postponed.

Please contact our office directly with questions at (207) 874-8557 or jhanscombe@portlandmaine.gov.

Sincerely,



Jessica Hanscombe
Licensing and Registration Coordinator

Legal Advertisement

Notice of Public Hearing City of Portland

A Public Hearing will be held on November 19, 2018 at 5:30 P.M., in City Council Chambers, 389 Congress St., Portland Shuck Shack LLC dba The Shop. Application for a Class I FSE with Entertainment without Dance and Outdoor Dining on Private Property at 123 Washington Avenue. Sponsored by Michael Russell, Director of Permitting and Inspections.

MEMORANDUM
City Council Agenda Item

FROM: Jessica Hanscombe
Nancy English, Corporation Counsel

DATE: October 30, 2018

SUBJECT: **Order 102-18/19 Approving Municipal Officers' Approval of Blue Lobster Urban Winery LLC dba Blue Lobster Urban Winery. Application for a Winery with Entertainment without Dancing and Outdoor Dining on Private Property at 219 Anderson Street - Sponsored by Michael Russell, Director of Permitting & Inspections Department.**

SPONSOR: Michael Russell, Director of Permitting & Inspections Department
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/19/2018

Final Action 11/19/2018

Can action be taken at a later date: No

PRESENTATION:

I. ONE SENTENCE SUMMARY

II. AGENDA DESCRIPTION

Application was filed on 10/29/2018. New City applications. The owners currently operate the same business in a different unit.

Five affirmative votes are required for passage after public comment.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Blue Lobster City Council Order
2. Blue Lobster

Prepared by: Jessica Hanscombe

Date: 10/30/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY M. COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER
GRANTING MUNICIPAL OFFICERS'
APPROVAL OF:

Blue Lobster Urban Winery LLC dba Blue Lobster Urban Winery. Application for a Winery with Entertainment without Dancing and Outdoor Dining on Private Property at 219 Anderson Street.



10/25/2018

Dear Mayor Strimling and members of the City Council,

After a couple years at our current space at 219 Anderson Street Suite 2, we are planning to move to 219 Anderson Street Suite 1 where we will have additional space for our winery and tasting room.

Please see attached drawings and application for details.

Sincerely,

Chris Gamble
Owner
Blue Lobster Urban Winery, LLC
219 Anderson St. Suite #1
Portland, ME 04101

219 Anderson Street, Suite 2
Portland, Maine 04101
207-956-7051

10/25/2018

Dear Mayor Strimling and members of the City Council,

We are proposing an outdoor seating area for the tasting room located at 219 Anderson Street, Suite #1. The proposed area lies on private property owned by Allen Jagger (our landlord).

Please see attached drawings and docs for details on this proposal.

Sincerely,

Chris Gamble

Owner

Blue Lobster Wine Co.

219 Anderson St. Suite #1

Portland, ME 04101

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director
389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557
www.portlandmaine.gov

Application for Food Service Establishment with Alcoholic Beverages License

Business Information	
Business Name (d/b/a):	BLUELOBSTER URBAN Winery, LLC Phone: 207-956-7051
Location Address:	219 ANDERSON ST SUITE 1 PORTLAND 04101 Zip:
If new, what was formerly at this location:	Winery / TASTING Room
Mailing Address:	SAME Zip:
Contact Person:	CHRIS GAMBLE Phone: 207-671-1154
Contact Person Email:	CHRIS@BLUELOBSTERWINES.COM
Manager of Establishment:	CHRIS GAMBLE Date of Birth: 3/5/67 Phone: 207 671-1154
Owner of Premises (Landlord):	ALAN JAGGER
Address of Premises Owner:	5 AMERESCOGGIN RD FALMOUTH, ME Zip: 04105

Sole Proprietor/Partnership Information (If Corporation, leave blank)

Name of Owner(s)	Date of Birth	Residence Address
CHRIS GAMBLE	3/5/67	10 WOODLAND RD CARFELIZABETH, ME
KAREN RASMUSSEN	6/12/61	130 ALLSIDE AVE SOUTH PORTLAND, ME 04106

Corporate/LLC/Non-Profit Organization Applicants (If Sole Proprietor or Partnership, leave blank)

Corporate Name		Corporate Mailing Address	
BLUELOBSTER URBAN Winery, LLC		219 ANDERSON ST SUITE 1 04101 Zip:	
Contact Person:	CHRIS GAMBLE	Phone:	207-671-1154
Principal Officers	Title	Date of Birth	Residence Address
CHRIS GAMBLE	OWNER	3/5/67	10 WOODLAND RD CARFELIZABETH 04107
KAREN RASMUSSEN	OWNER	3/12/61	130 ALLSIDE AVE, SOUTH PORTLAND, ME 04106

About Your Establishment

Class of Liquor License:	Winery	
Type of food served:	CHEESE, CRACKERS, CURED MEAT	
Please circle all that will be served:	Beer ☒ Wine ☐ Liquor ☐	
Projected percentage of sales:	Generated from Food: 5-10%	Generated from Alcohol: 90-95%
Hours & days of operation:	WED 12-8, THUR 12-8, FRI 12-8, SAT 12-9, 12-8	

QUESTIONS	Y/N
Will full-course meals, only capable of consumption with the use of tableware, be served the entire time the establishment is open?	☒ Y ☐ N
If No, please explain: NO FULL COURSE MEALS SERVED	
Is the establishment less than 300 feet from a school, dormitory, church or parish house, or similar establishment?	☒ Y ☐ N
If yes, give the distance:	
Will you have entertainment on the premises? (If yes, a Supplemental Application for Dancing & Entertainment is required.)	☒ Y ☐ N
Will you permit dancing on the premises?	☒ Y ☐ N
Will you permit dancing after 1:00 a.m.?	☒ Y ☐ N
Will you have outside dining? (If yes, an Outdoor Dining Application is required)	☒ Y ☐ N
If yes, will the outside dining be on PUBLIC or PRIVATE property (circle one).	
Will you have any amusement devices (pinball, video games, juke box)?	☒ Y ☐ N
If yes, please list: # of pinball machines: _____ # of amusements: _____ # of pool tables: _____	
What is your targeted opening date? MARCH 1 2019	
Does the Issuance of this license directly or indirectly benefit any City employee(s)?	☒ Y ☐ N
If Yes, list name(s) of employee(s) and department(s):	
Have any of the applicants, including the corporation (if applicable), ever held a business license with the City of Portland?	☒ Y ☐ N
If Yes, please list business name(s) and location(s): 219 ANDERSON ST SUITE 2 BLUE LOBSTER VEBAND Winery Portland, ME 04107	
Is any principal officer under the age of 21?	☒ Y ☐ N
Have applicant, partners, associates, or corporate officers ever been arrested, indicted, or convicted for any violation of law?	☒ Y ☐ N
If Yes, please explain:	

Chris Gamber do hereby swear and affirm that every employee in my establishment that serves alcohol to the public has attended server training, or will attend server training within 90 days of their hire. I also understand that at any time the City license administrator can, upon request, require me to produce Server Training certificates for each employee that serves alcohol to the public in my establishment. Failure to meet the training requirement imposed by section 15-41 may result in the denial of a liquor license pursuant to 28-A M.R.S.A. § 653 (2) (G).

Applicant, by signature below, agrees to abide by all laws, orders, ordinances, rules and regulations governing the above licensee and further agrees that any misstatement of material fact may result in refusal of license or revocation if one has been granted. Applicant agrees that all taxes and accounts pertaining to the premises will be paid prior to issuance of the license.

It is understood that this and any application(s) shall become public record and the applicant(s) hereby waive(s) any rights to privacy with respect thereto. I/We, hereby authorize the release of any criminal history record information to the City Clerk's Office or licensing authority. I/We, hereby waive any rights to privacy with respect thereto.

Signature Chris Gamber Title OWNER Date 10/15/18

For more information about Liquor Licenses, see Portland City Code Chapter 15 at www.portlandmaine.gov and M.R.S.A. Title 28-A at www.maine.gov.

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director

389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557

www.portlandmaine.gov

Supplemental Application for Dancing and Entertainment License

License accompanies a City of Portland Food Service Establishment or Food Service Establishment with Alcohol license.

IGNORER
STRIKE THROUGH

☒ Entertainment without Dancing: \$295	☐ Entertainment with Dancing: \$529	☐ After-Hours (1 a.m. to 3 a.m.): \$595
--	--	--

Business Information	
Business Name (d/b/a):	BLUE LOBSTER URBAN WINERY
Phone:	207-956-7051
Location Address:	214 ANDERSON ST SUITE 1, PORTLAND
Zip:	04101

About Your Establishment

Describe in detail the type and nature of the business and proposed entertainment: WE ARE A WINERY AND TASTING ROOM. WE DO NOT LIVE MUSICAL ENTERTAINMENT IF SMALL MUSICAL BANDS	
Will music be electric, acoustical, or both? (Circle)	
Will amplification be used?	Y/N
If yes, where and at what level?	IN THE TASTING ROOM AND AT A LOW - MODERATE LEVEL
Will music be played (Circle all that apply): Inside Outside	
Will you permit dancing on the premises?	Y/N
Will you permit dancing after 1:00 a.m.?	Y/N
What is your targeted opening date?	3/1/19
Does the issuance of this license directly or indirectly benefit any City employee(s)?	Y/N
If Yes, list name(s) of employee(s) and department(s):	

Applicant, by signature below, agrees to abide by all laws, orders, ordinances, rules and regulations governing the above license and further agrees that any misstatement of material fact may result in refusal of license or revocation, if one has been granted. Applicant agrees that all taxes and accounts pertaining to the premises will be paid prior to issuance of the license.

It is understood that this and any application(s) shall become public record and the applicant(s) hereby waive(s) any rights to privacy with respect thereto.

I/ We hereby authorize the release of any criminal history record information to the City Clerk's Office or licensing authority. I/ We hereby waive any rights to privacy with respect thereto.

Signature [Signature] Title OWNER Date 3/25/18

For more information, refer to the City Code of Ordinance: Chapter 4 Amusements, at www.portlandmaine.gov

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director
389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557
www.portlandmaine.gov

**Outdoor Dining Permit on Private Property
Supplemental Application**

License accompanies a City of Portland Food Service Establishment or Food Service Establishment with Liquor License
Valid April 1-November 15

☒ Outdoor Dining on Private Property \$125.00 ☐ Legal Advertisement Deposit \$100.00

Business Information	
Business Name (d/b/a):	BLUELOBSTER URBAN WINERY Phone: 207-956-7051
Location Address:	219 ANDERSON ST SUITE 1 PORTLAND 04101
Mailing Address:	SAME Zip:
Contact Person:	CHRIS GAMBLE Phone: 207-671-1154
Contact Person Email:	CHRIS@BLUELOBSTERWINES.COM
Manager of Establishment:	CHRIS GAMBLE Date of Birth: 3/5/67 Phone: 207-671-1154
Owner of Premises (Landlord):	ALLAN JAGGAR
Address of Premises Owner:	5 AMERSON RD FALMOUTH, ME Zip: 04105

Owner Information

Corporate Name		Corporate Mailing Address	
BLUELOBSTER URBAN WINERY, LLC		219 ANDERSON ST STE 1 PORTLAND, ME Zip: 04101	
Contact Person:	CHRIS GAMBLE	Phone:	207-671-1154
Principal Officers	Title	Date of Birth	Residence Address
CHRIS GAMBLE	OWNER	3/5/67	10 WOODLAND RD, CAPE ELIZABETH, ME 04107
KAREN RASMUSSEN	OWNER	4/12/61	30 HILLSIDE RD, SOUTH PORTLAND, ME 04106

About Your Establishment

Class of License:	WINE
Type of food served:	CHEESE, CRACKERS, CURED MEATS
Please circle all that will be served:	Beer ☒ Wine ☒ Liquor
Hours & days of operation:	WED 12-8, THUR 12-8, FRI 12-8, SAT 12-8, SUN 12-8
Number of Tables	5
Number of Chairs	16

Design and Construction

- If you are building a structure or adding impervious surface for the outdoor dining area please contact the Permitting and Inspections Department for permitting requirements at permitting@portlandmaine.gov or 874-8703.

Maintenance and Operations

- Outdoor dining components must be within the permitted area and allow safe passage of pedestrian traffic. Failure to comply may result in a revocation of the permit.
- No food shall be prepared in the designated outdoor dining area.
- Outdoor dining areas must meet ADA regulations and accessible seating is required.

I/We fully understand that the City of Portland, its agents, officers and employees accept no responsibility and will not be liable for any injury, harm or damage to my/our person or property arising out of the establishment's occupancy of the sidewalk or park space. To the fullest extent permitted by law, I/We do hereby agree to assume all risk of injury, harm or damage to my/our person or property (including but not limited to all risk of injury, harm or damage to my/our property cause by the negligence of the City of Portland, its agents, officers or employees) arising out of the establishment's occupancy of the sidewalk or park space. I/We hereby agree, to the fullest extent permitted by law, to defend, indemnify and hold harmless the City of Portland, its agents, officers and employees, from and against all claims, damages, losses and expenses, just or unjust, including, but not limited to costs of defense and attorney's fees, arising out of the establishment's occupancy of the sidewalk or park space, provided that any such claims, damage, loss or expense (1) is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property including the loss of use there from, and (2) is caused in whole or in part by any negligent act or omission of the establishment, anyone directly or indirectly employed by it, or anyone for whose act it may be liable.

Signature [Signature] Title Owner Date 10/15/18

For Administrative Use Only

Amount: _____	Request Date /	Approval	Notes: _____
Date Paid: _____	FD: _____	/	_____
CC _____ CA _____ CK _____	Health: _____	/	_____
	PD: _____	/	_____
Amount: _____	PR: _____	/	_____
Date Paid: _____	Treasury: _____	/	_____
CC _____ CA _____ CK _____	Zoning: _____	/	_____



Division of Alcoholic Beverages and Lottery
Operations
Division of Liquor Licensing and Enforcement

**Corporate Information Required for
Business Entities Who Are Licensees**

For Office Use Only:

License #: _____

SOS Checked: _____

100% Yes ☐ No ☐

Questions 1 to 4 must match information on file with the Maine Secretary of State's office. If you have questions regarding this information, please call the Secretary of State's office at (207) 624-7752.

Please clearly complete this form in its entirety.

- Exact legal name: BLUE LOBSTER URBAN WINERY, LLC
- Doing Business As, if any: BLUELOBSTER WINE COMPANY
- Date of filing with Secretary of State: 8/16/2011 State in which you are formed: ME
- If not a Maine business entity, date on which you were authorized to transact business in the State of Maine:

- List the name and addresses for previous 5 years, birth dates, titles of officers, directors and list the percentage ownership: (attach additional sheets as needed)

NAME	ADDRESS (5 YEARS)	Date of Birth	TITLE	Ownership %
CHRISTOPHER GAMBLE	10 WOODLAND RD, CARE ELIZABETH, ME 04107 35 WAZZON AVE, CARE ELIZABETH 28 BROOKSIDE AVE, SOUTH BURLINGTON, VT 672 OCEAN AVE, PORTLAND, ME	3/5/67	OWNER	50%
KAREN RASMUSSEN	130 HILLSIDE AVE SOUTH PORTLAND, MAINE	6/12/61	OWNER	50%

(Stock ownership in non-publicly traded companies must add up to 100%.)

- If Co-Op # of members: _____ (list primary officers in the above boxes)

7. Has any principal person involved in the entity ever been convicted of any violation of the law, other than minor traffic violations, in the United States?

Yes ☐ No ☒

8. If Yes to Question 8, please complete the following: (attached additional sheets as needed)

Name: _____

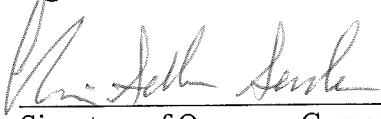
Date of Conviction: _____

Offense: _____

Location of Conviction: _____

Disposition: _____

Signature:



Signature of Owner or Corporate Officer

10/25/18

Date

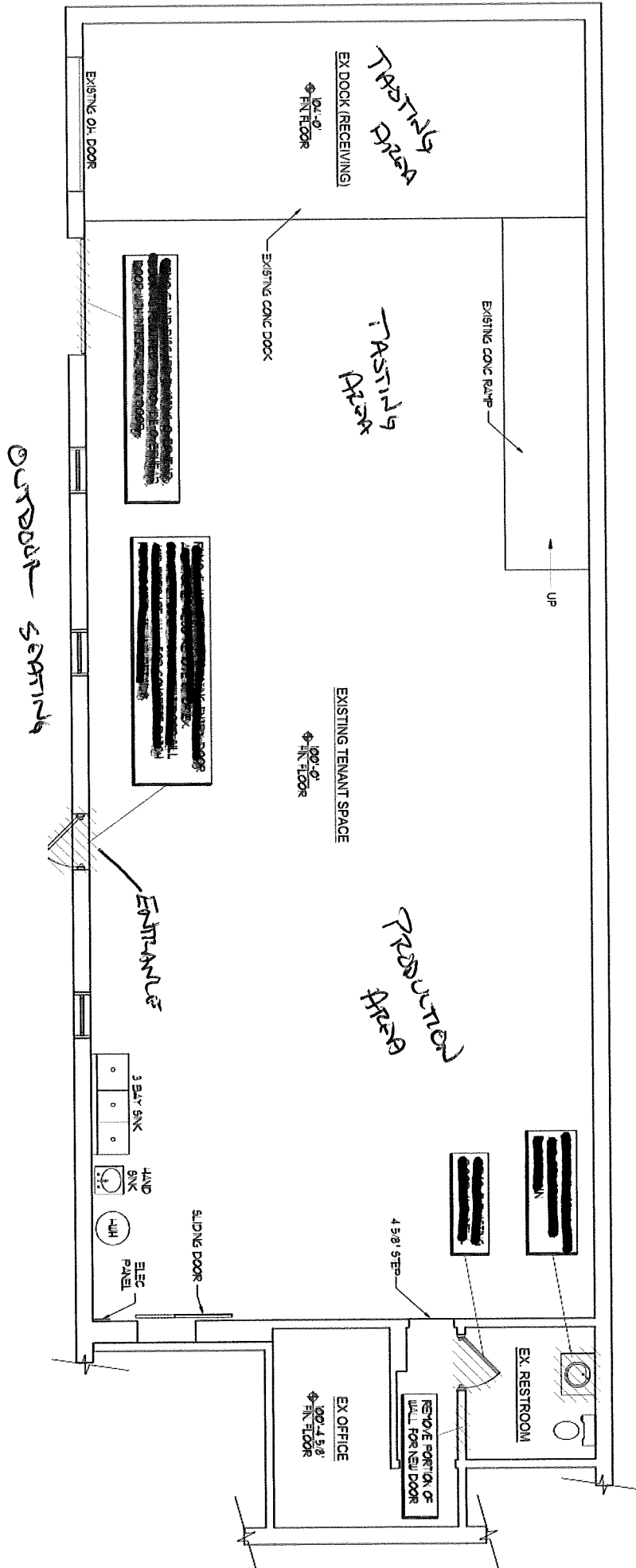


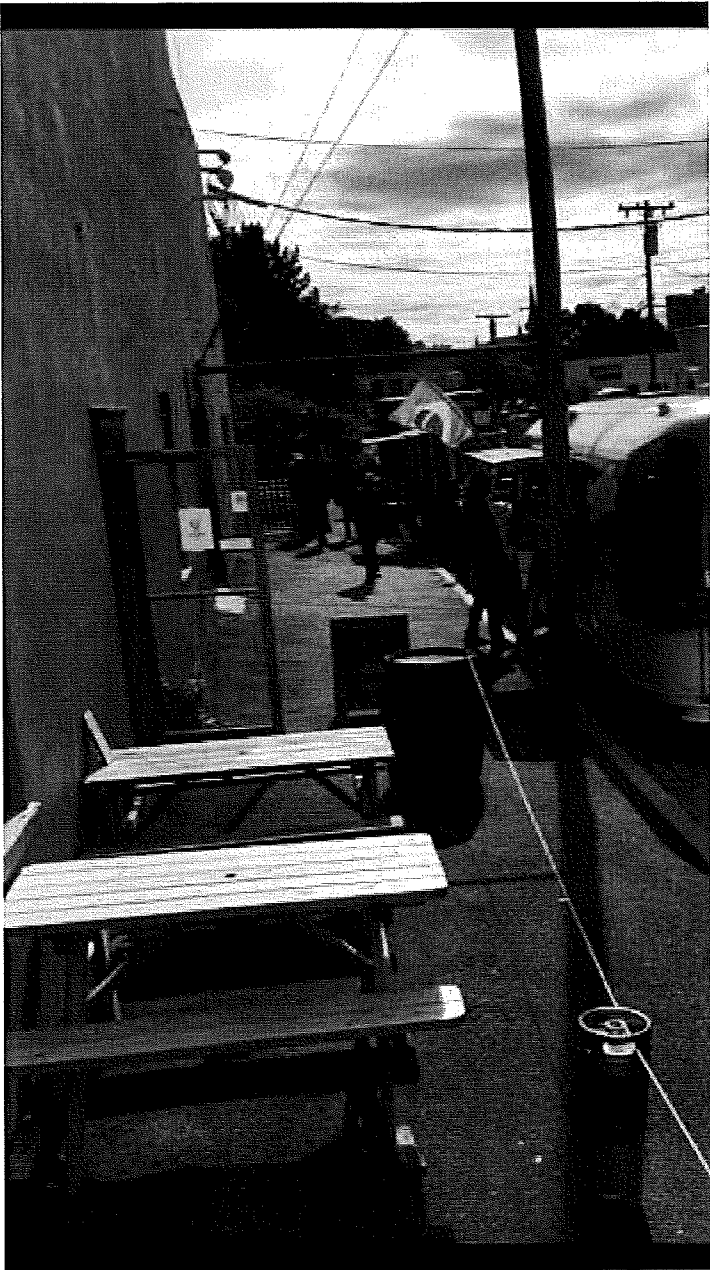
Print Name of Owner or Corporate Officer

Submit Completed Forms to:

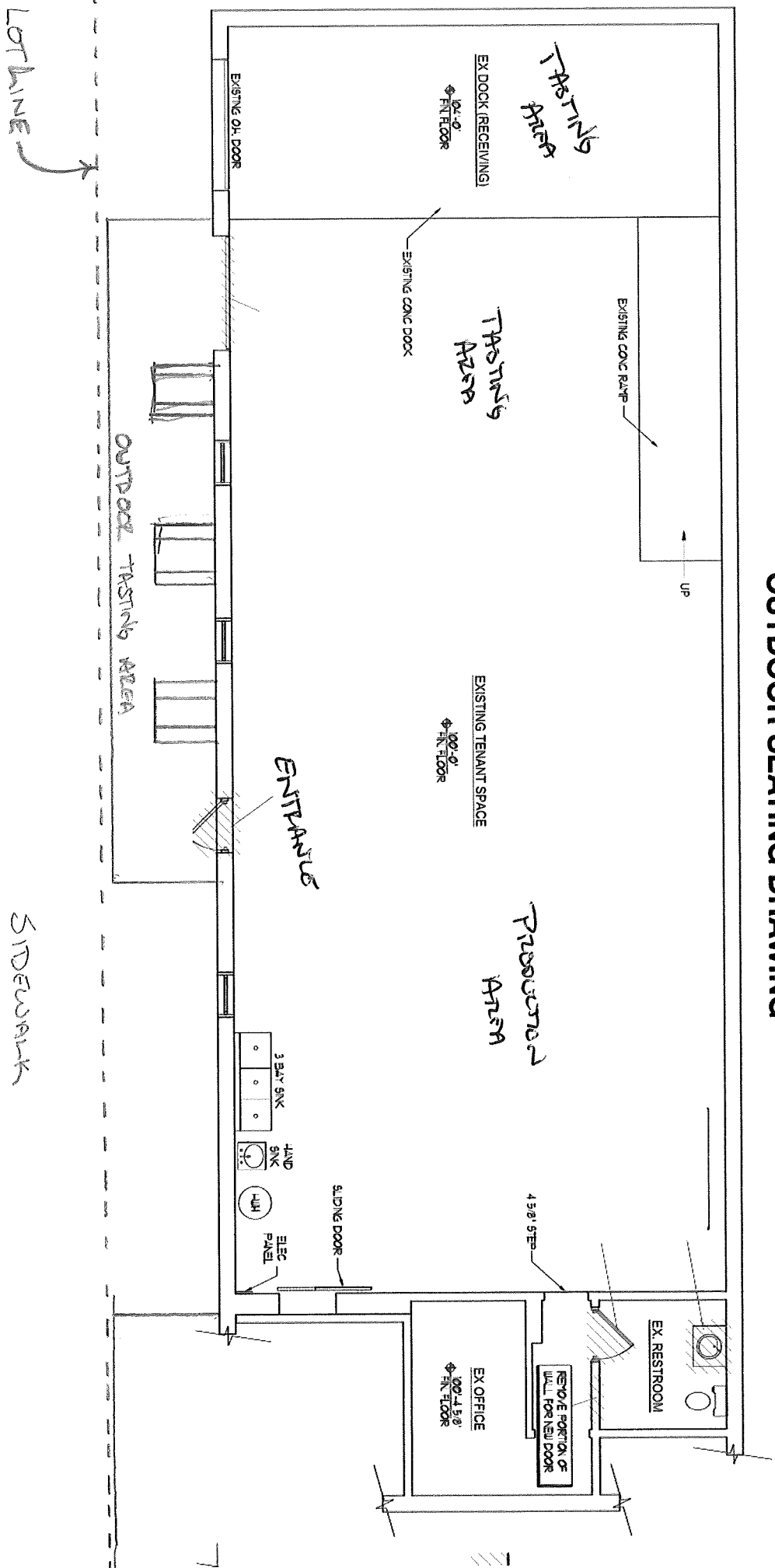
Bureau of Alcoholic Beverages
Division of Liquor Licensing and Enforcement
8 State House Station, Augusta, Me 04333-0008 (Regular address)
10 Water Street, Hallowell, ME 04347 (Overnight address)
Telephone Inquiries: (207) 624-7220 Fax: (207) 287-3434
Email Inquiries: MaineLiquor@Maine.gov

1/2"=1' SCALE 3/4"=1' SCALE 1"=1'





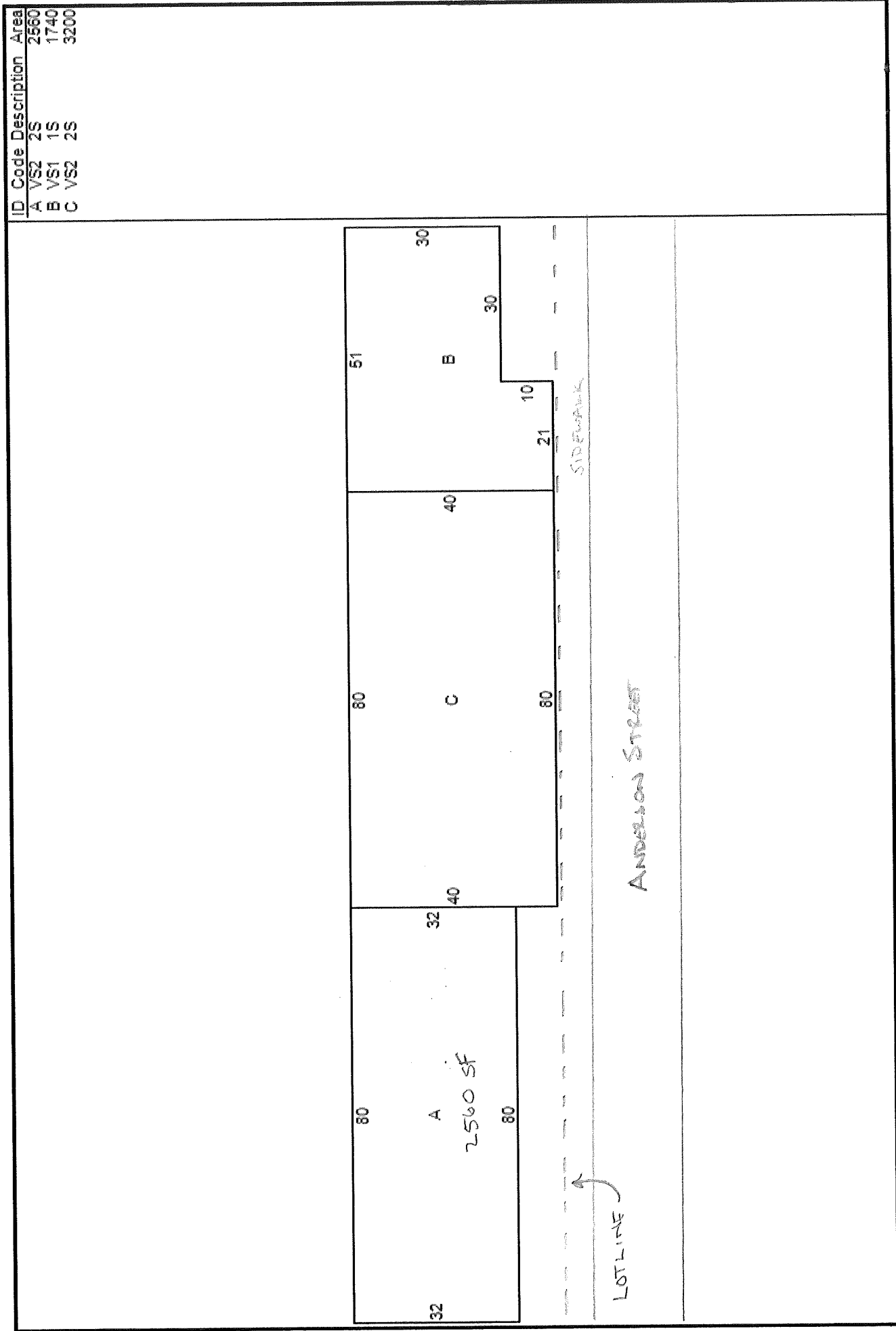
OUTDOOR SEATING DRAWING

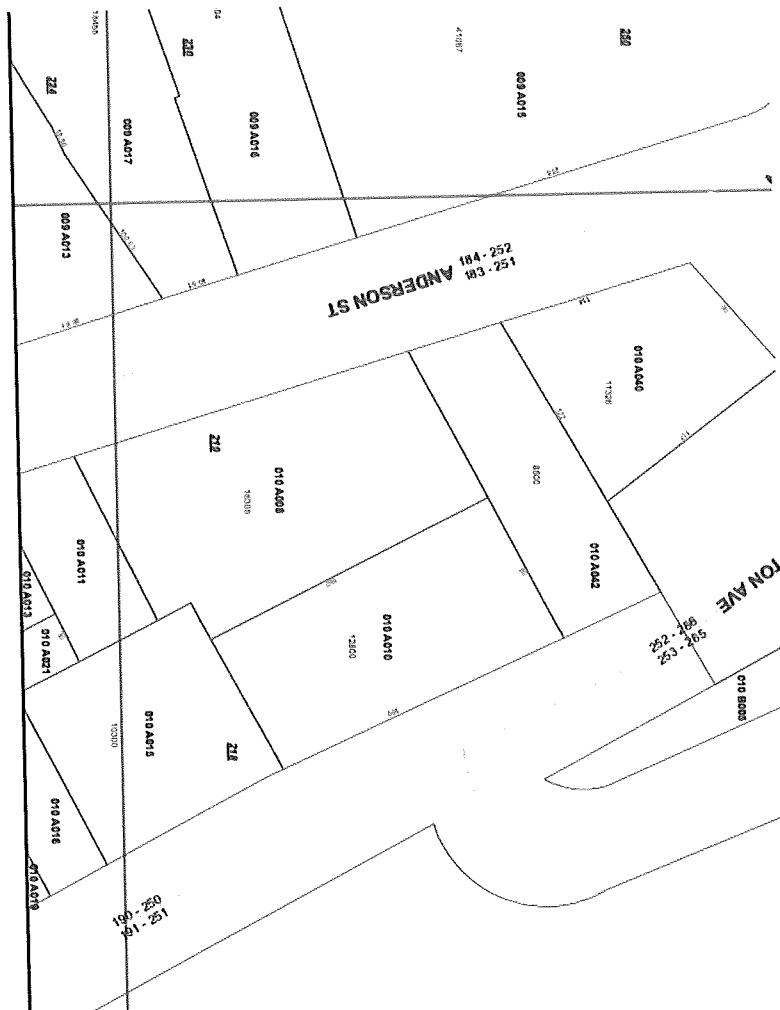


ANDERSON STREET

SIDEWALK

LOT LINE







Menu

Rotating Selection of Locally Sourced Cheese Plate	\$8-12
Rotating Selection of Locally Sourced Cured Meat Plate	\$10-12
Rotating Selection of Fruit and Nuts	\$6-8
Mixed Plate (Cheese, Meat, Fruit and Nuts)	\$8-12

219 Anderson Street, Suite 2
Portland, Maine 04101
207-956-7051

Re: Blue Lobster Urban Winery

Kevin Cashman <kevindc@portlandmaine.gov>

Tue, Oct 30, 2018 at 5:23 PM

to: Jessica Hanscombe <jhanscombe@portlandmaine.gov>

cc: Danielle Buck <dbuck@portlandmaine.gov>, David Nichols <nicholsd@portlandmaine.gov>, David Petrucci
petruccellid@portlandmaine.gov>, James Sweatt <jjs@portlandmaine.gov>, John Brennan <brennanj@portlandmaine.gov>, Keri
Luellette <kouellette@portlandmaine.gov>, Laurie Carlson <lac@portlandmaine.gov>, Treasury Division <treasury@portlandmaine.gov>,
Bernon Malloch <vwm@portlandmaine.gov>

PD has no objections

Kevin C.

On Tue, Oct 30, 2018 at 12:09 Jessica Hanscombe <jhanscombe@portlandmaine.gov> wrote:

Good Afternoon

Please see the attached application for Blue Lobster Winery, They are moving into the spot next to them which is currently 1820 wines. This is for Entertainment and Outdoor dining also. Please advise. Thanks Jessica

Jessica Blais Hanscombe
Licensing and Registration Coordinator
389 Congress Street Room 307
Portland, Maine 04101
207-874-8783
jhanscombe@portlandmaine.gov

--

Sent from Gmail Mobile



MAINE STATE BUREAU OF IDENTIFICATION
45 Commerce Drive, Suite 1 / STATE HOUSE STATION # 42
AUGUSTA, ME 04333
(207) 624-7240 (VOICE)

JESSICA HANSCOMBE
389 CONGRESS ST.
PORTLAND, ME 04101

Transaction Response #: MIQ99D78333

Criminal History Record

Introduction

This criminal history record was produced in response to the following request (Produced on 2018-10-30) :

Inquiries Name(s) KAREN RASMUSSEN (1961-03-12)

NO MATCH WAS FOUND FOR YOUR REQUEST.



MAINE STATE BUREAU OF IDENTIFICATION
45 Commerce Drive, Suite 1 / STATE HOUSE STATION # 42
AUGUSTA, ME 04333
(207) 624-7240 (VOICE)

JESSICA HANSCOMBE
189 CONGRESS ST.
PORTLAND, ME 04101

Transaction Response #: MIQ99D78334!

Criminal History Record

Introduction

This criminal history record was produced in response to the following request (Produced on 2018-10-30) :

Inquiries Name(s) CHRIS GAMBLE (1967-03-05)

NO MATCH WAS FOUND FOR YOUR REQUEST.

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director

October 30, 2018

Blue Lobster Urban Winery LLC
219 Anderson Street Suite 1
Portland ME 04101

Re: Blue Lobster Urban Winery LLC dba Blue Lobster Urban Winery. Application for a Winery with Entertainment without Dancing and Outdoor Dining on Private Property at 219 Anderson Street.

Dear Chris Gamble,

This letter shall serve as a reminder of the public hearing before the Portland City Council on **Monday November 19, 2018 at 5:30 p.m.**, for the review of application for a Winery with Entertainment without Dancing and Outdoor Dining on Private Property at 219 Anderson Street. The meeting will take place in Council Chambers on the 2nd floor of City Hall, 389 Congress Street, Portland, ME 04101.

You or a representative of the business must be present at this meeting in the event that the city council has questions regarding the license application. If there is no representation and questions arise, the item may be postponed.

Please contact our office directly with questions at (207) 874-8557 or jhanscombe@portlandmaine.gov.

Sincerely,

Jessica Hanscombe
Licensing and Registration Coordinator

Legal Advertisement

Notice of Public Hearing City of Portland

A Public Hearing will be held on November 19, 2018 at 5:30 P.M., in City Council Chambers, 389 Congress St., Blue Lobster Urban Winery LLC dba Blue Lobster Urban Winery. Application for a Winery with Entertainment without Dancing and Outdoor Dining on Private Property at 219 Anderson Street. Sponsored by Michael Russell, Director of Permitting and Inspections.

MEMORANDUM
City Council Agenda Item

FROM: Jessica Hanscombe

DATE: October 30, 2018

SUBJECT: **Order 103-18/19 Granting Municipal Officers' Approval of Pig Exchange, LLC dba Thirsty Pig. Renewal application for an Entertainment without Dance at 37 Exchange Street with the Condition of No Amplified Entertainment Outdoors - Sponsored by Michael Russell, Director of Permitting and Inspections.**

SPONSOR:

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/19/2018

Final Action 11/19/2018

Can action be taken at a later date: No (If no why not?)

PRESENTATION:

I. ONE SENTENCE SUMMARY

II. AGENDA DESCRIPTION

Applicant holds a current Class A Lounge License with Entertainment without Dance and Outdoor Dining on Private Property with the condition of no amplified entertainment outdoors. The City Council requested that this business come back before them for renewal.

Five affirmative votes are required for passage after public comment.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. The Thirsty Pig City Council Order
2. The Thirsty Pig

Prepared by: Jessica Hanscombe

Date: 10/30/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY M. COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER
GRANTING MUNICIPAL OFFICERS'
APPROVAL OF:

Pig Exchange, LLC dba Thirsty Pig. Renewal application for an Entertainment without Dance at 37 Exchange Street with the condition of no amplified entertainment outdoors.



City of Portland

Permitting and Inspections Department

Business Name: THIRSTY PIG

Business Location: 37 EXCHANGE ST
Portland, ME 04101

Owner:

License Number: 4670

Issued Date: 12/19/2017

Expiration Date: 12/13/2018

Classification: Class A Lounge

Description: ONLY UNAMPLIFIED ENTERTAINMENT ON
DECK/
OUTDOOR DINING ON PRIVATE PROPERTY.

Entertainment Type: Entertainment without Dance

After Hours Entertainment: No

Outdoor Dining: Private

Bottle Club: No

Michael A. Russell, Director

THIS LICENSE IS NOT TRANSFERRABLE
PLEASE POST IN A CONSPICUOUS PLACE

BILLING CONTACT

PIG EXCHANGE, LLC
37 Exchange St
Portland, Me 04101

Date: 9/21/2018

Noise Complaints

Call Nbr	DateTime	Address	Name	Type of Call
182440537	9/1/2018 10:42PM	133 FREE ST	MATTHEWS	LOUD MUSIC
181600023	6/9/2018 12:32AM			LOUD MUSIC
Total Calls 2				
181310604	5/11/2018 10:59PM	37 EXCHANGE ST	THE THIRSTY PIG	LOUD MUSIC
172870388	10/14/2017 06:14PM			LOUD MUSIC
172870289	10/14/2017 02:38PM			LOUD MUSIC
172710599	9/28/2017 08:47PM			LOUD MUSIC
172660337	9/23/2017 04:43PM			LOUD MUSIC
172450477	9/2/2017 06:57PM			LOUD MUSIC
Total Calls 6				
181480523	5/28/2018 11:33PM	625 CONGRESS ST	GENOS PUB	LOUD MUSIC
181480501	5/28/2018 10:26PM			LOUD MUSIC
180820563	3/23/2018 10:30PM			LOUD MUSIC
180820540	3/23/2018 09:22PM			LOUD MUSIC
180750536	3/16/2018 08:43PM			LOUD MUSIC
173080012	11/4/2017 12:39AM			LOUD MUSIC
173070686	11/3/2017 11:47PM			LOUD MUSIC
173070676	11/3/2017 11:24PM			LOUD MUSIC
173020028	10/29/2017 01:21AM			LOUD MUSIC
Total Calls 9				
Total Amount of Noise Related Calls 17				



Permitting and Inspections Department
Michael A. Russell, MS, Director

October 10, 2018

Thirsty Pig
37 Exchange Street
Portland ME 04101

Re: Thirsty Pig Entertainment Permit

To whom it may concern,

We are requesting to send your Entertainment Permit back to City Council for the renewal approval on November 19, 2018. Please complete the enclosed form and submit to me by October 29, 2018. Please also submit a diagram where all the entertainment will take place.

You will submit payment with your regular renewal please. You can email the application and diagram back to me if that is easier.

Please advise if you any questions.

Thank you,

Jessica B. Hanscombe
Licensing and Registration Coordinator
Room 307
389 Congress Street
Portland ME 04101
207-874-8783
jhanscombe@portlandmaine.gov

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director

October 30, 2018

Pig Exchange LLC
37 Exchange Street
Portland ME 04101

Re: Pig Exchange, LLC dba Thirsty Pig. Renewal application for an Entertainment without Dance at 37 Exchange Street with the condition of no amplified entertainment outdoors.

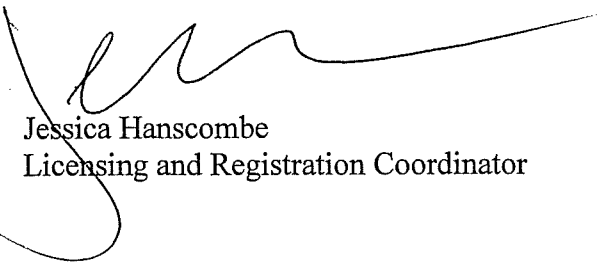
Dear Allison Stevens

This letter shall serve as a reminder of the public hearing before the Portland City Council on **Monday November 19, 2018 at 5:30 p.m.**, for the review of a Renewal application for an Entertainment without Dance at 37 Exchange Street with the condition of no amplified entertainment outdoors. The meeting will take place in Council Chambers on the 2nd floor of City Hall, 389 Congress Street, Portland, ME 04101.

You or a representative of the business must be present at this meeting in the event that the city council has questions regarding the license application. If there is no representation and questions arise, the item may be postponed.

Please contact our office directly with questions at (207) 874-8557 or jhanscombe@portlandmaine.gov.

Sincerely,



Jessica Hanscombe
Licensing and Registration Coordinator

Legal Advertisement

Notice of Public Hearing City of Portland

A Public Hearing will be held on November 19, 2018 at 5:30 P.M., in City Council Chambers, 389 Congress St., Pig Exchange, LLC dba Thirsty Pig. Renewal application for an Entertainment without Dance at 37 Exchange Street with the condition of no amplified entertainment outdoors. Sponsored by Michael Russell, Director of Permitting and Inspections.

MEMORANDUM
City Council Agenda Item

FROM: Jessica Hanscombe

DATE: October 30, 2018

SUBJECT: **Order 104-18/19 Granting Municipal Officers' Approval of Bunker Brewing LLC dba Bunker Brewing. Application for an Entertainment without Dancing at 17 Westfield Street with the Condition of Limiting the Events to 20 Per Year, Closing the Garage Door Closest to Neighbors and Ending All Events by 9:00pm. - Sponsored by Michael Russell, Director of Permitting & Inspections Department.**

SPONSOR: Michael Russell, Director of Permitting & Inspections Department
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/19/2018

Final Action 11/19/2018

Can action be taken at a later date: No (If no why not?)

PRESENTATION:

I. ONE SENTENCE SUMMARY

II. AGENDA DESCRIPTION

Application was filed on 10/11/2018. New City Application. This is currently a licensed Brewery.

Five affirmative votes are required for passage after public comment.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Bunker Brewing City Council Order
2. Bunker Brewing

Prepared by: Jessica Hanscombe

Date: 10/30/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY M. COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER
GRANTING MUNICIPAL OFFICERS'
APPROVAL OF:

Bunker Brewing LLC dba Bunker Brewing. Application for an Entertainment without Dancing at 17 Westfield Street with the condition of limiting the events to 20 per year, closing the garage door closest to neighbors and end all events by 9:00pm.

Daniel Marchese
General Manager
Bunker Brewing Company
17 Westfield Street, Unit D
Portland, ME, 04102

10/10/18

Mayor Strimling & Portland City Council
City of Portland
389 Congress Street
Portland, ME 04101

Dear Mayor Strimling & City Council Members,

We hereby submit our letter of intent to apply for a license to include Entertainment without Dancing for Bunker Brewing Company's tasting room located in the heart of Libbytown.

As members of the Libbytown community, we aim to provide a place for friends, family & neighbors to relax and congregate. As a small, local business we are always aiming to enhance the noteworthy food & beverage scene Portland is so lauded for in addition to supporting our staff, families and the community.

With this Entertainment License we will primarily be scheduling live acts for the early to mid-afternoon to both increase our patronage, and provide a setting for live music in our neighborhood. We will strictly adhere to all laws, orders, ordinances, rules & regulations, and as with all recent events, keep the door closest to our neighbors closed during all live music and end our events by 9pm. We want to be a productive and respectful member of our community, and are happy to have made a home in Libbytown. We hope to continue to be good neighbors, and represent our corner of the city with pride.

Sincerely,

Daniel Marchese

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department

Michael A. Russell, MS, Director

389 Congress St. Room 307 • Portland, ME 04101 • (207) 874-8557

www.portlandmaine.gov

Supplemental Application for Dancing and Entertainment License

License accompanies a City of Portland Food Service Establishment or Food Service Establishment with Alcohol license.

☒ Entertainment without Dancing: \$295 ☐ Entertainment with Dancing: \$529 ☐ After-Hours (1 a.m. to 3 a.m.): \$595

Business Information	
Business Name (d/b/a):	Bunker Brewing Company
Phone:	(207) 613-9471
Location Address:	17 Westfield Street, Unit D, Portland, ME Zip: 04102

About Your Establishment

Describe in detail the type and nature of the business and proposed entertainment: We are a small, local brewery with a tasting room in the Libbytown neighborhood of Portland. We intend to have small afternoon + early evening music in the form of bands + occasional DJ's.	
Will music be electric, acoustical, or both? (Circle)	
Will amplification be used?	Y/N
If yes, where and at what level? Indoors at low to moderate levels	
Will music be played (Circle all that apply): Inside Outside	
Will you permit dancing on the premises?	Y/N
Will you permit dancing after 1:00 a.m.?	Y/N
What is your targeted opening date? We are currently open	
Does the Issuance of this license directly or indirectly benefit any City employee(s)?	Y/N
If Yes, list name(s) of employee(s) and department(s):	

Applicant, by signature below, agrees to abide by all laws, orders, ordinances, rules and regulations governing the above license and further agrees that any misstatement of material fact may result in refusal of license or revocation, if one has been granted. Applicant agrees that all taxes and accounts pertaining to the premises will be paid prior to issuance of the license.

It is understood that this and any application(s) shall become public record and the applicant(s) hereby waive(s) any rights to privacy with respect thereto.

I/ We hereby authorize the release of any criminal history record information to the City Clerk's Office or licensing authority. I/ We hereby waive any rights to privacy with respect thereto.

Signature [Signature] Title General Manager Date 10/10/18

For more information, refer to the City Code of Ordinance: Chapter 4 Amusements, at www.portlandmaine.gov



Permitting and Inspections Department
Michael A. Russell, MS, Director

TO: Mayor Ethan K. Strimling
Members of the Portland City Council

FROM: Jessica Hanscombe, Licensing and Registration Coordinator

SUBJECT: Bunker Brewing Company

DATE: October 26, 2018

This application is being brought back before the City Council for a yearlong Entertainment License. Bunker Brewing Company was originally issued a yearlong Entertainment License in June 2016. Please see the timeline below for details. There were complaints about this business related to noise that were not related to the pending entertainment license. All of the complaints came from one caller. None of the sound readings exceeded the 92 dba level allowed for entertainment. The complaints are included in the packet.

- 06/06/2016** City Council approved a Brewery with Entertainment without Dance and Outdoor Dining.
- 10/31/2016** The Brewery with Entertainment without Dance and Outdoor Dining license was issued by the City.
- 10/6/2017** The Bunker Brewing Company withdrew their yearlong Entertainment license and began applying for Single Concert Licenses. This was to help the City ensure the number of events did not exceed the 20 per year allowed.
- 10/11/2018** Bunker filed an application to add a yearlong Entertainment without Dance License.

Staff is recommending approval of this application with the following conditions:

1. Limiting the events to 20 per year and notifying the Licensing and Registration Office at least 7 days prior to events.
2. Closing the garage door that is nearest to the neighbors during music events to contain noise. There are ambient air temperature and circulation concerns when both garage doors are closed in the summer.
3. End all events by 9pm.

CC: Michael Russell, Director of Permitting and Inspections
Anne Torregrossa, Associate Corporation Counsel

Re: Bunker

Kevin Cashman <kevindc@portlandmaine.gov>

Sat, Oct 20, 2018 at 5:42 PM

to: Jessica Hanscombe <jhanscombe@portlandmaine.gov>

cc: Danielle Buck <dbuck@portlandmaine.gov>, David Petruccelli <petruccellid@portlandmaine.gov>, James Sweatt

jjs@portlandmaine.gov>, John Brennan <brennanj@portlandmaine.gov>, Treasury Division <treasury@portlandmaine.gov>, Vernon

Malloch <vwm@portlandmaine.gov>, zoning@portlandmaine.gov

A review of Police 'calls for service' for Bunker Brewing show a total of five since October, 2017. All are related to sound and/or noise. Two were from October, 2017. The last three were from 2018 and were from the same caller located on Frederic St. In regards to the noise complaints, none of the readings that were taken exceeded 79, well below the allowed 92 db for an entertainment license. One of these 2018 calls, one was for loud people, one was for loud music, and one was for a loud bounce house. There have been no liquor law violations, assaults, fights, or other non-sound disturbances. It also appears the the license being sought would allow only indoor music at what the licensee describes as a moderate level.

Based on the above mentioned facts and circumstances, along with no public safety concerns, the PPD has no objections at this time.

Lt. K. Cashman

On Thu, Oct 11, 2018 at 11:38 AM Jessica Hanscombe <jhanscombe@portlandmaine.gov> wrote:

Good Morning

Bunker Brewing is applying for a year long Entertainment without Dance license. Please advise. Thanks Jessica
Jessica Blais Hanscombe

Licensing and Registration Coordinator

389 Congress Street Room 307

Portland, Maine 04101

207-874-8783

jhanscombe@portlandmaine.gov

--

Lt. Kevin Cashman

Portland Police Department

Patrol Division

109 Middle St

Portland, Maine 04101

(O) 207-756-8294

kevindc@portlandmaine.gov.

Hours - Saturday thru Tuesday (4pm-2am)

10/13/18
16:49:36

SUPERION, LLC CAD
CAD CALL INFORMATION

PAGE 1
172790546

Call Number: 172790546 Call Type.: 307 LOUD MUSIC Police
Entry Day/Tm: 10/06/17 21:04:51 307 LOUD MUSIC Police

CmnN: BUNKER BREWING Agency.....: 001 PORTLAND POLICE D
Location...: 17 WESTFIELD ST Apt:
City.....: PORTLAND Block#: 1 Loc ID: C Mapr: 8A
Intersectn.: CONGRESS DEAD END

Caller Name: M:
Address...: ST Apt:
City/State: PORTLAND ME Phone Source: ADM

Call Taker.: 15475 HASTINGS PATRICK POST8A
Dispatcher.: 69 HILDRETH ALLYSON POST4A

N A R R A T I V E

LOUD MUSIC PLAYING, POSS A LIVE BAND, HAS BEEN GOING 21:04:59
ON FOR HOURS AND CONTINUES TO GET LOUD. 17 ALSO BELIEVES 21:05:16
THEY MAY NOT BE PERMITTED TO HAVE A BAND.. 21:05:16

*NONE Unit Status History Information

10/06/17 21:04:51 18 ROUTE CALL TIME RT |

507 Unit Status History Information

10/06/17 22:16:51	4 DISPATCHED	D	4720 ABU,ZAH
10/06/17 22:16:51	11 ASSIGNED AS PRIMARY	PR	
10/06/17 22:21:43	6 ON SCENE	AS	
10/06/17 22:24:57	20 AVAILABLE	AV	

605 Unit Status History Information

10/06/17 22:16:51	4 DISPATCHED	D	4273 ROSS,BRE
10/06/17 22:23:37	6 ON SCENE	AS	
10/06/17 22:24:57	20 AVAILABLE	AV	

D I S P O S I T I O N S

1 009 PROVIDED SERVICE

Case# 1 - 00-000000 Unit: 507

* NOTE: CALLER INFORMATION
IS REDACTED.

10/13/18
16:49:36

SUPERION, LLC CAD
CAD CALL INFORMATION

PAGE 1
173010483

Call Number: 173010483 Call Type.: 307 LOUD MUSIC Police
Entry Day/Tm: 10/28/17 21:19:11 307 LOUD MUSIC Police

CmnN: BUNKER BREWING Agency.....: 001 PORTLAND POLICE D
Location....: 17 WESTFIELD ST Apt:
City.....: PORTLAND Block#: 1 Loc ID: C Mapr: 8A
Intersectn.: CONGRESS DEAD END

Caller Name: F: M:
Address....: ST Apt:
City/State: PORTLAND ME Pho: Source: ADMN

Call Taker.: 6866 REINHART CRYSTAL POST5A
Dispatcher.: 8645 COSENZA JONATHAN POST6A

N A R R A T I V E

17 STATES GOING ALL NIGHT 21:19:11
17 STATES THEY CLOSE AT 9 AND MUSIC STOPPED FOR A FEW MIN 21:20:24
RIGHT BACK TO BLASTING MUSIC 21:20:24

17 CALLED BACK AND STATED THAT SHE IS GOING TO TAKE OF IT 22:07:42
HERSELF IF WE DONT GET OVER THERE 22:07:42
SHE SAYS ITS GOTTEN LOUDER SINCE SHE CALLED 22:08:21

Checked the entertainment license for the brewery. Valid 22:51:03
until 10/31/17. Decible reading from outside of the venue 22:51:03
wass high of 78. Asked to turn the base down and the music 22:51:03
as well. I observed the DJ/Entertainer with a beer on the 22:51:03
DJ stand and informed the manager, William Jones, who 22:51:03
reluctantly agreed to turn the music down due to the 22:51:03
complaint. Jones was passively cooperative but eventually 22:51:03
came around. Said he was not sure when the party will be 22:51:03
done, could be soon, could be later. Will continue to give 22:51:03
SA. 22:51:03

*NONE Unit Status History Information

10/28/17 21:19:11 18 ROUTE CALL TIME RT |

507 Unit Status History Information

10/28/17 22:15:13 4 DISPATCHED D | 4720 ABU, ZAH
10/28/17 22:19:50 63 IN AREA CHECKING FUR IA
10/28/17 22:22:08 6 ON SCENE AS
10/28/17 22:35:29 6 ON SCENE AS
10/28/17 22:48:55 26 AT HEADQUARTERS HQ
10/28/17 22:51:35 20 AVAILABLE AV

510 Unit Status History Information

10/13/18
16:49:36

SUPERION, LLC CAD
CAD CALL INFORMATION

PAGE 2
173010483

10/28/17 22:14:20 4 DISPATCHED
10/28/17 22:14:20 11 ASSIGNED AS PRIMARY
10/28/17 22:51:03 20 AVAILABLE

D
PR
AV
M
M
M
M
M
M
M

2557 GERVAIS, CHR

ADDITIONAL CALL ADDRESSES

1 42 ATLANTIC ST Apt: 1
City: PORTLAND ST: ZIP: Block#: 1
Common Name: AMERICAN LEGION

DISPOSITIONS

1 009 PROVIDED SERVICE Case# 1 - 00-000000 Unit: 510
2 009 PROVIDED SERVICE Case# 1 - 00-000000 Unit: 510

10/13/18
16:50:00

SUPERION, LLC CAD
CAD CALL INFORMATION

PAGE 1
181720569

Call Number: 181720569 Call Type.: 301 GENERAL DISTURBANCE Police
Entry Day/Tm: 6/21/18 21:19:51 301 GENERAL DISTURBANCE Police

CmnN: BUNKER BREWING Agency.....: 001 PORTLAND POLICE D
Location...: 17 WESTFIELD ST Apt:
City.....: PORTLAND Block#: 1 Loc ID: C Mapr: 8A
Intersectn.: CONGRESS DEAD END

Caller Name: M:
Address...: AREA RESIDENT Apt:
City/State: PORTLAND ME Phone# Source: ADMN

Call Taker.: 5735 TREMBLAY NICOLE POST2A
Dispatcher.: 5134 NOWICKI STEPHANIE POST4A

N A R R A T I V E

30-40 PEOPLE IN PARKING LOT BEING LOUD, PARTYING 21:19:51
17 SAYS THEYRE IN THE BACK OF THE WAREHOUSE BLDG 21:21:05
312: THEY WILL CLOSE THE DOORS TO REDUCE THE NOISE 21:33:16

*NONE Unit Status History Information

6/21/18 21:19:51 18 ROUTE CALL TIME RT |

310 Unit Status History Information

6/21/18 21:22:08 4 DISPATCHED D 5649 MURPHY, KEV
6/21/18 21:33:18 20 AVAILABLE AV

310A Unit Status History Information

6/21/18 21:22:06 4 DISPATCHED D 4423 JOYCE, ALE
6/21/18 21:33:17 20 AVAILABLE AV

312 Unit Status History Information

6/21/18 21:22:06 4 DISPATCHED D 1410 WHITEMAN, JON
6/21/18 21:22:06 11 ASSIGNED AS PRIMARY PR
6/21/18 21:29:38 6 ON SCENE AS
6/21/18 21:33:17 20 AVAILABLE AV

D I S P O S I T I O N S

~~~~~  
10/13/18 SUPERION, LLC CAD PAGE 2  
16:50:00 CAD CALL INFORMATION 181720569  
~~~~~

1 009 PROVIDED SERVICE

Case# 1 - 00-000000 Unit: 312

10/13/18
16:50:00

SUPERION, LLC CAD
CAD CALL INFORMATION

PAGE 1
182520339

Call Number: 182520339 Call Type.: 306 LOUD PARTY Police
Entry Day/Tm: 9/09/18 16:25:58 306 LOUD PARTY Police

CmnN: BUNKER BREWING Agency: 001 PORTLAND POLICE D
Location: 17 WESTFIELD ST Apt:
City: PORTLAND Block#: 1 Loc ID: Mapr: 8A
Intersectn.: CONGRESS DEAD END

Caller Name: M:
Address: ST Apt:
City/State: PORTLAND ME Phone Source: ADMP

Call Taker.: 777 GOOGINS PETER POST10A
Dispatcher.: 5810 MAZER LANCE POST6A

N A R R A T I V E

17 SAYING THAT THE BREWERY IS HAVING AN EVENT WHERE THEY 16:25:58
ARE HAVING UN-PERMITTED LOUD MUSIC, 17 WOULD LIKE TO 16:26:26
SPEAK TO AN OFFICER ABOUT THE NOISE LEVEL. 16:26:26

I took a reading of the music level (73.5) and met with 17:14:56
the 17's wife. She stated that she would call if it 17:14:56
continues to be an issue. 17:14:56
17:14:56

*NONE Unit Status History Information
9/09/18 16:25:58 18 ROUTE CALL TIME RT

407 Unit Status History Information
9/09/18 16:43:57 4 DISPATCHED D 2914 LACKEE, JON
9/09/18 17:03:51 6 ON SCENE AS
9/09/18 17:22:51 20 AVAILABLE AV

407A Unit Status History Information
9/09/18 16:43:57 4 DISPATCHED D 2831 OLIVER, JAM
9/09/18 16:43:57 11 ASSIGNED AS PRIMARY PR
9/09/18 17:03:51 6 ON SCENE AS
9/09/18 17:14:56 20 AVAILABLE AV M
M
M
M
M
M

D I S P O S I T I O N S

10/13/18
16:50:00

~~~~~  
SUPERION, LLC CAD  
CAD CALL INFORMATION  
~~~~~

PAGE 2
182520339

1 009 PROVIDED SERVICE

Case# 1 - 00-000000 Unit: 407A

10/13/18
16:50:00

SUPERION, LLC CAD
CAD CALL INFORMATION

PAGE 1
182590303

Call Number: 182590303 Call Type.: 303 PERSONS BOTHERING Police
Entry Day/Tm: 9/16/18 13:35:58 303 PERSONS BOTHERING Police

CmnN: BUNKER BREWING Agency.....: 001 PORTLAND POLICE D
Location...: 17 WESTFIELD ST Apt:
City.....: PORTLAND Block#: 1 Loc ID: Mapr: 8A
Intersectn.: CONGRESS DEAD END

Caller Name: M:
Address...: ST Apt:
City/State: PORTLAND ME Phone.. Source: ADM

Call Taker.: 4404 CARBONE KERRI POST5A
Dispatcher.: 87459 NAPIJALO SANELA POST6A

N A R R A T I V E

BOUNCY HOUSE OVER THE NOISE LIMIT 13:36:12

****I used the sound meter to measure the volume using the 14:15:12
instructions inside. Over the course of 1 minute, the 14:15:12
loudest was 79 when a bouncing child shouted. The lowest 14:15:12
was 71, and for most of the minute held steady between 72 14:15:12
and 75 14:15:12

*NONE Unit Status History Information

9/16/18 13:35:58 18 ROUTE CALL TIME RT |

212 Unit Status History Information

9/16/18 13:41:15	4 DISPATCHED	D	1516 TURNER, JER
9/16/18 13:41:15	11 ASSIGNED AS PRIMARY	PR	
9/16/18 13:41:35	25 ENROUTE TO HEADQUART	EQ	
9/16/18 13:54:55	27 ENROUTE TO SCENE	ES	
9/16/18 14:25:24	6 ON SCENE	AS	
9/16/18 14:28:59	20 AVAILABLE	AV	

D I S P O S I T I O N S

1 031 INFORMATION ONLY

Case# 1 - 00-000000 Unit: 212



Permitting and Inspections Department
Michael A. Russell, MS, Director

Memorandum for City Council

From: Christina Stacey, Zoning Specialist, Permitting & Inspections Department

To: City Council

Date: October 23, 2018

RE: **Bunker Brewing, 17 Westfield St, CBL 076 A031**

Permit #2016-00021, was issued by the Permitting & Inspections Department on January 27, 2016, and it authorized Bunker Brewing to establish a brewery with an accessory tasting room in an existing industrial building.

The property is located in the I-L Industrial Zone which permits "low impact industrial uses," such as breweries. It does not permit drinking establishments, except as an accessory and subordinate use to the principal use. Bunker's tasting room was permitted as an accessory use to the principal brewery use.

On February 22, 2016, the City Planning Director issued a memo (attached) clarifying the type and scope of accessory uses allowed for business in industrial zones. The memo limits the number of allowed events in a tasting room to 20 per year.

The Licensing and Registration Office requested feedback from the Zoning Division on Bunker's pending alcohol and entertainment license application. The Zoning Division recommends that the license include a condition limiting to 20 per year.



Jeff Levine, AICP
Director, Planning & Urban Development Department

Memorandum

To: Interested Parties

From: Tuck O'Brien, City Planning Director

Date: February 22, 2016

Re: Definition and Scope of Uses Considered Accessory to Alcoholic Beverage Manufacturing Facilities

The purpose of this memo is to provide clarity and predictability to the business community and city staff as to the scope and type of uses considered accessory or ancillary to Alcoholic Beverage Manufacturing Facilities (ABMF) under the existing Land Use Code, Chapter 14 of the Code of Ordinances of the City of Portland.¹ This memo incorporates input from the business owners, other stakeholders with businesses and residences in proximity to ABMF, other city departments such as Business Licensing, Economic Development and Corporation Counsel, as well as state liquor and health licensing departments. This input was solicited based on a draft memo on the issue which was distributed on January 16, 2016.

This memorandum is intended to serve only as a clarification of language in the existing zoning code, and is not an amendment to any existing zone. Any future amendment proposed to the zoning code would need to be reviewed by the Planning Board and formally adopted by the City Council before it could take effect.

¹ Alcoholic Beverage Manufacturing Facilities include uses traditionally defined as breweries in the zoning code as well as wineries, meaderies, kombucha manufacturing distilleries and other related beverage manufacturing facilities i.e. businesses engaged in the distilling, brewing, fermenting or rectifying of liquor.

Although not the subject of this memo, it should be noted that the list of incidental accessory uses for coffee roasting facilities is essentially identical to the above (after substituting coffee roasting for ABMF and coffee as the primary product as opposed to alcoholic beverages).

This memo is primarily intended to provide clarity to businesses located in industrial zones (ILb, IL, IM, IH), where many of the uses discussed below are limited as primary uses. However, the scope of uses considered accessory to ABMF businesses applies to all such facilities in the City of Portland. Although uses such as retail and food service are allowed as permitted primary uses in most business zones in the city, they are only allowed as accessory to some permitted uses in our industrial zones. For this reason, the clarity of what is considered accessory or ancillary use to an ABMF is especially important to business located in those zones.

Allowed Accessory/Ancillary Uses

The following uses are considered incidental accessory or ancillary uses to ABMF in the City of Portland:²

1. Sale of beer, wine, spirits and related beverages produced by licensee in the State of Maine.
2. Sale of Alternative Beverages- defined as non-alcoholic beverages including soft drinks, juice, teas, coffee etc.
3. Sale of merchandise branded with company or related logos, other products either derived from core ABMF activities or otherwise related to core activities.
 - a. In only the ILb, Makers' markets, as defined by and subject to the requirements of Sec. 14-232 of the code, are permitted as a permitted use accessory to ABMFs.
4. Accessory Food Service, **limited** in scope to the service of food to a lesser degree than would constitute a "full course meal" as defined under state law.³ This definition allows the service of food in accessory manner but does not allow full meal service; examples of accessory food service include service of pre-packaged chips or peanuts, fresh pretzels, cookies or biscuits produced at an off-site

² Most of the certificates of occupancy issued to the ABMF businesses include the phrase, "...ancillary to a permitted use." Although the zoning code does not define ancillary use, the term is synonymous with "accessory use". Section 14-47 defines accessory uses as those which are, "customarily incidental and subordinate to the location function and operation of permitted uses."

³ Defined in 28-A M.R.S. Section 2(15)(R)(1): "A full course meal consists of a diversified selection of food that ordinarily cannot be consumed without the use of tableware and that cannot be conveniently consumed while standing or walking."

facility, “nosh” such as pickled eggs or popcorn and limited soups, tapas and charcuterie.⁴

5. Regular tours, seminars, product releases, lectures etc. related to manufacturing activities.
6. Properly licensed Temporary Events:⁵
 - a. In the ILb, Temporary Events related to a principal use are explicitly permitted for up 16 hours a week, subject to the explicit performance standards included in that zone and applicable city ordinances under Sec. 14-232 of the code.
 - b. In the IL, IM, IH zones, such Temporary Events shall be limited to no more than 20 events per calendar year.

⁴ All such uses, while accessory, must be properly licensed pursuant to applicable city code and state law.

⁵ Temporary events include concerts, other lectures, talks or presentations, fundraisers, exhibitions, community gatherings and other similar activities. The City Council has explicitly adopted a broader allowance of Temporary Events for the ILb related to the nature of the ILb and the inclusion of specific performance standards. Allowance of a similar amount of temporary events in the IL, IM or IH zones would require those zones be amended by the City Council.

Portland, Maine



Yes. Life's good here.

Permitting and Inspections Department
Michael A. Russell, MS, Director

October 16, 2018

Bunker Brewing Company LLC
17 Westfield Street Unit D
Portland ME 04102

Re: Bunker Brewing LLC dba Bunker Brewing. Application for an Entertainment without Dancing at 17 Westfield Street.

Dear Daniel Marchese,

This letter shall serve as a reminder of the public hearing before the Portland City Council on **Monday November 19, 2018 at 5:30 p.m.**, for the review of application for an Entertainment without Dancing at 17 Westfield Street. The meeting will take place in Council Chambers on the 2nd floor of City Hall, 389 Congress Street, Portland, ME 04101.

You or a representative of the business must be present at this meeting in the event that the city council has questions regarding the license application. If there is no representation and questions arise, the item may be postponed.

Please contact our office directly with questions at (207) 874-8557 or jhanscombe@portlandmaine.gov.

Sincerely,

Jessica Hanscombe
Licensing and Registration Coordinator

Legal Advertisement

Notice of Public Hearing City of Portland

A Public Hearing will be held on November 19, 2018 at 5:30 P.M., in City Council Chambers, 389 Congress St., Bunker Brewing LLC dba Bunker Brewing. Application for an Entertainment without Dancing at 17 Westfield Street with the condition of limiting the events to 20 per year, closing the garage door closest to neighbors and end all events by 9:00pm. Sponsored by Michael Russell, Director of Permitting and Inspections.

MEMORANDUM
City Council Agenda Item

FROM:

DATE: November 14, 2018

SUBJECT: Communication 7 Re: the Rules Committee - Sponsored by Mayor Ethan K. Strimling.

SPONSOR:

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading

Final Action

Can action be taken at a later date: No (If no why not?)

PRESENTATION: (List the presenter(s), type and length of presentation)

I. ONE SENTENCE SUMMARY

II. AGENDA DESCRIPTION

The City Council Rules Committee will meet to review the Council Rules of Procedure on November 20, 2018 at 9:30 a.m. in Room 24 of Portland City Hall and November 28, 2018 at 3:30 p.m. in Room 209 in Portland City Hall. The Rules Committee will again review the Council Rules of Procedure and determine if and how the Rules should be amended. Any amendment of those Rules will be included on the December 3, 2018 City Council Agenda.

As a communication, this item requires no public comment or formal Council action.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis and Background that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Mayor's communication re Rules Committee 11.19.2018

Prepared by: Nancy English, Corporation Counsel

Date: 11/14/2018



Office of the Mayor, Ethan K. Strimling

MEMORANDUM

To: Members of the Portland City Council and the Portland Board of Education
cc: Jon Jennings, City Manager; Danielle P. West-Chuhta, Corporation Council; Katherine L. Jones, City Clerk
From: Ethan K. Strimling, Mayor
Date: November 14, 2018
Re: Mayor's Communication about Rules Committee

This memo serves to communicate to the Council that the Rules Committee will meet to review the Council Rules of Procedure on November 20, 2018 at 9:30 a.m. in Room 24 of Portland City Hall and November 28, 2018 at 3:30 p.m. in Room 209 in Portland City Hall. The Rules Committee will again review the Council Rules of Procedure and determine if and how the Rules should be amended. Any amendment of those Rules will be included on the December 3, 2018 City Council Agenda.

MEMORANDUM
City Council Agenda Item

FROM:

DATE: October 15, 2018

SUBJECT: **Order 67-18/19 Amendment to Portland City Code Chapter 6 Re: Short Term Rentals – Sponsored by the Housing Committee, Councilor Jill C. Duson, Chair.**

SPONSOR: Housing Committee, Jill C. Duson, Chair.

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 09/05/2018

Final Action 11/19/2018

Can action be taken at a later date: No Yes

PRESENTATION: Staff will be available for presentation

I. ONE SENTENCE SUMMARY

The Housing Committee voted to recommend changes to clarify the ordinances with respect to the renewal of non-owner occupied, mainland short-term rental units, which are subject to the 300-unit, city-wide cap, to ensure an automatic renewal process and clarify that the lottery process is only available if there is a waitlist for registration.

II. AGENDA DESCRIPTION

On July 31, 2018, the Housing Committee voted unanimously (2-0, Cook absent) to forward this item to the City Council with a recommendation for passage. On September 17, 2018, the Council voted to postpone this item until November 5, 2018 to allow the Housing Committee to complete additional work on the short term rental ordinance. On November 5, 2018, the City Council voted to postpone this order to November 19, 2018 to be considered with other amendments drafted by the Housing Committee.

If passed, this item would make changes to an individual's right to renew short term rental registrations and to how registrations subject to the 300 cap on certain types of registrations are allocated off the wait list.

Staff does not recommend passage of this Order in light of the other amendments being proposed.

This item must be read on two separate days. It was given a first reading on September 17, 2018. Five affirmative votes are required for passage after public comment.

III. BACKGROUND

Housing Committee Committee Chair Duson introduced this amendment to the Housing Committee on July 31, to add an "automatic right t renew" for registered mainland, non-owner occupied short-term rental units that renew

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result is to amend the existing ordinance to ensure an automatic renewal process for non-owner occupied mainland short-term rental units.

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis and Background that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Order 67-18.19

Prepared by: Sonia Bean, Senior Administrative Assistant

Date: 10/15/2018

Order 67-18/19

Motion to postpone to November 5, 2018: 8-0 (Costa absent) on 9/17/2018

Motion to postpone to November 19, 2018: 9-0 on 11/5/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE
CHAPTER 6
Re: SHORT TERM RENTALS**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

1. That Chapter 6, Article VI., Section 6-154 of the Portland City Code is hereby amended to read as follows:

Sec. 6-154. Allocation of Short Term Rentals.

~~_____The limitations on the allocation of _____ Non-owner occupied mainland short term rental units identified in registrations, which are limited by section 6-153(b), shall be allocated each year on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand. The City Manager or his or her designee, may institute a lottery process at his or her discretion, to allocate any registration that becomes available after the formation of the waitlist.~~

Valid non-owner occupied mainland registrations may be automatically renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year. Failure to renew by January 1 shall result in the forfeiture of the automatic right to renew the registration of a unit, and re-registration shall be available only if the limitations in 6-153(b) have not been reached, or if the applicant is chosen off of the waitlist.

MEMORANDUM
City Council Agenda Item

FROM:

DATE: November 5, 2018

SUBJECT: **Order 87-18/19 Amendment to the Portland City Code Chapter 6 Re: Non-Owner-Occupied Short Term Rental Units in Multi-Unit Buildings - Sponsored by Councilor Jill C. Duson**

SPONSOR:

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading

Final Action

Can action be taken at a later date: No (If no why not?)

PRESENTATION: (List the presenter(s), type and length of presentation)

I. ONE SENTENCE SUMMARY

II. AGENDA DESCRIPTION

During the time that the Housing Committee has worked through changes to the short term rental ordinance, it was the Committee's desire that no non-owner occupied short term rental units – whether they were in an owner occupied building or otherwise – be registered above the 300 unit cap found in City Code § 6-153. The attached amendment, introduced at the City Council meeting on October 15, 2018 and then postponed at that meeting to November 19, 2018, is in lieu of a moratorium on owner-occupied short term rentals.

The amendment would change the short term rental ordinance to make it clear that non-owner occupied units in an owner occupied building will be counted towards the 300 unit cap. Because the total of non-owner occupied units in both owner-occupied and non-owner occupied buildings is at or slightly above that 300 cap, no new non-owner occupied units could be registered unless and until registrations fell below that cap or the cap was raised.

The amendment also contains a retroactivity clause, making it effective October 12, 2018. This means that it would apply to any applications for non-owner occupied units submitted on or after that date. However, any non-owner occupied units registered as of October 11, 2018, would remain registered, regardless of whether the 300 unit cap has been exceeded.

Given Order 99-18/19, which involves the same provisions, staff recommends that this Order be postponed indefinitely.

This item must be read on two separate days. It was given a first reading on October 15, 2018 and postponed twice, for final consideration at this meeting. Five affirmative votes are required for passage after public comment.

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis and Background that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Order 87-FY19 Ch. 6 Short Term Rental in Multi-Units 10.15.2018

Prepared by: Nancy English, Corporation Counsel

Date: 11/05/2018

Order 87-18/19

Motion to waive the rules to consider an un-agenda item: 7-0 (Strimling, Duson absent) on 10/15/2018

Motion to waive the second reading: 8-0 (Strimling absent) on 10/15/2018

Motion to postpone to November 19, 2018 City Council Meeting: 8-0 (Strimling absent) on 10/15/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
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KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO THE PORTLAND CITY CODE CHAPTER 6
RE: NON-OWNER-OCCUPIED SHORT TERM RENTAL UNITS
IN MULTI-UNIT BUILDINGS**

Sec. 6-153. Violations.

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

As of October 12, 2018, a mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit and subject to this limitation. Any such units that are registered as of October 11, 2018, may remain registered regardless of whether this limitation has been reached.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five (5) short term rentals in the City, including the Islands, in any one (1) calendar year. For purposes of this section, short term rentals registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building	
	Owner Occupied	Non-Owner Occupied
2	2	1
3	3	2
4	4	2
5	5	2
6-9	5	4
10+	5	5

Tenant-occupied units, where the tenant is the registrant, shall not be counted towards these limits.

BE IT FURTHER ORDAINED that, notwithstanding the provisions of 1 M.R.S. § 302, this amendment shall apply retroactively to include any and all applications submitted on and after October 12, 2018 for the registration of non-owner-occupied short term rental units in owner-occupied buildings; and

BE IT FURTHER ORDAINED, that this amendment is enacted as an Emergency, pursuant to Article II, Section 11 of the Portland City Charter, in order to protect the availability of long-term housing in the City of Portland.

MEMORANDUM
City Council Agenda Item

FROM: Brendan T. O'Connell
Finance Director

DATE: October 26, 2018

SUBJECT: **Order 97-18/19 Authorizing Lease-Purchase Agreement for Conversion to LED Street Lights - Sponsored by Jon P. Jennings, City Manager.**

SPONSOR: Jon P. Jennings, City Manager
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/05/2018

Final Action 11/19/2018

Can action be taken at a later date: Yes (If no why not?)

PRESENTATION: None

I. ONE SENTENCE SUMMARY

The City Council approved a contract with TEN Connected Solutions for a LED street light conversion project and this order authorizes the City to finalize financing with a second lease purchase agreement.

II. AGENDA DESCRIPTION

This item is being submitted on behalf of the Finance Committee.

In October 2017 the City Council unanimously approved an \$8M contract with TEN Connected Solutions in support of the City's goal to convert streetlights to LED. In advance of that approval a two-phase financing proposal for the project was presented to the City Finance Committee. The financing proposal included two \$4M municipal leases, paid entirely from savings generated by the LED conversion. The total cost of the first \$4M lease (approved unanimously by City Council in October 2017) was approximately \$446k annually, significantly less than the overall \$1.065M project savings projections from TEN. As noted in the original financing proposal, a second \$4M municipal lease would be required in FY19 and authorization for this lease must be approved by City Council. The second lease would add an additional \$475-\$525k in annual debt service costs to future City budgets (depending on final interest rate) and the combined cost of both municipal leases will be lower than the savings generated by the LED conversion. It is worth noting that the debt service on each municipal lease will end in 2028-2029 but the savings generated from the LED conversion project, approximately \$900-950k in reduced streetlight maintenance annually plus \$100-150k in electricity savings from reduced energy consumption, will continue for decades.

This item must be read on two separate days. It was given a first reading on November 5, 2018. Five affirmative votes are required for passage after public comment.

III. BACKGROUND

The City is under contract with TEN Connected Solutions for an \$8M project and financing for the second phase must be secured. The first \$4M phase of the conversion has been substantially completed. City staff would like to begin soliciting quotes for Phase 2 financing and also begin pre-ordering project parts and components. There is some time sensitivity with Phase 2 due to newly imposed tariffs on certain imports – the City would like to minimize cost impacts related to these tariffs by placing orders as soon as possible.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

Intended Result: Authorization for the second phase of LED conversion project, on time completion of the full LED project, and maximum impact for the City's capital outlay.

Council Goal Addressed: In 2016 the City Council members voted on [City Council Common Goals](#). The highest priority goal for the Energy and Sustainability Committee was a plan to convert street lights to LED. This order is in direct support of that goal.

V. FINANCIAL IMPACT

As noted previously, the LED conversion project actually results in a cost savings to the City (net estimated annual savings to the City of \$1.065M, net new debt service of approximately \$950k). In the FY19 budget the full \$1.065M of savings was included but only half of the debt was included. This phase 2 lease will result in an additional \$475-\$525k of annual debt service in the FY20-FY29 operating budgets, an approximately \$0.06 cent increase to the mil rate.

VI. STAFF ANALYSIS AND BACKGROUND

See attached memo Financing Recommendation – City Streetlights LED Conversion for complete staff analysis.

VII. RECOMMENDATION

Recommend approval.

VIII. LIST ATTACHMENTS

1. Authorizing Lease-Purchase Agreement for LED Street Lights 11.5.2018
2. Order approving LED Streetlight Contract with TEN (plus full contract)
3. Financing Recommendation – City Streetlights LED Conversion

Prepared by: Tiffany Mullen, Finance

Date: 10/26/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER AUTHORIZING LEASE-PURCHASE AGREEMENT
FOR CONVERSION TO LED STREET LIGHTS**

WHEREAS, pursuant to Order 73-17/18 adopted on October 16, 2017, the City Council approved an agreement with TEN Connected Solutions, Inc. for assistance with the conversion of city street lights to Light-emitting Diode (LED) technology (the “Project”), in an amount not to exceed \$8,000,000; and

WHEREAS, pursuant to Order 74-17/18, also adopted on October 16, 2017, the City Council approved a lease purchase agreement with Banc of America Public Capital Group to finance \$4,000,000 of the costs of the Project; and

WHEREAS, pursuant to Section 2-314 of Chapter 2 of the Portland Code of Ordinances, the City Council now desires to authorize a second lease purchase agreement to finance the remaining \$4,000,000 of the costs of the Project;

NOW, THEREFORE, IT IS HEREBY ORDERED, by the City Council of the City of Portland, Maine:

1. That the City is authorized to enter into a municipal lease purchase agreement in an amount not to exceed \$4,000,000 and a term not to exceed 11 years, to lease finance the remaining costs of the Project (the “Lease Agreement”);
2. That the Lease Agreement shall be executed and delivered, in the name of and on behalf of the City, by the City Manager under the seal of the City, attested by its Clerk, and shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by the City Manager, such approval and the approval of the City to be conclusively evidenced by his execution thereof; provided that any obligation of the City to make lease payments pursuant to such Lease Agreement shall be subject to annual appropriation by the City Council;
3. That such Lease Agreement shall **not** constitute a general obligation of the City nor be backed by a pledge of the faith and credit of the City or its taxing power, but shall be payable solely from annual appropriations therefore approved by the City Council;
4. That lease financing proposals to finance the Project shall be solicited and

awarded pursuant to Chapter 2, Article VII, of the Portland Code of Ordinances;

5. That the Director of Finance be and hereby is authorized and directed to covenant and certify in the name of and on behalf of the City that no part of the proceeds of the Lease Agreement or the Project shall be used directly or indirectly in a manner that would cause the Lease Agreement to be a “private activity bond” or an “arbitrage bond” within the meaning of Sections 141 and 148 of the Internal Revenue Code of 1986, as amended;

6. That the Lease Agreement authorized by this Order are in addition to any lease agreement or other financing arrangement previously authorized or to be authorized for the same or similar purposes;

7. That the Director of Finance be and hereby is authorized to negotiate, execute, and deliver, in the name of and on behalf of the City such other contracts, agreements, documents and certificates, including an escrow agreement, as may be necessary or appropriate as determined and approved by the Director of Finance in connection with the execution and delivery of the Lease Agreement (the “Other Financing Documents”), which Other Financing Documents shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by the Director of Finance such approval and the approval of the City to be conclusively evidenced by his execution thereof;

8. That the Director of Finance, City Manager, Clerk and other proper officials of the City (the “Authorized Officials”) be and hereby are authorized and empowered in the name of and on behalf of the City to do or cause to be done all such acts and things, not inconsistent herewith, as may be necessary or desirable in order to effect the execution and delivery of the Lease Agreement;

9. That if any Authorized Official who has signed or sealed the Lease Agreement or Other Financing Documents shall cease to be an Authorized Official before the Lease Agreement so signed and sealed shall have been actually delivered by the City, such Lease Agreement nevertheless may be delivered with the same force and effect as though the person or persons who signed or sealed such Lease Agreement had not ceased to be such officer or official;

10. That if any Authorized Official is for any reason unavailable to approve and execute the Lease Agreement or any Other Financing Documents, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, is authorized to act for such Authorized Official with the same force and effect as if such Authorized Official had performed such act; and

11. That the investment earnings on the proceeds of the Lease Agreement, if any, be and hereby are authorized to be used to pay a portion of the costs of the Project or may be deposited into the City’s General Fund, at the discretion of the City Manager.

Order 73-17/18

Passage: 8-0 (Strimling absent) on 10/16/2017

Effective 10/26/2017

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

DAVID H. BRENERMAN (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING THE AGREEMENT WITH
TEN CONNECTED SOLUTIONS, INC. FOR
CONVERSION OF CITY STREET LIGHTS TO LED TECHNOLOGY**

ORDERED, that the Agreement with TEN Connected Solutions, Inc. for assistance with the conversion of city street lights to Light-emitting Diode (LED) technology, is hereby approved in substantially the form attached hereto; and

BE IT FURTHER ORDERED, that the City Manager is hereby authorized to execute the TEN Connected Solutions, Inc. Agreement and whatever other documents are necessary to effect the intent and purpose of the TEN Connected Solutions, Inc. Agreement.

**AGREEMENT BETWEEN THE
CITY OF PORTLAND
AND
TEN CONNECTED SOLUTIONS, INC.**

THIS AGREEMENT is entered into this _____ day of _____, 2017, by and between the **CITY OF PORTLAND**, a body politic and corporate (hereinafter the “**CITY**”), and **TEN CONNECTED SOLUTIONS, INC.**, a Delaware corporation with a mailing address of 1501 Reedsdale Street, Suite 401, Pittsburgh, PA 15233 (hereinafter the “**CONTRACTOR**”).

W I T N E S S E T H:

WHEREAS, the CITY is in need of a conversion of city street lights to LED fixtures and transfer of ownership of light fixtures from Central Maine Power Company to the City (the “Project”) and did advertise a Request for Proposals # 2917 entitled “Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality,” dated October 6, 2016 (hereinafter, the “Request for Proposals”), a copy of which is attached as Exhibit A and made a part hereof; and

WHEREAS, the CONTRACTOR has the requisite knowledge and technical ability to perform the required services and has submitted a response to the Request for Proposals dated November 9, 2016 (the “Response”), a copy of which is attached as Exhibit B and made a part hereof; and

WHEREAS, after further discussing the Project with the CITY, CONTRACTOR has submitted a detailed proposal for the design and construction of the Project (the “Proposal”), a copy of which is attached hereto as Exhibit C and made a part hereof; and

WHEREAS, after due consideration, the CITY decided to award this contract to CONTRACTOR;

NOW, THEREFORE, in consideration of the mutual promises made by each party to the other, the parties covenant and agree as follows:

1. The CONTRACTOR will furnish the services, materials, supplies, equipment and labor (hereinafter the "Work") in accordance with the specifications contained in the Request for Proposals, the Response, and the Proposal.

The restatement in this document of any term of the Exhibits shall not be deemed to waive any term not so restated. If any disagreement is found between the Exhibits and this document, then this document shall govern; the Request for Proposals shall govern over the Proposal and the Response, to the extent they disagree; and the Proposal shall govern over the Response to the extent they disagree; provided, however, that this document and its attachments shall be construed to be supplemental to one another to the extent possible.

2. The CONTRACTOR covenants and agrees that all Work performed and furnished hereunder shall be in accordance with applicable professional standards, and that all Work shall be performed in a good workmanlike manner. Unless a longer warranty period is specified in the Exhibits hereto, all Work provided shall be warranted by the CONTRACTOR for one (1) full year from the date of completion of all Work hereunder and acceptance thereof by the CITY. Notwithstanding the foregoing, any longer period specified in the attachments shall stay in effect.
3. Prior to the execution of this Agreement, the CONTRACTOR shall, at its own expense, carry Professional Liability Insurance for errors, omissions and negligence, in the amount of One Million Dollars (\$1,000,000.00) per claim. The CONTRACTOR will also procure and maintain occurrence-based Automobile Liability Insurance and Commercial General Liability Insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and property damage, naming the CITY as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law. With respect to the Automobile and Commercial General Liability Insurance, the CONTRACTOR shall name the CITY as an additional insured for coverage only in those areas where government immunity has been expressly waived by 14 M.R.S. A. § 8104-A, as limited by § 8104-B, and § 8111. This provision shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the CITY under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the CITY. Prior to execution of this Agreement, the CONTRACTOR shall furnish the CITY and thereafter maintain certificates evidencing all such coverages, which certificates shall guarantee thirty (30) days' notice to the CITY of termination of insurance from the insurance provider or agent. CONTRACTOR shall also provide a copy of any endorsement naming the CITY as additional insured. A certificate that merely has a box checked under "Addl Insr," or the like, or that merely states the City of Portland is named as an Additional Insured, will not be acceptable. The Workers' Compensation insurance shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees. Upon CITY'S request, CONTRACTOR shall provide CITY with a complete copy of any of the above-

referenced policies. CONTRACTOR shall be responsible for any and all deductibles and/or self-insured retentions.

4. The CONTRACTOR shall furnish to the CITY, upon execution of the Contract, a Contract Performance Bond and a Contract Labor and Materials Payment Bond each for the full amount of the construction phases of the Contract (Part 1, Phase 2; and Part 2, Phase 2) and issued by a surety company or surety companies authorized to do business in the State of Maine and approved by the CITY. The Bonds shall remain in effect for one year after final acceptance of the Work, and protect the CITY for at least one year of warranty of the Work hereunder, and also shall insure settlement of claims for the payment of all bills for labor, materials and equipment. The bonds shall specifically exclude coverage for those portions of the Contract or the Work pertaining to design services, the Project Savings Performance Guarantee, the Phase III Basic Services, and any other part of this Contract and the Contract Documents which do not relate specifically to construction management and supervision of Work for purchasing and installing of Equipment by Contractor, or for work to be accomplished by Portland.
5. To the fullest extent permitted by law, the CONTRACTOR shall defend, indemnify and hold harmless the CITY, its officers and employees, from and against all claims, damages, losses, and expenses, just or unjust, including, but not limited to, the costs of defense and attorney's fees arising out of or resulting from the performance of this Agreement, provided that any such claims, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including the loss of use therefrom, and (2) is caused in whole or in part by any act or omission of the CONTRACTOR, its contractors, subcontractors, consultants, agents, or representatives, and anyone directly or indirectly employed by or under the control of CONTRACTOR or those entities. Such obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the CITY which otherwise exists. The extent of the indemnification provision shall not be limited by the provision for insurance in this Agreement. CONTRACTOR's obligations under this paragraph shall survive termination of this Agreement.
6. Prior to any payment, the CITY reserves the right to require Waivers of Lien for materials and labor from the CONTRACTOR and its subcontractors and suppliers guaranteeing One Hundred Percent (100%) performance, free and clear from all liens and encumbrances. Any mechanic's lien or any other lien which may be filed against the premises which are the subject of this Agreement by reason of the Work described herein shall be defended (by counsel reasonably acceptable to the CITY) and promptly discharged by the CONTRACTOR at its own expense. The CITY may require the CONTRACTOR to provide a bond satisfactory to the CITY to indemnify it against any lien and as a substitution in place of a lien. If the CONTRACTOR should fail either to defend the CITY against the lien or to discharge it, then the CITY may do so at the CONTRACTOR's expense. In the event of such an undertaking by the CITY, the CONTRACTOR will promptly reimburse the CITY for all its costs and expenses in so doing, including, but not limited to, reimbursement of the CITY's reasonable counsel fees, as well as costs which may be incurred by it in substituting a bond in place of a lien.

CONTRACTOR's obligations under this paragraph shall survive termination of this Agreement.

7. The CONTRACTOR shall perform the work to the reasonable satisfaction of the City Manager or his designee (hereinafter, the "Director") who will have the right of inspection at all times, and whose approval and acceptance of the work will be a condition precedent to payments by the CITY under this Contract. CITY inspectors will have the authority to stop work in progress if such work is being done contrary to the plans, specifications or engineering practice. The CONTRACTOR acknowledges and agrees that such inspection is for purposes of approving payment alone and such inspection shall not be deemed to impose any duty or liability upon the CITY to supervise any aspect of or approve the quality of the Work.
8. Time is of the essence in the performance of this Agreement. Upon receipt of executed contracts and insurance as required, the CITY will promptly send an executed contract to the CONTRACTOR, which will commence work as soon as reasonably possible. The CONTRACTOR agrees to complete the Work in accordance with the schedule set forth in Exhibit C, subject to delays caused by weather conditions, strikes, war or national emergency. The time set for such completion may be extended only by written consent of the Director, which will not be unreasonably withheld, conditioned or delayed.
9. In the event of any dispute as to the amount, nature or scope of the work required under this Contract, CITY shall give written notice of such dispute to CONTRACTOR via an overnight nationally recognized courier. Within ten (10) business days of the mailing of such notice, representatives of the CITY and CONTRACTOR shall meet and in good faith attempt to resolve the dispute. In the event the representatives of the CITY and CONTRACTOR are unable to resolve the dispute within ten (10) business days of their meeting, then based on the discussions held by the representatives of the CITY and CONTRACTOR, the Director or designee will make a reasonable determination as to the design and that determination will be final and binding.
10. For performance of all the terms and conditions of this Agreement, the CITY will pay the CONTRACTOR an amount not to exceed Four Million Dollars (\$4,000,000.00) for Part 1 of the Project as described in Exhibit C and an amount not to exceed Four Million Dollars (\$4,000,000.00) for Part 2 of the Project as described in Exhibit C, which will include any expenses. Contractor acknowledges and agrees that the City has not yet obtained financing for Part 2 of the Project, and Contractor shall not incur, and City shall not be responsible for, any expense related to Part 2 of the Project without the City's prior written approval.
11. The CITY shall have the right to retain ten percent (10 %) of each invoice amount as retainage until the Work is completed and accepted by the CITY.
12. The CONTRACTOR shall keep accurate records of all services performed under this Agreement and shall submit such information to the CITY on a monthly basis. Payment

for such Work shall be made to the CONTRACTOR not more than thirty (30) days after receipt of an invoice and acceptance of the Work by the Director or designee.

13. The CITY agrees to furnish or provide access to the CONTRACTOR to any information or material in its possession which is relevant to the CONTRACTOR's performance hereunder and CITY staff will cooperate with CONTRACTOR. The CONTRACTOR will not, without the CITY's written consent, disclose, or permit disclosure, by any officer, employee, or agent or subcontractor of CONTRACTOR, of any information or material furnished or generated under this Agreement, which is marked as confidential or indicated in (a) below as presumed to be confidential by the CITY. The CONTRACTOR shall be entitled to rely upon the accuracy of such information. The provisions of this Article shall not apply to information which is in the public domain, published, or comes into the public domain through no fault of the CONTRACTOR or is required to be disclosed by law or legal process.

The following shall be requirements of this Agreement:

- (a) All data collected shall be treated as confidential material and shall be disclosed *only* to authorized CITY representatives;
 - (b) The CONTRACTOR shall not disclose or permit disclosure of any confidential information or material furnished and/or generated under this Agreement without the CITY's prior written consent; and
 - (c) All documents, data, studies, estimates, summaries and any other work or material developed under this Agreement shall be the property of the CITY and shall be promptly delivered to the appropriate Department Contact person upon completion of a particular service/assignment or upon the request of the CITY.
14. If after thirty (30) days' prior written notice by CITY to CONTRACTOR, that is sent to CONTRACTOR via an overnight nationally recognized courier: (i) which notice sets forth the details of a material default by CONTRACTOR under this Agreement, and (ii) CONTRACTOR fails to reasonably cure such default within thirty (30) days of receipt of such notice, then the CITY may terminate this Agreement for cause by written Notice to the CONTRACTOR. In the event of such termination, the CONTRACTOR shall not be entitled to any further payment under this Agreement from the date of receipt of said Notice, except for the expenses of CONTRACTOR reasonably incurred by CONTRACTOR in good faith prior to the notice of termination for goods and services accepted by CITY.
15. The CITY shall have the right to terminate this Agreement at any time for its convenience on thirty (30) days' prior written Notice to the CONTRACTOR. If the Agreement is terminated by the CITY for convenience, the CITY shall pay the CONTRACTOR for all Work performed and all materials purchased pursuant to this Agreement prior to receipt of such Notice.

16. Out of concern for the public, CITY e employees and the CONTRACTOR's employees, all work performed by the CONTRACTOR shall be in conformance with pertinent OSHA, local, state and federal government regulations.
17. No waiver of any breach of any one or more of the conditions of this Agreement by the CITY shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.
18. This Agreement and its attachments represents the entire and complete agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the subject matter of this Agreement. This Agreement cannot be amended except by written instrument executed by the CITY and CONTRACTOR.
19. This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court.
20. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement. A signature in a pdf or electronic document shall be considered the equivalent of an original signature.
21. CONTRACTOR warrants and represents that it has the full right and authority to enter into this Agreement, that there is no impediment that would inhibit its ability to perform its obligations under this Agreement, and that the person signing this Agreement on behalf of CONTRACTOR has the authority to do so.
22. If any term of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.

Signature Page Follows

IN WITNESS WHEREOF, the said **CITY OF PORTLAND** has caused this Agreement to be signed and sealed by Jon P. Jennings, its City Manager, thereunto duly authorized, and **TEN CONNECTED SOLUTIONS, INC.**, has caused this Agreement to be signed and sealed by Robert G. Campbell, its President, thereunto duly authorized, as of the day and date first above written.

WITNESS:

CITY OF PORTLAND

By: _____
Jon P. Jennings
Its City Manager

WITNESS:

TEN CONNECTED SOLUTIONS, INC.

By: _____
Robert G. Campbell
Its President

Approved as to form:

Approved as to funds:

Corporation Counsel's Office

Finance Director

EXHIBIT A



City of Portland, Maine

Request for Proposals – Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality RFP #2917

The City of Portland, Maine is inviting qualified companies to submit proposals for the design and implementation of City-wide street light enhancements and conversions to LED fixtures. Proposals must be submitted no later than **3:00 p.m. on Wednesday, November 9, 2016**. Late, unsigned bids or bids submitted electronically shall not be accepted. Six (6) complete hard copies of your proposal, including any descriptive literature, shall be submitted on the forms provided and in an envelope plainly marked on the outside with the RFP's title and number along with one (1) digital copy on a flash drive.

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

GENERAL

Project Background

The City of Portland (City) incurs significant annual costs related to street lighting. Approximately 6,100 of the existing street lights in the City are owned by the local investor owned utility, Central Maine Power. The City owns another 600 lights in, primarily, decorative fixtures. Through this RFP, the City is interested in selecting a service provider to assist it in reducing street light costs by retrofitting these street lights to LED technology and enhancing their functionality by implementing advanced controls. The City anticipates the scope of work to include upgrading the pole mounted street lights as well as lighting in City parking facilities. The City wishes to explore the deployment of environmental sensors and other "smart city" elements in the LED conversion process.

The City seeks to build a network of LED streetlights with advanced controls that can serve as the backbone on which to deploy "smart city" technologies that offer increased functionality of infrastructure, innovative services to residents and visitors, and opportunities for public/private partnerships that may expand services while providing revenue streams to the City. Firms are invited to describe how elements of this vision may be incorporated into this project.

Inventories of utility owned street lights and City owned streetlights are included in this document.

Scope of Services

The City is seeking proposals from qualified service providers (referred to variously as “proposer”, “firm”, or “contractor”). This proposal is to be a turn-key proposal that includes: undertaking an IGA (Investment Grade Audit) of the street lights and their attributes, performing an independent and certified lighting design analysis which includes designing each unique street to either an RP 8-14 standards where applicable or at a standard to be specified; providing a comprehensive financial analysis to indicate ROI (Return On Investment), savings and payback period; completing all applicable incentive applications; carrying out all procurement requirements; applying on behalf of the City for all available grants and rebates relating to the LED conversion project; performing project management functions; undertaking or overseeing the LED luminaire installation and the recycling/disposal of all waste material; and identifying any Financing Options that the supplier can provide. The service provider must also demonstrate experience in performing street light acquisitions from Electric Utilities or submit a detailed approach to how best perform an acquisition and the options associated with an acquisition. The service provider must also have experience implementing advanced lighting controls to increase the functionality of the lighting system as well as experience deploying environmental sensors that can provide data to support a variety of “smart city” technologies including advanced traffic signal controls, parking control and enforcement, pedestrian and traffic counts, and other public safety functions. The City may also consider additional functionality to include public Wi-Fi, public information kiosks, and electric vehicle charging.

Conflict of Interest

The City seeks to work with firms that represent consumers, not suppliers, avoiding both the appearance, as well as any actual conflict of interest. Any subsequent disclosure of a conflict of interest after the award has been made, but which existed at the time of proposal submission, will be grounds for termination of any resulting contract

General

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

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. If your organization prefers to receive payment via electronic transfer rather than by check, please see the web link below* and include that EFT form with your bid submission. In submitting bids under these specifications, bidders should take into account all discounts; both trade and time allowed in accordance with this payment policy and quote a net price. The City is exempt from the State's sales and use tax as well as all Federal excise taxes.

* <http://www.portlandmaine.gov/DocumentCenter/Home/View/817>

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

Insurance Requirements

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

Equal Employment Opportunities

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

October 6, 2016

Matthew F. Fitzgerald
Purchasing Manager

PROPOSAL FORMAT

Proposals must be submitted in the following format using the numbering sequence outlined below. This is the minimum information to be provided and will be used in the evaluation process. Proposals are to be limited to a maximum of 25 pages excluding addendums

A. Cover Letter

A cover letter signed by an authorized representative of the company of Proposer shall outline the intent of the response and shall state that the information contained in the Proposal accurately describes the services to be provided

B. Company Profile

- Provide a description of the your firm's company or business, its purpose, history and successes, including the number of years in LED street lighting business and major successes.
- List any similar projects completed or underway, the client/owner, and the approximate value of the work.
- Describe your firm's experience developing projects that conform to relevant state laws, local standards, and local Public Utility Commission rules.
- Provide examples where the firm has successfully assisted municipalities with evaluation and acquisition of their street lights from electric utilities.
- Describe the firm's experience deploying smart city and IoT (internet of things) technology as part of LED street lighting projects.
- Describe partnerships with vendors, technology providers, or service providers and describe how these have added value to previous projects.

C. Key Personnel

Identify key personnel that would be employed for this program and provide a detailed resume/CV of their relevant experience, education & successes. Key personnel should demonstrate ample experience in managing turn-key street lighting projects.

D. References

Include a list of at least three (3) projects that the Proposer has successfully completed an LED retrofit and provide associated references and contact information for the persons or organizations that engaged the Proposer. By submitting a proposal, the Proposer consents to City contacting these references, and consents to City also contacting any other organization for the purposes of evaluating the Proposal.

E. Approach

Describe the approach and/or process proposed to address the project requirements. Include any notable methodologies, tools and techniques, and their respective suitability to this project. Also provide a project plan that reflects your proposed approach/process and demonstrates your ability to meet the milestones.

The following key components must be included in the approach description:

1. Audit

The provider will determine the existing street and outdoor light inventory via a Geographic Information Systems (GIS) inventory assessment of all the street lights and outdoor lights included in the project. The provider should list the attributes that they collect and describe how they relate to the design process.

During the inventory assessment, the provider will report and review all issues with the City weekly so that the City may begin to address them in order to minimize any delay on the eventual conversion.

The proponent must produce an electronic inventory file suitable for use in common GIS software (e.g. ESRI ArcMap), as well as Microsoft Excel, that contains the required attributes.

Based on the inventory, utility bill analysis, and consultation on controls and/or other products, the Proposer will develop an Audit Report which will include:

- Deficiencies in the current street lighting network
- Baseline energy use, energy cost and operations & maintenance costs
- Estimated retrofit energy use and operations & maintenance costs
- Estimated sources of funding, including rebates
- Calculation of estimated total conversion cost (remaining design tasks, product, and installation), energy reduction, and simple payback

The City seeks Proposers who can provide the strongest case for why their Audit will be most accurate and support approval by the City.

2. Financial stability and capability

- Proposer should demonstrate the capacity to finance street lighting projects by having financed or been part of a financing project using an Energy Savings Performance Contract (ESPC).
- Should the City opt for this type of financing, the Proposer must produce an ESPC contract at the time opt in.

- Proposer must have experience with a range of financing mechanisms in order to advise the City on the most advantageous approach.

3. Design

The design of an LED network will have a measurable impact on both the life cycle savings as well as overall light quality. Proposers must include a design component in the scope of work.

The determination of adequate light levels for safety of pedestrians, cyclists, and vehicles is guided by the Illuminating Engineering Society (IES) Standard for Roadway Lighting (RP-8-14). The City recognizes that existing pole placement limits the degree to which IES standards may be met. The City will look favorably upon proposals that use design methodologies that will best deliver adequate lighting through the City for the expected life of the products and the City's desire for specific goals associated with customized lighting levels. IES standards may not be the standard selected by the City. Additionally, the designer should incorporate an analysis of the following data points to identify target areas that may need special consideration:

- Pedestrian/vehicle and bicycle/vehicle crash data for the last 5 years to identify areas where light levels and/or spacing have affected public safety.
- Important localized land uses (e.g. parks, schools, hospitals, etc.)
- Relative volumes of pedestrian and bicycle activity
- Unique neighborhood characteristics

The provider should describe their design process, including how actual light levels are measured before & after the conversion, and how designs are modified for unique street characteristics.

4. Project Management

Proposers shall describe their approach to Project Management and how this will impact cost, quality control and timing of the project.

- Qualifications and experience of Project Team
- Experience in projects managing multiple projects simultaneously
- Experience in projects managing large LED retrofits of similar scale
- Detailed description on how the project will be managed including:
 - A description of the methods to be employed in the performance and coordination of the work that will control the scope, quality, schedule and cost of the Project
 - The anticipated risks and assumptions that will be part of completing the Project
 - Any special challenges or considerations foreseen by the Proposer and proposed solutions for each.

5. Technology Procurement

a. Fixtures

Describe the process for selecting appropriate fixtures.

The Proposer should develop complete and detailed specifications for LED Luminaires to replace lighting fixtures. The specifications will be non-proprietary performance specifications describing all relevant photometric, electrical, physical, and durability characteristics of the luminaires.

The Proposer should provide details on their method of developing specifications and how that ensures that appropriate quality standards are met.

b. Smart Controls, IoT, and other Smart City solutions

The Proposer will advise the City on the use of controls in terms of impact on safety, standardization, and energy and cost savings. The Proposer should be able to present analysis of how advanced controls could impact the total life-cycle costs of the system. The Proposer should also propose to the City other value-add systems and discuss with the City their financial impacts, commercial readiness, and alignment with utility policies. These systems include environmental sensors that can generate data to support additional functionality in allied infrastructure and services including traffic controls, parking, public safety, and electronic communication.

The City will require open APIs in all control systems order to ensure functionality across platforms and to ensure our ability to expand the system.

6. Installation & Maintenance

Based on the finalized design, the Proposer will describe their approach to installation and maintenance or oversight as an owner representative. The following elements should be covered:

- Description of Work
- Required installation schedule
- Reference standards
- Submittals
- Quality Assurance and Warranty
- Installation
- Field Quality Control
- Adjusting and Cleaning
- Disposal

7. Construction Administration

The Proposer will describe their approach to Construction Administration including the following:

- Perform a sampling of spot-checks on installed lights to ensure proper installation procedures are being followed, especially at the beginning of the project
- Manage data on installations and provide a weekly status update of the of the project
- Confirmation of satisfactory installation completion by install contractor

8. Acquisition of Street Lights

The Proposer will describe their experience and methodology for assisting municipalities in acquiring their street lights.

9. Rebates/Incentives

The Proposer will describe their experience and approach to managing rebates/incentives for street lights on behalf of municipalities.

F. Value Added Services

The City seeks opportunities to provide the public with enhanced services and to make management of municipal infrastructure more efficient. Proposers should describe how they can leverage the functionality of an advanced LED streetlight network to offer value added services. These may include public facing elements such as citywide Wi-Fi, electric vehicle charging, and public information kiosks as well as operational functions such as advanced traffic and parking management, public safety applications, and location analytics. Each Proposer should describe services or products it can provide and detail what the Proposer is prepared to supply as part of a contract. The City is open to collaborations with third party partners so discussion may include opportunities for the City to monetize elements of the infrastructure through public/private partnerships.

G. Additional Information

The proposer may provide other information that may be relevant for the review and evaluation of the prospective vendor's experience or capabilities.

H. Project Schedule

The selected Proposer shall begin work immediately upon contract signing and complete the tasks in their entirety within a reasonable yet aggressive schedule.

I. Submission

Six (6) paper copies and one (1) digital copy of the proposal must be submitted. No faxed or e-mailed submissions will be considered. Please submit the electronic copy on a thumb drive in PDF format and enclose with your paper copies.

J. Proposer Selection

At its discretion, the City may select a firm outright or select a finalist(s) for in-person interviews. The City reserves the right to negotiate directly with the firm selected for additional project work at a negotiated contract for services. The City reserves the right to accept or reject any or all proposals for any reason, to negotiate with any individual or firm and to select one or more of the proposals. Attachment B includes a table that identifies the selection criteria which will be used to rank proposals.

K. Questions

All questions shall be directed in writing ONLY to the Purchasing Office at the above address and be received at least five business days prior to the bid opening date (FAX 207-874-8652, or E-mail jrl@portlandmaine.gov). Questions received after this time will not be addressed. Responses from the City that substantially alter this bid will be issued in the form of a written addendum to all bid holders registered in the Purchasing Office. Oral explanations or interpretations given before the award of the contract will not be binding.

PROPOSAL FORM

**Request for Proposals –
Conversion of City Street Light System to LED Fixtures
and from Utility Owned To Municipally Owned
and Maintained Fixture on Utility Owned Poles
RFP #2917**

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.

The bidder acknowledges the receipt of Addenda numbered: _____

COMPANY NAME: _____

AUTHORIZED SIGNATURE: _____

DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

E-MAIL ADDRESS: _____

PHONE NUMBER: _____ FAX NUMBER: _____

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:

STATE OF INCORPORATION, IF APPLICABLE: _____

FEDERAL TAX IDENTIFICATION NUMBER (Required): _____

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

ATTACHMENT A – Participating City Profile

City PROFILE	Approximate Units
Portland, Maine	
Lane Miles of Road	568
Street Lights attached to utility or decorative poles and scheduled for replacement through this project	6,700
Population	66,000

Electricity Supply Costs	Streetlight Group A	Streetlight Group B
Energy Rate	\$0.584	\$0.0568
Capacity Rate	\$0.0002	\$0.0001
Total Supply Rate	\$0.0586	\$0.05569
Supply Spend (annual)	\$109,645	\$76,640
T&D Rate	\$0.161	\$0.161
T&D Spend (annual)	\$154,505	\$217,033
kWh (annual)	1,872,677	1,348,029

ATTACHMENT B – Rating Categories

The following table will be used to rank proposals in the selection process:

RATING CATEGORY	WEIGHT
Company Capability & Experience • Respondent demonstrates strong knowledge of street light technology, quality standards, and design requirements. • Respondent documents relevant experience - o Managing or performing all aspects of the proposed project - o With comparably sized projects in urban and suburban environment • Knowledge of municipal street lighting operations and maintenance • Experience or demonstrated understanding of utility requirements and incentives. • Experience in assisting municipalities with evaluation and acquisition of their street lights • Experience providing and/or recommending financing solutions for street light conversions • Possession of unique tools and technologies to improve system performance • Experience incorporating smart cities and IoT technologies into LED street light conversions • Sufficient qualified staff to support project implementation	40
Project Approach • Describes a coherent, convincing plan to meet or exceed requirements of scope of work for all tasks - o Includes a detailed project plan that accelerates implementation where possible - o Includes a description of a rigorous Audit Report that can be used to support financing of the remaining project costs - o Includes a design approach that will meet the City's goals of safety, standardization, and minimizing lifecycle costs - o Includes a project management approach which demonstrates efficiencies in time and cost - o Describes the City's involvement in all phases and describes an efficient use of their time and resources (e.g. efficient plan for meetings, use of police details or avoiding them) - o Describes opportunities to implement smart cities and IoT technologies that enhance the capabilities of urban infrastructure and provide improved services to residents and visitors. - o Identifies opportunities for public/private partnerships that may provide services to the public and potentially generate revenue for the City.	60

City of Portland Owned Street Lights

AREA/STREETS	WATTS	VOLTAGE	TYPE	METER	METER #	FIXTURES	\$PER/MO	STYLE	MISC.
Congress St.	250	120	Metal Halide	No	N/A	51	XXXX	Esplanade	Green Decorative
Congress St.	70	120	Metal Halide	No	N/A	102	XXXX	Esplanade	Green Decorative
Exchange St	100	120	Metal Halide	No	N/A	35	XXXX	Washington	
Fore St. (Exchange - Franklin)	100	120	Metal Halide	No	N/A	20	XXXX	Washington	
Franklin Arterial (Fore - Commercial)	100	120	Metal Halide	No	N/A	3	XXXX	Washington	
Post Office Park	100	120	Metal Halide	Yes	AB22038232	9	\$173.05	UNK	Market St.
Moulton/Dana/Wharf	40/175	120/240	Incad/Merc Vap	Yes	AB28616501	31	\$223.39	Lantern	Needs updating
Custom House St.	100	120	Metal Halide	No	N/A	2	XXXX	Washington	
Myrtle St.	250	120	Metal Halide	Yes	City Hall	4	XXXX	Esplanade	Green Decorative
Myrtle St.	70	120	Metal Halide	Yes	City Hall	8	XXXX	Esplanade	Green Decorative
Cumberland/ Chesnut	175	120	Metal Halide	No	N/A	3	XXXX	Esplanade	
Lower Chestnut	175	120	Metal Halide	Yes	AB22728084	14	\$113.36	Esplanade	Silver
Somerset/ Pearl	175	120	Metal Halide	Yes	SA57106067	10	\$239.78	Esplanade	Silver
Portland Pier	175	120	Merc Vapor	Yes	SA77846414	8	\$63.99	Nautical	
High / Free	250	120	Metal Halide	No	N/A	3	XXXX	Esplanade	Green Decorative
High / Free	70	120	Metal Halide	No	N/A	6	XXXX	Esplanade	Green Decorative
Custom House / Fore St. (corner)	100	120	Metal Halide	Yes	Private	7	XXXX	Washington	Pd by Building
Fore River Pkwy/ Congress	150	480	HPS	Yes	AB99669129	9	\$194.85	Mongoose	Silver / Mast Arm
Fore River Pkwy (Frederick St)	100	480	HPS	Yes	AB21637477	29	\$191.05	Hallbrook	Green Trail
Veterans Bridge (Controller)	150	120	HPS	Yes	AB21001121	9	\$181.98	Mongoose	Mast Arm
Veterans Bridge /W. Comm.	100	480	HPS	Yes	AB19258963	38	XXXX	Hallbrook	Green Trail
Veterans Bridge /W. Comm.	150	480	HPS	Yes	AB19258963	15	\$426.20	Mongoose	Silver
Longfellow Square	70	120	Metal Halide	No	N/A	4	XXXX	Esplanade	Green Decorative
Monument Square	1000	120/240	Metal Halide	Yes	AB06483167	2	\$110.00	Round Flood	Pierce Atwood
Monument Square	1000	120/240	Metal Halide	Yes	WH7689591	2	\$119.00	Round Flood	Maine Bank & Trust
Monument Square	1000	120/240	Metal Halide	Yes	AB85251348	2	\$125.00	Round Flood	22 Monument Sq
Monument Square	250	120	Metal Halide	Yes	O3433482	6	???	Monument Lts	Monument Sq
Lower Congress St (MMC)	70	120	Metal Halide	No	N/A	22	XXXX	Esplanade	Green Decorative
Thompson Pt. (end of Sewall St.)	150	240	HPS	Yes	AB99526656	5	\$66.17	Mongoose	
Stone St.	250	120	Metal Halide	No	N/A	3	XXXX	Esplanade	Green Decorative
Cumberland/ Preble	70	120	Metal Halide	No	N/A	10	XXXX	Esplanade	Green Decorative
Baxter / Vannah (Controller)	250	120	Metal Halide	Yes	AB18449378	4	\$61.81	Esplanade	Mast Arm
Forest / Bedford (Controller)	150	120	HPS	Yes	61020017	2	\$61.13	Cutoff Luminaire	Mast Arm
Marginal / Preble (Controller)	150	120	HPS	Yes	59105141	2	\$68.74	Mongoose	Mast Arm
Johnson / Skyway (Controller)	150	240	HPS	Yes	77328932	4	\$75.27	Mongoose	Mast Arm
Tommy's Park	100	120	Metal Halide	Yes	SA99043828	3	\$25.00	Granville	Cnr Middle/ Exc.
Center / Fore (Controller)	100	120	Merc Vapor	Yes	LG34779885	2	\$100.28	Small flood	Gorham's Corner
Marginal / Preble	175	120	Metal Halide	Yes		7		Esplanade	Silver
Congress/ MMC	70	120	Met	Yes		20		Esplanade	Green Decorative
Forest Ave (Congress to Cumberland)	250	120	Metal Halide	Yes		9		Esplanade	Green Decorative
Forest Ave (Congress to Cumberland)	70	120	Metal Halide	Yes		18		Esplanade	Green Decorative
Congress St. (front of City Hall)	250	120	Metal Halide	Yes		8		Esplanade	Green Decorative
Federal (Pierce Attwood)	70	120	Metal Halide	Yes		4		Esplanade	Green Decorative
New Veteran's Bridge				Yes		29		Mongoose	Accent Lts (Silver)
New Veteran's Bridge				Yes		18		unk	Bike-way Lts.
Charles St/ MMC						602			

Street Light Inventory - CMP-Leased Units - January 4, 2016

Account Number	Group	Quantity	Type	Wattage	Delivery Cost	Lighting Equipment	Unit Cost	Group Cost
						Cost		
441-149-3430-001	School	3	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$51.18
	School	18	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$314.82
	School	7	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$88.48
	School	18	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$393.84
	School	1	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$21.63
	School	1	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$10.04
	School	1	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$23.37
	School	1	Metal Halide Cut Off	400	\$8.26	\$20.80	\$29.06	\$29.06
	School	1	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$13.61
	School	1	Special Facilities					\$108.11
		52					Group Cost	\$1,054.14
441-149-6480-001	E Pen D	16	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$294.40
	E Pen D	25	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$286.25
	E Pen D	15	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$350.55
	E Pen D	40	Halide Enclosed	100			\$4.14	\$165.60
	E Pen D	23	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$249.32
	E Pen D	3	Metal Halide Flood	250	\$5.42	\$18.71	\$24.13	\$72.39
	E Pen D	4	Halid Spc Esplnd	175	\$3.80	\$28.75	\$32.55	\$130.20
	E Pen D	13	Sodium Decashield	400	\$8.36	\$20.21	\$28.57	\$371.41
	E Pen D	101	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$930.21
	E Pen D	90	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$903.60
	E Pen D	138	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$1,527.66
	E Pen D	194	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$2,452.16
	E Pen D	103	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$1,757.18
	E Pen D	27	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$584.01
	E Pen D	15	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$262.35
	E Pen D	14	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$306.32
	E Pen D	135	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$1,545.75
	E Pen D	39	Halide Enclosed	250			\$9.63	\$375.57
	E Pen D	82	Halide Enclosed	70			\$3.06	\$250.92
	E Pen D	25	Halide Spc Hlbrk	175	\$3.80	\$25.75	\$29.55	\$738.75
	E Pen D	85	Sodium Decashield	25	\$5.42	\$14.35	\$19.77	\$1,680.45
	E Pen D	21	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$225.96
	E Pen D	30	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$408.30
	E Pen D	2	Halid Spc Esplnd	70	\$1.72	\$22.95	\$24.67	\$49.34
	E Pen D	1	Special Facilities					\$577.01
		1241					Group Cost	\$16,495.66

Street Light Inventory - CMP-Leased Units - January 4, 2016

Account Number	Group	Quantity	Type	Wattage	Delivery Cost	Lighting Equipment Cost	Unit Cost	Group Cost
441-149-7680-001	Peaks Isl	223	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$2,238.92
	Peaks Isl	2	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$22.14
	Peaks Isl	2	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$34.98
	Peaks Isl	20	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$215.20
		247					Group Cost	\$2,511.24
441-149-7707-001	LTL DIMND	23	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$230.92
	LTL DIMND	1	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$10.76
		24					Group Cost	\$241.68
441-149-7712-001	GRT DMND	5	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$53.80
	GRT DMND	28	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$281.12
	GRT DMND	4	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$44.28
	GRT DMND	3	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$27.63
		40					Group Cost	\$406.83
441-149-7726-001	Cliff Isl	43	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$431.72
	Cliff Isl		Special Facilities					\$20.94
							Group Cost	\$452.66
441-150-0429-001	W PEN C	67	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$911.87
City Pole	W PEN C	33	Sodm Spc Halbrk	100	\$2.33	\$25.00	\$27.33	\$901.89
	W PEN C	4	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$93.48
	W PEN C	13	Sodm Spc Esplnd	250	\$5.42	\$30.36	\$35.78	\$465.14
	W PEN C	6	Sodium Decashield	400	\$8.36	\$20.21	\$28.57	\$171.42
	W PEN C	381	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$3,509.01
	W PEN C	4	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$87.52
	W PEN C	93	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$933.72
	W PEN C	208	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$2,302.56
	W PEN C	305	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$3,855.20
	W PEN C	82	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$1,398.92
	W PEN C	10	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$216.30
	W PEN C	14	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$244.86
	W PEN C	216	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$2,473.20
	W PEN C	13	Halide Enclosed	250			\$9.63	\$125.19
	W PEN C	26	Halide Enclosed	70			\$3.06	\$79.56
	W PEN C	65	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$744.25
	W PEN C	12	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$220.80
	W PEN C	22	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$236.72
	W PEN C	77	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$834.68
City Pole	W PEN C	4	Sodm Spc Halbrk	100	\$2.33	\$25.00	\$27.33	\$109.32
	W PEN C	1	Metal Halide Flood	400	\$8.26	\$21.77	\$30.03	\$30.03
	W PEN C	1	Area Lighting				\$21.38	\$21.38
	W PEN C	1	Special Facilities				\$671.35	\$671.35
		1658					Group Cost	\$20,638.37

Street Light Inventory - CMP-Leased Units - January 4, 2016

Account Number	Group	Quantity	Type	Wattage	Delivery Cost	Lighting Equipment Cost	Unit Cost	Group Cost
441-150-0434-001	East A	50	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$680.50
	East A	15	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$276.00
	East A	22	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$251.90
	East A	623	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$5,737.83
	East A	134	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$1,345.36
	East A	157	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$1,737.99
	East A	257	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$3,248.48
	East A	44	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$750.64
	East A	2	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$43.26
	East A	8	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$139.92
	East A	8	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$175.04
City Pole	East A	384	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$4,396.80
	East A	86	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$932.24
	East A	41	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$441.16
	East A	3	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$70.11
City Pole	East A	9	Hald Spc Esplnd	175	\$3.80	\$28.75	\$32.55	\$292.95
	East A	1	Area Lighting				\$42.12	\$42.12
	East A	1	Special Facilities				\$7,280.50	\$7,280.50
		1845					Group Cost	\$27,842.80
441-150-0448-001	West B	114	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$1,235.76
	West B	7	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$153.16
	West B	17	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$194.65
	West B	16	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$172.16
	West B	1	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$23.37
	West B	535	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$4,927.35
	West B	49	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$491.96
	West B	78	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$863.46
	West B	68	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$859.52
	West B	1	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$17.06
	West B	4	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$69.96
	West B	49	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$561.05
	West B	5	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$68.05
	West B	1	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$18.40
	West B	1	Special Facilities				\$68.09	\$68.09
		946					Group Cost	\$9,724.00
		6096 Fixtures					Total Cost	Per Month
							Per Year	\$79,367.38
								\$952,408.56

CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility
to Municipality
RFP #2917

Current Date: October 25, 2016

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

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

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

MATTHEW FITZGERALD
PURCHASING MANAGER

We received the following question and are providing a response via this addendum:

- Q. You have included Portland's fixture inventory yet there is no mention of pricing in the RFP document. Please confirm whether or not you are expecting pricing with the response.
- A. The City will review all proposals based on the criteria listed in the RFP document, which do not include price. The review committee will select the firm they feel offers the best solution for the City and enter into negotiations regarding project implementation and cost. We anticipate proposals that offer a variety of project approaches, services, and technology. Consequently, it would be difficult to compare price quotes fairly at this time. Proposers should be aware, however, that the City anticipates a project that offers high value and will closely scrutinize costs at all stages of implementation

Receipt of **Addendum No. 1** to the City of Portland's **RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: _____

NAME: _____

SIGNED BY: _____ DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

ZIP CODE

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

Current Date: October 26, 2016

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

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

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

**MATTHEW FITZGERALD
PURCHASING MANAGER**

We received the following question and are providing a response via this addendum:

1. *Are funds for this project budgeted / approved for 2017?*

The City currently has \$100,000 available in the Capital budget for the streetlight project. There are additional funds proposed in next year's capital budget, the amount of which may be adjusted depending on how the City chooses to finance the project. The City is not wed to funding the project with a municipal bond and will explore alternative funding sources that may be proposed.

2. *Who is your utility provider? (We ask this for rebate purposes).*

The investor owned electric utility serving Portland is Central Maine Power.

<http://www.cmpco.com/>

The State efficiency agency is Efficiency Maine: <http://www.efficiencymaine.com/>

Receipt of **Addendum No. 2** to the City of Portland's **RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: _____

NAME: _____

SIGNED BY: _____ DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

ZIP CODE

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

Current Date: October 31, 2016

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

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

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

**MATTHEW FITZGERALD
PURCHASING MANAGER**

We received additional questions related to this RFP and are providing a response via this addendum on the next page.

Receipt of **Addendum No. 3** to the City of Portland's **RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: _____

NAME: _____

SIGNED BY: _____ DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

ZIP CODE

CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917

1. *Can the City please provide an address for delivery of proposal submissions (preferably one that receives FedEx/UPS deliveries)?*

City of Portland
Attn.: Purchasing
389 Congress Street, Room 103
Portland, Maine 04101
(207) 874-8654

2. *Page 5 of the RFP, Section E, Subsection 2 indicates that the City is considering an Energy Savings Performance Contract (ESPC) for this project. Given that street lighting is a measure based on published and regulated rates, as well as the fact that it is a measure in which savings are not impacted by behavior and/or weather (which results in the savings being simple to calculate and achieve), can the City please clarify why it would consider an ESPC for this project? The concern is that that type of contract model would only unnecessarily inflate the cost of this project.*

The City is willing to consider a variety of funding options including Energy Saving Performance Contracting, municipal leasing, bonding, or other approaches. We anticipate exploring these options with respondents and determining which approach is in the best interest of the City.

3. *Page 7 of the RFP, Section 6, third sub-bullet mentions "Reference standards" as an element that needs to be covered in the approach. Can the City please clarify how this is defined and the type of standards it is looking for?*

Regarding the reference to "Reference Standards" on page 7, Section 6 of the RFP: The City is interested in the approach for ensuring the installed lights conform as closely as possible to the Illuminating Engineering Society (IES) Standard for Roadway Lighting (RP-8-14). To the extent that any lights are added to the streetlight inventory (to address lighting deficiencies or to improve service) the new lights should conform to the City's Technical Manual which may be found at:

<http://www.portlandmaine.gov/documentcenter/view/2211>

4. *Page 11 of the RFP, Attachment A - in the second table, the Energy Rate listed for Streetlight Group A is \$0.584. Please confirm that this, in fact, the correct rate for this Group. Compared to the Energy Rate for Streetlight Group B, this seems significantly high.*

The current electrical supply cost for Streetlight Group A is \$0.05835/kWh. The contract for this tranche expires in December 2018. The current electrical supply cost for Streetlight Group B is \$0.0469/kWh. The contract for this tranche expires in December 2019. Please find the attached documents: CAP Group Memo, which shows how the streetlight groups are divided and the total kWh usage for 12 months. CMP Bill Street Light Inventory has been updated to show which supply tranche each Streetlight Group is assigned to.

CompanyName	Address1	CurrentLDCacctNum	UtilityType	TotalkWh	UsageUnits	dtContract	Term	dtExpectedStart	dtRollOver	FixedPrice	Pricing Group
City of Portland	S/L East Penin D	4411496480001	Street Lighting	909293.2581	kWh	19-May-15	36	01-Dec-15	01-Dec-18	0.05835	Street Lighting Group A
City of Portland	Peaks Island	4411497680001	Street Lighting	94470.80645	kWh	19-May-15	36	01-Dec-15	01-Dec-18	0.05835	Street Lighting Group A
City of Portland	S/L East A	4411500434001	Street Lighting	882732	kWh	19-May-15	36	01-Dec-15	01-Dec-18	0.05835	Street Lighting Group A
City of Portland	STREET CLIFF ISL	4411497726001	STLGHT	16107.83871	kWh	19-May-15	36	01-Dec-15	01-Dec-18	0.05835	Street Lighting Group A
City of Portland	West Penin C	4411500429001	Street Lighting	931383.8065	kWh	01-Feb-16	36	01-Dec-16	01-Dec-19	0.0469	Street Lighting Group B
City of Portland	S/L West 8	4411500448001	Street Lighting	342391.871	kWh	01-Feb-16	36	01-Dec-16	01-Dec-19	0.0469	Street Lighting Group B
City of Portland	STREET SCHOOL	4411493430001	STLGHT	69854.3871	kWh	01-Feb-16	36	01-Dec-16	01-Dec-19	0.0469	Street Lighting Group B
City of Portland	STREET GRT DMND	4411497712001	STLGHT	15182.16129	kWh	01-Feb-16	36	01-Dec-16	01-Dec-19	0.0469	Street Lighting Group B
City of Portland	VALLEY ST	4411691345001	STLGHT	1219	kWh	01-Feb-16	36	01-Dec-16	01-Dec-19	0.0469	Street Lighting Group B
City of Portland	STREET LTL DIMND	4411497707001	STLGHT	8989.225806	kWh	19-May-15	36	01-Dec-15	01-Dec-18	0.05835	Street Lighting Group A

Street Light Inventory

CMP Leased Units

1/4/2016

Account Number	Group	Quantity	Type	Wattage	Delivery Cost	Lighting Equipment Cost	Unit Cost	Group Cost	Streetlight Supply Tranche
441-149-3430-001	School	3	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$51.18	Streetlight B
	School	18	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$314.82	Streetlight B
	School	7	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$88.48	Streetlight B
	School	18	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$393.84	Streetlight B
	School	1	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$21.63	Streetlight B
	School	1	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$10.04	Streetlight B
	School	1	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$23.37	Streetlight B
	School	1	Metal Halide Cut Off	400	\$8.26	\$20.80	\$29.06	\$29.06	Streetlight B
	School	1	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$13.61	Streetlight B
	School	1	Special Facilities					\$108.11	
		52					Group Cost	\$1,054.14	
441-149-6480-001	E Pen D	16	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$294.40	Streetlight A
	E Pen D	25	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$286.25	Streetlight A
	E Pen D	15	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$350.55	Streetlight A
	E Pen D	40	Halide Enclosed	100			\$4.14	\$165.60	Streetlight A
	E Pen D	23	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$249.32	Streetlight A
	E Pen D	3	Metal Halide Flood	250	\$5.42	\$18.71	\$24.13	\$72.39	Streetlight A
	E Pen D	4	Hald Spc Esplnd	175	\$3.80	\$28.75	\$32.55	\$130.20	Streetlight A
	E Pen D	13	Sodium Decashield	400	\$8.36	\$20.21	\$28.57	\$371.41	Streetlight A
	E Pen D	101	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$930.21	Streetlight A
	E Pen D	90	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$903.60	Streetlight A
	E Pen D	138	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$1,527.66	Streetlight A
	E Pen D	194	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$2,452.16	Streetlight A
	E Pen D	103	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$1,757.18	Streetlight A
	E Pen D	27	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$584.01	Streetlight A
	E Pen D	15	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$262.35	Streetlight A
	E Pen D	14	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$306.32	Streetlight A
	E Pen D	135	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$1,545.75	Streetlight A
	E Pen D	39	Halide Enclosed	250			\$9.63	\$375.57	Streetlight A
	E Pen D	82	Halide Enclosed	70			\$3.06	\$250.92	Streetlight A
	E Pen D	25	Halide Spc Hlbrk	175	\$3.80	\$25.75	\$29.55	\$738.75	Streetlight A
	E Pen D	85	Sodium Decashield	25	\$5.42	\$14.35	\$19.77	\$1,680.45	Streetlight A
	E Pen D	21	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$225.96	Streetlight A
	E Pen D	30	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$408.30	Streetlight A
	E Pen D	2	Hald Spc Esplnd	70	\$1.72	\$22.95	\$24.67	\$49.34	Streetlight A
	E Pen D	1	Special Facilities					\$577.01	
		1,241					Group Cost	\$16,495.66	

Account Number	Group	Quantity	Type	Wattage	Delivery Cost	Lighting Equipment Cost	Unit Cost	Group Cost	Streetlight Supply Tranche
441-149-7680-001	Peaks Isl	223	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$2,238.92	Streetlight A
	Peaks Isl	2	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$22.14	Streetlight A
	Peaks Isl	2	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$34.98	Streetlight A
	Peaks Isl	20	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$215.20	Streetlight A
		247					Group Cost	\$2,511.24	
441-149-7707-001	LTL DIMND	23	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$230.92	Streetlight A
	LTL DIMND	1	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$10.76	Streetlight A
		24					Group Cost	\$241.68	
441-149-7712-001	GRT DMND	5	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$53.80	Streetlight B
	GRT DMND	28	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$281.12	Streetlight B
	GRT DMND	4	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$44.28	Streetlight B
	GRT DMND	3	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$27.63	Streetlight B
		40					Group Cost	\$406.83	
441-149-7726-001	Cliff Isl	43	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$431.72	Streetlight A
	Cliff Isl		Special Facilities					\$20.94	Streetlight A
							Group Cost	\$452.66	
441-150-0429-001	W PEN C	67	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$911.87	Streetlight B
City Pole	W PEN C	33	Sodm Spc Halbrk	100	\$2.33	\$25.00	\$27.33	\$901.89	Streetlight B
	W PEN C	4	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$93.48	Streetlight B
	W PEN C	13	Sodm Spc Espind	250	\$5.42	\$30.36	\$35.78	\$465.14	Streetlight B
	W PEN C	6	Sodium Decashield	400	\$8.36	\$20.21	\$28.57	\$171.42	Streetlight B
	W PEN C	381	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$3,509.01	Streetlight B
	W PEN C	4	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$87.52	Streetlight B
	W PEN C	93	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$933.72	Streetlight B
	W PEN C	208	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$2,302.56	Streetlight B
	W PEN C	305	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$3,855.20	Streetlight B
	W PEN C	82	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$1,398.92	Streetlight B
	W PEN C	10	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$216.30	Streetlight B
	W PEN C	14	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$244.86	Streetlight B
	W PEN C	216	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$2,473.20	Streetlight B
	W PEN C	13	Halide Enclosed	250			\$9.63	\$125.19	Streetlight B
	W PEN C	26	Halide Enclosed	70			\$3.06	\$79.56	Streetlight B
	W PEN C	65	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$744.25	Streetlight B
	W PEN C	12	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$220.80	Streetlight B
	W PEN C	22	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$236.72	Streetlight B
	W PEN C	77	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$834.68	Streetlight B
City Pole	W PEN C	4	Sodm Spc Halbrk	100	\$2.33	\$25.00	\$27.33	\$109.32	Streetlight B
	W PEN C	1	Metal Halide Flood	400	\$8.26	\$21.77	\$30.03	\$30.03	Streetlight B
	W PEN C	1	Area Lighting				\$21.38	\$21.38	Streetlight B
	W PEN C	1	Special Facilities				\$671.35	\$671.35	Streetlight B
		1,658					Group Cost	\$20,638.37	

Account Number	Group	Quantity	Type	Wattage	Delivery Cost	Lighting Equipment Cost	Unit Cost	Group Cost	Streetlight Supply Tranche
441-150-0434-001	East A	50	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$680.50	Streetlight A
	East A	15	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$276.00	Streetlight A
	East A	22	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$251.90	Streetlight A
	East A	623	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$5,737.83	Streetlight A
	East A	134	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$1,345.36	Streetlight A
	East A	157	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$1,737.99	Streetlight A
	East A	257	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$3,248.48	Streetlight A
	East A	44	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$750.64	Streetlight A
	East A	2	Sodium Enclosed	400	\$8.36	\$13.27	\$21.63	\$43.26	Streetlight A
	East A	8	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$139.92	Streetlight A
	East A	8	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$175.04	Streetlight A
City Pole	East A	384	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$4,396.80	Streetlight A
	East A	86	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$932.24	Streetlight A
	East A	41	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$441.16	Streetlight A
	East A	3	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$70.11	Streetlight A
City Pole	East A	9	Hald Spc Esplnd	175	\$3.80	\$28.75	\$32.55	\$292.95	Streetlight A
	East A	1	Area Lighting				\$42.12	\$42.12	Streetlight A
	East A	1	Special Facilities				\$7,280.50	\$7,280.50	
		1,845					Group Cost	\$27,842.80	
441-150-0448-001	West B	114	Sodium Cut Off	50	\$1.17	\$9.67	\$10.84	\$1,235.76	Streetlight B
	West B	7	Sodium Flood	400	\$8.36	\$13.52	\$21.88	\$153.16	Streetlight B
	West B	17	Sodium Cut Off	100	\$2.33	\$9.12	\$11.45	\$194.65	Streetlight B
	West B	16	Sodium Cut Off	70	\$1.72	\$9.04	\$10.76	\$172.16	Streetlight B
	West B	1	Sodium Cut Off	400	\$8.36	\$15.01	\$23.37	\$23.37	Streetlight B
	West B	535	Sodium Enclosed	50	\$1.17	\$8.04	\$9.21	\$4,927.35	Streetlight B
	West B	49	Sodium Enclosed	70	\$1.72	\$8.32	\$10.04	\$491.96	Streetlight B
	West B	78	Sodium Enclosed	100	\$2.33	\$8.74	\$11.07	\$863.46	Streetlight B
	West B	68	Sodium Enclosed	150	\$3.50	\$9.14	\$12.64	\$859.52	Streetlight B
	West B	1	Sodium Enclosed	250	\$5.42	\$11.64	\$17.06	\$17.06	Streetlight B
	West B	4	Sodium Flood	250	\$5.42	\$12.07	\$17.49	\$69.96	Streetlight B
	West B	49	Sodium Post Top	100	\$2.33	\$9.12	\$11.45	\$561.05	Streetlight B
	West B	5	Sodium Cut Off	150	\$3.50	\$10.11	\$13.61	\$68.05	Streetlight B
	West B	1	Sodium Cut Off	250	\$5.42	\$12.98	\$18.40	\$18.40	Streetlight B
	West B	1	Special Facilities				\$68.09	\$68.09	
		946					Group Cost	\$9,724.00	
		6,096	Fixtures				Total Cost	Per Month	\$79,367.38
								Per Year	\$952,408.56

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

Current Date: November 2, 2016

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

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

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

**MATTHEW FITZGERALD
PURCHASING MANAGER**

We received additional questions related to this RFP and are providing a response via this addendum on the next page. This will be the final addendum issued and we will be unable to respond to any further questions.

Receipt of **Addendum No. 4** to the City of Portland's **RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: _____

NAME: _____

SIGNED BY: _____ DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

ZIP CODE

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

QUESTIONS:

1. How does the utility company bill?

For the streetlights currently owned by the utility (Central Maine Power), the City receives a bill for T&D and for the cost of leasing the equipment. (These costs are outlined in the document "Streetlight Inventory" distributed with the RFP and updated in the last addendum.) The City receives a separate bill for electrical supply from a 3rd party supplier. For metered streetlights currently owned by the City, we receive a bill from CMP for T&D and a separate bill for supply.

2. What will be the role of Central Maine Power moving forward?

CMP will be a partner throughout the course of the project. To begin, the City and the selected Contractor will coordinate closely with CMP during the physical inventory and IGA. Determining the length of time each fixture has been in service will be a key component of the audit process. Once the project proceeds to replacing fixtures, CMP requires that their staff or their authorized contractor install a fuse between the new fixture and their line. Having CMP install the new, City-owned equipment while they install the fuse may be option. Upon project completion, CMP will remain the T&D utility distributing power to the lighting equipment but will no longer own it.

3. What is the book value of the existing lighting poles that need to be purchased?

Approximately 6300 of the lights to be replaced during the course of this project are attached to wooden utility poles owned by the utility. We do not anticipate replacing these poles, only replacing the existing lighting equipment. The City currently owns the vast majority of the decorative poles and attached lights. (City owned lights are described in document "City Owned Streetlights") included in the RFP. Proposing firms are advised to familiarize themselves with Maine Public Utilities Commission rulings related to the NBV of the existing lighting fixtures as well as other rulings related to the municipal streetlighting. These are:

September 22, 2014: Docket No. 2013-00448

October 7, 2015: Docket Nos. 2014-00313 and 2014-00317

September 13, 2016: Docket No. 2014-00313

Following the process outlined by the PUC in Docket No. 2014-00313, the selected firm will work with the City and CMP to determine which utility owned lights have been in service for 15 years or more and which have not. This will be necessary to determine the NBV, if any, of the existing lights.

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

4. Is there a limitation on maximum term of the concession?

There is no defined limit on the term of the concession. The City will negotiate terms with the successful respondent on various aspects of the project as may be proposed.

5. What are the expectations at the end of the contract term? (Build/Operate, Build/Operate/Transfer)

At the end of the project the City anticipates owning, operating, and maintaining the streetlights. If vendors propose additional technologies as part of their proposals the City may consider other models and/or partnerships as well.

6. Does the City have a minority-DBE target?

No, but see section regarding EEO in the boilerplate of the RFP.

7. Are the lights in the city owned garages included in this RFP? I was told they were but I do not see them in the RFP itself.

Yes, the lights in the garages are included. This is referenced in the "Project Background" section of the RFP:

"The City anticipates the scope of work to include upgrading the pole mounted street lights as well as lighting in City parking facilities."

8. How will we know if the proposal was received?

This will be noted on the City's website after the proposals are opened.

9. There are several communications options available. In many cases, municipalities have FCC assigned frequencies (such as 450 MHz) which can be leveraged. Such frequencies often have good range and reliable communications with legal protections preventing others from using those frequencies. Does Portland have any such frequency assignments?

The City has a number of radio frequencies assigned by the FCC. If we were to network the streetlights on any of them we would need to coordinate closely with existing radio users to ensure adequate bandwidth and to avoid interference. They are heavily used.

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

- 10. Under “Proposal Format” on page 4 of the RFP it states that “Proposals are to be limited to a maximum of 25 “pages” excluding addendums. We are assuming that this is 25 sheets of paper, double-sided (which could be 50 numbered pages of content). Is this correct? Due to the significant amount of information requested, this certainly would have an impact on how we will respond**

Please disregard this requirement on the length of your proposal.

- 11. Were there other questions asked prior to the issuance of the RFP?**

City staff had informal conversations with many firms during the development of the RFP in order to learn how street light conversion projects can leverage a host of smart city technologies. The only question that may not have been specifically addressed is:

Q: Would the City be willing to host pilot projects or demonstrations projects involving new smart city technologies?

A: Yes, as noted in the RFP, the City is open to public/private partnerships that could offer improved or innovative services to our residents and visitors. This could involve demonstrating new services. We would want to review each opportunity on a case by case basis



PRESENTED TO

CITY OF PORTLAND, MAINE

11/9/2016

EXHIBIT B

RESPONSE TO REQUEST FOR PROPOSALS

RFP #2917

CONVERSION OF CITY STREET LIGHT SYSTEM
TO LED FIXTURES AND TRANSFER OF
OWNERSHIP FROM UTILITY TO MUNICIPALITY



PRESENTED BY: TEN CONNECTED SOLUTIONS

TEN Maine

19 Yarmouth Road, Ste 301
New Gloucester ME 04260

TEN Philadelphia

40 West Evergreen Ave
Philadelphia PA 19118

TEN New England

51 Melcher Street
Boston MA 02210

TEN DC/Baltimore

9025 Maier Rd, Ste B
Laurel MD 20723

TEN Connected Solutions Headquarters 1501 Reedsdale St, Ste 401, Pittsburgh PA 15233

855.429.1010 | tenconnected.com | info@tenconnected.com



PROPOSAL FORM

Request for Proposals –
Conversion of City Street Light System To LED Fixtures and from Utility Owned To
Municipally Owned and Maintained Fixture On Utility Owned Poles
RFP #2917

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.

The bidder acknowledges the receipt of Addenda numbered: #1, #2, #3, and #4 _____

COMPANY NAME: TEN Connected Solutions, Inc.

AUTHORIZED SIGNATURE: _____

DATE: 11/8/16

PRINT NAME & TITLE: Troy T. Geanopulos, Chief Executive Officer

ADDRESS: 19 Yarmouth Road, New Gloucester, ME 04260 and 1501 Reedsdale Street, Ste. 401, Pittsburgh, PA 15233

EMAIL ADDRESS: troy.geanopulos@tenconnected.com

PHONE NUMBER: 412-576-5002 FAX NUMBER: 412-429-8889

TYPE OF ORGANIZATION-PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER: Corporation

STATE OF INCORPORATION: Delaware

FEDERAL TAX IDENTIFICATION NUMBER (Required): 81-3028722

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility
to Municipality
RFP #2917

Current Date: October 25, 2016

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

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

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

MATTHEW FITZGERALD
PURCHASING MANAGER

We received the following question and are providing a response via this addendum:

- Q. You have included Portland's fixture inventory yet there is no mention of pricing in the RFP document. Please confirm whether or not you are expecting pricing with the response.
- A. The City will review all proposals based on the criteria listed in the RFP document, which do not include price. The review committee will select the firm they feel offers the best solution for the City and enter into negotiations regarding project implementation and cost. We anticipate proposals that offer a variety of project approaches, services, and technology. Consequently, it would be difficult to compare price quotes fairly at this time. Proposers should be aware, however, that the City anticipates a project that offers high value and will closely scrutinize costs at all stages of implementation

Receipt of Addendum No. 1 to the City of Portland's RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality is hereby acknowledged.

COMPANY: TEN Connected Solutions, Inc.

NAME: Patrick Regan

SIGNED BY: Patrick Regan DATE: 10/28/16

PRINT NAME & TITLE: Patrick Regan, VP Streetlighting and Smart

ADDRESS: Local ofc. 19 Yarmouth Drive, New
Gloucester, ME 04260

ZIP CODE

HQ: 1501 Reedsdale Street, Suite 401
Pittsburgh, PA 15233

CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917

Current Date: October 26, 2016

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

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

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MATTHEW FITZGERALD
PURCHASING MANAGER

We received the following question and are providing a response via this addendum:

1. *Are funds for this project budgeted / approved for 2017?*

The City currently has \$100,000 available in the Capital budget for the streetlight project. There are additional funds proposed in next year's capital budget, the amount of which may be adjusted depending on how the City chooses to finance the project. The City is not wed to funding the project with a municipal bond and will explore alternative funding sources that may be proposed.

2. *Who is your utility provider? (We ask this for rebate purposes).*

The investor owned electric utility serving Portland is Central Maine Power.

<http://www.cmpco.com/>

The State efficiency agency is Efficiency Maine: <http://www.efficiencymaine.com/>

Receipt of **Addendum No. 2** to the City of Portland's **RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: TEN Connected Solutions, Inc.

NAME: Patrick Regan

SIGNED BY: Patrick Regan DATE: 10/28/16

PRINT NAME & TITLE: Patrick Regan, VP Street Lighting and

ADDRESS: Local ofc. 19 Yarmouth Drive, Suite 301 Smart Cities

New Gloucester, ME 04260

HQ: 1501 Reedsdale Street, Suite 401 ZIP CODE

Pittsburgh, PA 15233

**CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917**

Current Date: October 31, 2016

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

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

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

**MATTHEW FITZGERALD
PURCHASING MANAGER**

We received additional questions related to this RFP and are providing a response via this addendum on the next page.

Receipt of **Addendum No. 3** to the City of Portland's **RFP #2917: Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: TEN Connected Solutions, Inc.

NAME: Patrick Regan

SIGNED BY: Patrick Regan DATE: 10/31/16

PRINT NAME & TITLE: Patrick Regan, VP street Lighting and Smart

ADDRESS: Local ofc. 19 Yarmouth Drive, New Cities
Gloucester, ME 04260

ZIP CODE

HQ: 1501 Reedsdale Street, Suite 401
Pittsburgh, PA 15233

CITY OF PORTLAND, MAINE
Conversion of City Street Lights to LED Fixtures &
Transfer of Ownership from Utility to Municipality
RFP #2917

Current Date: November 2, 2016

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

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

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MATTHEW FITZGERALD
PURCHASING MANAGER

We received additional questions related to this RFP and are providing a response via this addendum on the next page. This will be the final addendum issued and we will be unable to respond to any further questions.

Receipt of **Addendum No. 4** to the City of Portland's RFP #2917: **Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality** is hereby acknowledged.

COMPANY: TEN Connected Solutions, Inc.

NAME: Patrick Regan

SIGNED BY: Patrick Regan DATE: 11/2/16

PRINT NAME & TITLE: Patrick Regan, VP Street Lighting and Smart

ADDRESS: Local ofc. 19 Yarmouth Drive, Suite 301, Cities

New Gloucester, ME 04260

HQ: 1501 Reedsdale Street Suite 401 ZIP CODE
Pittsburgh, PA 15233



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Attachment 1: Key Personnel Detailed Resumes/CVs

Attachment 2: City of Baltimore Street Lighting Upgrade Project Bi-weekly Report dated October 28, 2016

Attachment 3: City of Harrisburg Case Study

Attachment 4: Project Photo Gallery



A. Cover Letter

November 9, 2016

Mr. Matthew Fitzgerald
Purchasing Manager, City of Portland
389 Congress St.
Portland, Maine 04101

Dear Mr. Fitzgerald:

On behalf of TEN Connected Solutions, Inc., a wholly owned subsidiary of The Efficiency Network, Inc. (TEN), I am pleased to present you with TEN's response to the City of Portland's Request for Proposals – Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality (RFP #2917). The intent of our response is to highlight our experience and to show why TEN is the best choice to help the City of Portland complete its visionary street lighting and smart cities project. TEN is one of the nation's industry-leading companies helping 21st Century cities, like Portland, implement groundbreaking LED street lighting conversions and Smart Cities technology integration solutions. TEN Connected's street lighting and smart cities' solutions deliver lower costs, better lights, safer streets and brighter, more beautiful city neighborhoods.

TEN Connected has actively worked on developing solutions for more than 200,000 street lights across the United States. Our proven approach has helped cities save millions of dollars annually on utility bills while dramatically reducing energy and maintenance costs and while creating new revenue streams.

As a technology and vendor neutral company, TEN Connected Solutions' approach for Portland will be to vet available technologies and present the best and most applicable products to City leadership. TEN Connected will work with the City of Portland during each step of the project – from audit, to contract, and installation – to develop, plan, and execute a conversion of the street lighting systems, using state-of-the-art technologies including the implementation of smart cities' technologies. Additionally, TEN Connected will deliver a 100% accurate audit in terms of locating and identifying, by GPS, each street lighting system asset.

TEN Connected has the expertise, experience, and national network of partners in place to deliver a world-class lighting project for the City of Portland. The information contained in this proposal accurately describes the services to be provided.

We thank you for the opportunity to submit this response and we look forward to working with you.



Troy T. Geanopulos, CEO



B. Company Profile

Company Description

TEN Connected Solutions, Inc. (TEN Connected), a wholly-owned subsidiary of The Efficiency Network, Inc. (TEN), is one of the nation's industry-leading LED street lighting design, conversion, and Smart Cities technology integration companies. TEN Connected's smart street lighting solutions deliver lower costs, better lights, safer streets and brighter, more beautiful communities.

Headquartered in the Commonwealth of Pennsylvania, in the City of Pittsburgh, TEN has been in the energy-efficiency and smart city solutions business since its incorporation in February, 2012, and has operated under this firm name for nearly five years. In addition to our Pennsylvania headquarters, TEN Connected also has offices in New Gloucester, Maine, Washington DC/Baltimore area, Philadelphia, PA, and Boston, MA.

Proudly, and specifically to assist cities and towns in Maine to acquire their street lighting systems to convert to LED, TEN Connected has established our local office at 19 Yarmouth Drive, Suite 301, located on the Pineland Business Park Campus in Gloucester, a mere 20-minute drive from the City of Portland.

TEN Connected – Maine (Pineland Business Park Campus)
19 Yarmouth Drive, Suite 301
New Gloucester, ME 04260

For the purposes of the City of Portland, TEN Connected Solutions' Project Management team will be based out of our Maine office to ensure a closely monitored, managed, and successful project.

It is important to note that TEN's in-house team has designed and implemented over \$700 million in energy efficiency projects for a multitude of customers over the past several decades. And TEN's seasoned professionals have, in the past, worked in material roles for some of the country's most well-known energy efficiency companies, including TEN, Siemens, Johnson Controls, NORESKO, Opterra, Chevron, and Constellation An Exelon Company.

TEN Connected's commitment to offering street lighting and Smart City technology solutions is evident based on the credentialed, high-caliber team assembled at TEN Connected to provide world-class energy efficiency projects – including a significant focus on performance contracting which encompasses, to a large degree, municipality-wide roadway and street lighting LED conversions, city and college-owned parking facility upgrades, as well as smart energy efficiency projects. This is our exclusive focus. There are few, if any, energy and utility situations TEN Connected has not already encountered and successfully addressed (even most recently) for other street lighting clients such as the cities of Scranton, PA, Baltimore, MD, Harrisburg, PA and Bethlehem, PA.

Experience and Performance Capabilities



In addition to substantial energy performance contracting design and implementation experience, and the significant references of TEN's team, TEN itself carries with it the Qualified Energy Service Company (ESCO) Certification by the United States Department of Energy (DOE). This designation is proof of expertise and experience through a rigorous DOE qualification process and allows TEN to perform Energy Savings Performance Contracting (ESPC) at Federal agencies.



Similar/Current Projects Underway

Project	Client/Owner	Number of Street Lights Converted	Value
City of Baltimore, MD	City of Baltimore, Maryland	7,000	\$3.2 million
City of Bethlehem, PA	City of Bethlehem, Pennsylvania	5,400	\$3.8 million
City of Harrisburg, PA	City of Harrisburg, Pennsylvania	6,000+	\$3.6 million
City of Scranton, PA	City of Scranton, Pennsylvania	6,000+	\$4.0 million

Experience developing projects that conform to relevant state laws, local standards, and local Public Utility Commission rules.

1. The City of Baltimore, MD selected TEN to serve as its design and construction management representative to the local utility company, Baltimore Gas & Electric (BGE) to manage their extensive street lighting conversion to LED, beginning with a Phase I asset inventory audit and conversion of approximately 7,000 fixtures to LED which are in 17 high-crime zones designated by the City. Enhanced public safety/homeland security is the primary focus of Baltimore's Phase I project. So much so, that the City asked TEN to evaluate and recommend fixtures best suited to have the ability to "overdrive them" in these areas to shine a light on potential criminal activity – with the added feature to be able to dim the LED in the future if necessary, as well as to be able to troubleshoot maintenance from a centralized location. The project conformed to all relevant state laws, local standards, and local Public Utility Commission rules.

2. The City of Bethlehem, PA selected TEN to replace 5,400 of the City's existing High Pressure Sodium (HPS) street lamp fixtures with 60% more efficient LED fixtures. TEN's Bethlehem project represented, at the time of completion, the largest and most comprehensive city-wide LED street light conversion project completed in Pennsylvania, including pilot projects that already had been completed in Philadelphia and Pittsburgh – only to be eclipsed by TEN's conversion of all the street lighting in the City of Harrisburg, PA (6,000+ fixtures) to LED to be handed over to Harrisburg at the end of December 2016. In Bethlehem, TEN served as designer, project manager, and primary point of contact between Bethlehem and TEN's local project installer and the fixture manufacturers. Bethlehem chose Philips for their cobra heads as the result of a highly competitive bid process that drove project costs down, facilitated by TEN. The project conformed to all relevant state laws, local standards, and local Public Utility Commission rules.

3. In the City of Harrisburg, PA, TEN completed the design and installation of more than 6,000 new roadway cobra head and decorative LED fixtures – this process also included a period of public feedback, where the local public was invited to view and vote on the shortlisted LED cobra head fixtures. In addition to an Asset Inventory Audit, TEN is also completing an extensive historical analysis of utility billing for the streetlight system to determine any overcharges paid by Harrisburg to PPL Electric Utilities – known as TEN's Overcharge Lookback Audit. To the extent that any overcharges are revealed, TEN will facilitate return of those payments to Harrisburg for as many years as permitted under applicable law. TEN's process for Harrisburg also minimized the use of project contingencies which then afforded the City of Harrisburg the ability to include more decorative, color-changing LED bridge lighting designed and installed by TEN under the same contract.

Picture shown is TEN installing LED bridge under-lighting for the City of Harrisburg in November, 2016. The LEDs have controls and will be programmed for 26 different color sequences for special occasions such as Red, White and Blue for the 4th of July. This is the "icing-on-the-cake" as 6,000+ streetlights already have been installed across the City.





4. Recently, TEN and the **City of Scranton, PA** entered into a contract for TEN to convert Scranton's 6,000+ streetlights (cobra heads and decoratives) to state-of-the-art LEDs. Scranton selected TEN in a competitive process over Siemens, Johnson Controls and SmartWatt. The project includes the installation of a front-end controls package, as well as the refurbishment (sandblasting and painting) of approximately 300 decorative poles throughout the city. TEN is also in the process of bringing forward, for the City's consideration, a smart media revenue-generating solution estimated to provide the City with more than \$2 million in income in the first five years at no additional costs.

Utility Billing Structures & Street Light Acquisition Experience

Due to TEN Connected's contracts with cities like Bethlehem and Harrisburg (both served by Pennsylvania Power and Light - PPL) and Baltimore (served by Baltimore Gas & Electric – BGE) for their LED streetlight conversion projects, TEN Connected has become intimately familiar with utility street light billing structures. Furthermore, TEN's work with the City of Baltimore requires TEN Connected not only to design and project manage Baltimore's LED streetlight conversion project, but specifically includes the technical analysis of Baltimore's BGE utility billing structure, including utility bill reconciliation. TEN Connected is confident that we will be able to provide this same comprehensive level of understanding, experience, and successes to the City of Portland.

In addition, TEN Connected has dedicated staff through its network, who have previously held senior roles in the street lighting divisions of Northeast Utilities and Connecticut Light & Power. This expertise has facilitated repayment of utility overcharge refunds for municipal clients in CT and MA, most recently \$1.3 million to Springfield, MA.

Rebate & Incentive Optimization

TEN will undertake careful planning to optimize and obtain maximum value of any and all incentives available, including those available from Central Maine Power / Efficiency Maine. Later on in this response, TEN specifically projects the rebates currently available to Portland for this project.

TEN's street lighting projects have garnered significant rebates for the Cities of Bethlehem, PA and Harrisburg, PA, and TEN anticipates the same success for the City of Scranton, PA. It is important to note that TEN does not look to "participate" in the rebate funding amount allocated to the project, and any rebates or incentives will be paid directly to the City of Portland throughout the project.

Below is the amount of rebates/incentives obtained by TEN for our recent customers.

TEN Customer	Rebate Program	Rebate Obtained* & Paid Directly to TEN Customer
City of Bethlehem, PA	Act 129 PA (PPL)	\$224,000
City of Harrisburg, PA	Act 129 PA (PPL)	\$385,000
City of Scranton, PA	Act 129 PA (PPL)	\$234,000 (*estimated)

In the case of Harrisburg, PA, TEN initially projected the rebate amount for Harrisburg to be \$285,000. However, throughout the process, TEN was able to obtain \$100,000 more than initially estimated because of our significant team effort. In the end, TEN was able to work with the utility to convince them to use more realistic operating hours of 4,300 hours vs. 3,883 for treatment as street lighting rather than the exterior lighting. Additionally, TEN ensured that omni-directional LED decorative lights would be "DLC" listed.



Examples of Acquisition

Recently, TEN Connected assisted the City of Harrisburg, PA in the acquisition of hundreds of street lights from the large, regional electric utility provider, PPL. In addition, by working with TEN Connected to complete a detailed inventory audit and installing a wireless controls system for the new LED street lights, the City now had the data to dispute any past billing discrepancies and negotiate with the utility for fair and accurate acquisition prices.

Fundamentally, based on significant experience and technical expertise, TEN Connected will deliver to the City of Portland a customized Audit Report showing costs, savings and payback (both simple and with any incentives included) for the LED streetlight retrofit. There are few, if any, energy and utility situations TEN Connected has not already encountered and successfully addressed for other street lighting clients - specifically including successfully applying for rebates, administering the process for, applying for, and obtaining confirmation of corrected billing for newly installed wattages from the utility, obtaining refunds for overcharges related to street lights that no longer exist, and reconciling each and every street lighting utility bill.

Deploying Smart City and Internet of Things (IoT) Technology

TEN Connected Solutions' core business is converting street lighting to LED technology and positioning cities for the future through integrating smart cities technology – including those that generate revenue for cities. In each of TEN Connected Solutions' past projects, our team has worked with city leadership to make the street lighting system “future-ready” for smart city and IoT technology implementation. Streetlights and the poles they are supported by are valuable real estate and by converting the system to LEDs and investing in a wireless controls system, cities now can use the savings – if they so choose – to begin to think about smart cities solutions.

Below are specific examples of TEN's experience deploying smart city and IoT technology as part of LED street lighting projects:

- **Baltimore, MD:** As part of Baltimore's conversion of 7,000 streetlights to LED technology (Phase I of 33,000) TEN recommended that Baltimore acquire fixtures with a built-in base capable of accepting a 7-pin NEMA connector to accept either a photocell or intelligent wireless controls node for the purpose of turning fixtures on/off, dimming fixtures, and troubleshooting for maintenance, as well as the ability to increase light levels in high crime areas.
- **Harrisburg, PA:** TEN has completed the conversion of 6,000+ streetlights to LED as well as the installation of a wireless controls system, resulting in more than \$500,000 in annual energy savings, monitored by a centralized front-end system.
- **Bethlehem, PA:** TEN replaced 5,400 of the City's existing High Pressure Sodium (HPS) street lamp fixtures with 60% more efficient LED fixtures complete with an intelligent wireless controls system retrieving data from the streetlights and sending it back to a front-end system.
- **Scranton, PA:** TEN is currently under construction converting Scranton's 6,000+ streetlights to LED. As part of the project, in addition to installing intelligent wireless controls on all cobra head streetlights, TEN is installing a smart media system to generate City revenue and better connect visitors and local residents to activities and information in the area. The system includes wireless mobile beacons providing free Wi-Fi in addition to a Scranton-specific app delivering special offers around the City, as well as important information and notifications provided by the City.

In addition to Scranton, TEN Connected is working with the cities of Baltimore and Harrisburg, to implement smart city kiosks. The kiosks, like similar devices currently being used in New York City and Kansas City, will connect



visitors, residents, and businesses to local attractions, city services, and public information while generating revenue for each city.

Smart Cities' Partnerships and Approach

TEN Connected Solutions is not an equipment manufacturer and as such allows us to be vendor neutral to the benefit of the City of Portland. This also allows TEN Connected to maintain a competitive process through final design to maximize value for the City, both in terms of fixture costs, labor costs, maximizing post-installation warranties and minimizing long-term life cycle costs.

TEN Connected has a proven process to administer an additional competitive bidding process amongst a short list of City-approved LED fixture manufacturers for improving the cost and warranty terms for the City. Sample areas, using short-listed products, can also be provided to the City of Portland. In the City of Harrisburg, 2 fixtures each of equivalent wattages from five (5) manufacturers were installed by TEN along a stretch of city roadway for purposes of visual inspection and comparison in furtherance of final product selection.

With TEN Connected's competitive platform, not only will the City of Portland have final approval of the high-quality LED luminaires included in the competitive process, but the City will also have final approval of the product chosen for installation by having procured this project through a competitive performance contract process.

As one of the nation's industry-leading LED street lighting conversion companies, TEN Connected has established significant relationships with world-class LED fixture and controls manufacturers, and Smart City and Smart Media platform providers, and TEN Connected has been able to work diplomatically with each of them, specifically (but not exclusively) with the following:

Past Technology Partnerships Description	Experience and Value Add
Eaton/Cooper Lighting	(Harrisburg Project) LED cobra heads and decorative streetlights
GE, CREE, Holophane, Philips	(Shortlisted fixtures for the Cities of Harrisburg, Bethlehem, and Scranton)
TELENSA Controls	(Harrisburg Project)
Truly Green Lighting	(Harrisburg & Scranton Projects)
Philips Lighting	(Bethlehem Project)
City Touch Controls	(Bethlehem Project)
CIMCON Controls	(Scranton Project)
Leotek Lighting	(Baltimore Project)
Intellistreets	(Smart Lighting Platform/Rev Generation Vendor)
Smart City Media, LLC	(Smart Media Platform proposed for Scranton/Harrisburg Projects)



C. Key Personnel

TEN Connected's team below consists of industry veterans that have up to 25 years of experience in the energy services industry. Our company was created to offer energy efficiency under an altogether different price level and with economic terms to create unmatched value for our clients. It is important to note again that, although TEN's name might not be familiar in Maine, TEN's key personnel (and some who are directly assigned to this project) have worked for leading energy services companies such as TEN, Constellation An Exelon Company, NORESKO, Johnson Controls, Siemens, Opterra, Chevron and others. Additionally, members of our street lighting team have successfully completed parking facility upgrades for cities and large universities such as, most recently, Pennsylvania State University and Temple University. **Individual experience and resumes for TEN Connected's Street Lighting Team may be found in Attachment 1: Key Personnel Detailed Resumes/CVs.**

When it comes time for installation, TEN Connected's dedicated project delivery staff of experienced project and construction managers specialize in delivering guaranteed, efficient technology solutions as planned on budget and on time. After TEN Connected has competitively procured all luminaires, other materials, and control system components (approved by the City during the design phase), the installation can begin. TEN Connected's project management is key to a quality installation, and we guarantee that there will be accountable TEN Connected employees assigned to this project throughout the installation, as follows:

Patrick Regan, Esquire – VP, Business Development

Patrick leads the TEN Connected Solutions business development team. Patrick has spent almost a decade as a pioneer in helping visionary governments design, finance and implement energy efficiency and connected street lighting solutions and Smart Cities technology projects. Patrick is TEN's primary contact person responsible for coordinating all of TEN's resources, as well as contract negotiations. Patrick has a valuable combination of skills and experience, including being a licensed attorney, which enables him to understand and discuss customer contractual needs and requirements, as well as extensive hands-on experience in recognizing customer financing strategy and needs, including presentation and analysis of various project funding options to determine those best suited for a customer's project. Over the past several years, Patrick has had the direct responsibility for coordinating the delivery of over \$60 million in energy efficiency measures, including thousands of LED street lights. Patrick received a BA from Boston College and his JD from Duquesne University School of Law.

Olivia Benson - Program Manager, Street Lighting / Smart Cities Technology Solutions

Olivia has worked in City government and understands the importance of meeting stakeholder goals at each step of the way. Olivia will assist in the overall development and management of the project and will manage project-related communications to ensure effective coordination and ultimately is responsible for the City's overall satisfaction with the project. After graduating from Carnegie-Mellon University, Olivia served as a policy director for the City of Pittsburgh where she managed and designed community-focused programming for city-wide implementation and led public affairs outreach strategies and education initiatives, while at the same time obtaining two master's degrees – an MS in Public Policy from the University of Pennsylvania and an MBA from Point Park University. As it relates to street lighting, Olivia is the Program Manager for TEN's conversion of over 6,000 streetlights to LED in the City of Harrisburg, PA, over 6,000 streetlights to LED in the City of Scranton, PA, and 900 streetlights in the Borough of Middletown, PA, including the integration of meaningful outreach strategies to support and exceed customer expectations.

Mike Schneider, LC, CLEP, CPM – Director of Design

Mike researches, designs, and oversees for TEN Connected the testing and installation of high-quality, cost-effective lighting projects along with various other energy saving and capital improvement projects. His extensive



field experience allows him to apply and revise designs in order to best meet all unique situations. Having worked with nearly 60 lighting manufacturers, Mike knows the lighting products, how they work, and the best applications for each option. Mike currently serves as an advisory member on the Illuminating Engineering Society of North America's (IESNA) Energy Management Committee and Industrial Lighting Committee. In addition, Mike is a Lighting Certified Professional (LC) by the National Council of Qualifications for the Lighting Professions, and a Certified Lighting Efficiency Professional (CLEP) by the Association of Energy Engineers. Mike was directly responsible for assisting the Cities of Bethlehem, Baltimore, Harrisburg, and Scranton in analyzing the efficiency and characteristics of several world-class LED fixtures for possible selection, and Mike will serve in this same lead design role for the City of Portland. In addition, Mike has extensive experience researching, designing and overseeing the installation of parking garage and concourse lighting projects, including most recently LED lighting conversions at Penn State University's Beaver Stadium, and two parking garages at Temple University.

Joseph Statler - Director of Installation

Joe has a 13-year record of success overseeing all phases of multimillion-dollar construction, infrastructure, efficiency, street lighting and environmental projects for government, public housing and private-sector clients. Joe is an outstanding professional who has extensive experience in supervising and managing energy efficiency programs and policy planning initiatives. Joe is directly responsible for the success of TEN's conversion of 5,400 street light fixtures to LED in the City of Bethlehem, PA and Joe's TEN Connected team currently is managing TEN's LED street lighting upgrade projects in the cities of Baltimore, Harrisburg and Scranton, and will oversee project management for this project. In addition to a successful track record converting thousands of city streetlights to LED, Joe also has overseen and has been responsible for installation of millions of dollars of parking garage lighting upgrades, particularly for hospitals and colleges.

Bobby Hall - Project Manager

Bobby is responsible for all onsite project management and subcontractor supervision during construction. He will ensure the worksite is safe and supervised in an effective and efficient manner. He will be the field supervisor during the lighting upgrade and as needed for the length of the project.

Greg Lok, PE, CEM – VP, Technology and Engineering

Greg is an energy management, technology and controls specialist developing individual projects, managing customer expectations with respect to technology selections, and making sure that engineering development meets the specific needs outlined by the customer. Greg is responsible for the lighting controls integration for the Cities of Bethlehem, Harrisburg and Scranton LED conversions, and will have primary responsibility for the City of Portland's controls integration, as well as performance monitoring (Measurement & Verification). Greg is a licensed Professional Engineer.

All project plans go through a final approval process with TEN Connected's executive team:

Troy Geanopulos - CEO, The Efficiency Network, Inc. (TEN) & TEN Connected Solutions

Troy has founded and co-founded several energy efficiency companies over the past 25 years, including TEN and TEN Connected Solutions. The foundation for each of these companies has been respect for customer and partner relationships and the ability to recognize and adjust to market trends. For Troy, perhaps the most exciting aspect is the TEN ability to bring new technologies to the table in a way that will help customers improve their organizations. By doing so, he expects TEN to stimulate local economies worldwide and make a lasting positive impact on the environment. Troy has a BA from Dickinson College and has participated in the Entrepreneurial Leadership Forum through the Tepper School of Business at Carnegie Mellon University. He is very active in the Pittsburgh community, currently serving or having served on several non-profit boards.



Rob Campbell, PE, MBA - President, The Efficiency Network, Inc. (TEN) & EVP, TEN Connected Solutions

Rob is an energy efficiency expert, a proven-effective team leader with more than 25 years of industry experience. At TEN Connected, Rob is responsible for all internal operations, systems, and processes. He provides oversight to the financial, engineering, information technology and construction teams. Before co-founding TEN, Rob was the Vice President of Constellation New Energy's Projects and Services Group. Rob is a licensed Professional Engineer and holds a BS in Mechanical Engineering from the University of Toronto and an MBA from Tepper School of Business at Carnegie Mellon University.

Following is a comprehensive list of all services that TEN Connected performs in-house with our own employees.

- Street Light System Inventory Audit
- Utility Bill Auditing & Analysis
- Utility Overcharges Analysis
- Street Lighting System Procurement Financial Analysis
- Street Lighting and Roadway Engineering & Design
- Competitive Procurement/Supply of Equipment from Vendors and Manufacturers
- Construction Management
- Monitoring and Verification (M&V)
- Guaranteed Energy Savings
- Project Opportunity Identification & Recommendation
- Energy Savings Calculations, including Payback Analysis
- Project Cost Estimating
- Subcontractor Bid Solicitation & Evaluation
- Contractor Site Supervision
- Commissioning
- Smart Cities Technology Evaluation & Integration
- Rebate & Incentive Application & Administration
- Project Financial Analysis
- Warranty/repair Administration

D. References

All projects listed below were completed by TEN Connected Solutions personnel. Detailed project descriptions are found later in this section.

Project Reference - City of Baltimore, MD LED Street Lighting Conversion

The **City of Baltimore** selected TEN to manage their latest street lighting conversion to LED, beginning with a Phase I asset inventory audit and conversion of approximately 7,000 fixtures to LED which are located in 17 high-crime zones designated by the City. Enhanced

public safety/homeland security is the primary focus of Baltimore's Phase I project. So much so, that the City asked TEN to evaluate and recommend fixtures best suited to "overdrive them" in these areas to shine a light on potential criminal activity – with the added feature to be able to dim the LED in the future if necessary.

In Baltimore, TEN is serving as project manager, designer, fixture evaluator, and primary point of contact between Baltimore and the local project installer and fixture manufacturer, as well as Baltimore's liaison with the local utility, Baltimore Gas & Electric (BGE). As part of the project, TEN completed and delivered an LED performance characteristics report to the City and, based on the report and consultation with TEN, Baltimore selected the fixture (manufactured by Leotek) that is currently being installed under TEN's supervision and project management.



Baltimore Before – HPS Cobra Head Luminaires



Baltimore After – LED Cobra Head Luminaires

Contact Information:

Brent Hooper
Street Lighting Superintendent
City of Baltimore
Department of Transportation
(410) 396-1311 (office)
brent.hooper@baltimorecity.gov

Project Summary

Total Fixtures Replaced	7,000+
Total Dollar Value of Contract Cost	\$3.5 million
Installation Subcontractor(s):	Baltimore Gas and Electric (BGE) Subcontractor
Annual Cost Savings (year 1)	\$160,000
Annual Electric Savings	584,000 kWh
Tons of CO ₂ Saved Annually	906,000



Project Reference - City of Bethlehem, PA LED Street Lighting Conversion

The **City of Bethlehem** selected TEN to replace 5,400 of the City's existing High Pressure Sodium street lamp fixtures with 60% more efficient LED fixtures. At the time, this project represented the largest and most comprehensive city-wide LED street light conversion project completed to date in Pennsylvania, including pilot projects already completed in Philadelphia and Pittsburgh. It is now the second largest and most comprehensive LED streetlight conversion project in Pennsylvania, after TEN's Harrisburg, PA project. TEN acted as project manager, designer and primary point of contact between Bethlehem and TEN's local subcontractor and the fixture manufacturer. Bethlehem chose Philips fixtures as the result of a highly competitive bid process facilitated by TEN.



Contact Information:

Michael Alkhal, P.E.
City of Bethlehem
Director of Public Works, & City
Engineer
610-865-7050
malkhal@bethlehem-pa-gov

Project Summary

Total Fixtures Replaced	5,400+
Funding Source	PNC (tax-exempt lease)
Installed Cost	\$3,804,093
Annual Cost Savings (year1)	\$472,579
Annual Electric Savings	2,042,262 kWh
Tons of CO ₂ Saved Annually	2,822,000 Pounds
Payback after Incentive (yrs.)	7.6 years
Contract Term (length of guarantee)	10 years
Rebate Secured for the City	\$224,000 (Act 129 PPL Electric Utilities)
Procurement Vehicle	PA Guaranteed Energy Savings Act (Act 39)

TEN requested a reference from the City of Bethlehem and here is what Mike Alkhal, P.E., Director of Public Works and City Engineer for the City of Bethlehem, had to say:

"TEN has played a significant role in implementing our City of Bethlehem lighting project with skill, professionalism, and energy. The professionalism in gaining an understanding of the requirements of the project, follow-up, and the coordination of existing contractors was outstanding."

"Their professional approach to project management, responsiveness, coordination and communication along with the timeliness of output ensured that I would recommend TEN's projects team. It has been a pleasure working with them at all levels. Deadlines were met and communication, with the appropriate people, in both verbal and written form, was of high quality."



"The project diligently addressed our community member's concerns and emphasized public safety to the highest level. The aesthetic appearance of the Historic District was a high priority and TEN conscientiously worked with the historic district's non-profit organization and the City to meet their needs, not only to meet their visual goals but to stay within the confines of the project budget."

Michael Alkhal, P.E., City of Bethlehem

Project Reference - City of Harrisburg, PA LED Street Lighting Conversion

TEN was selected by the **City of Harrisburg** over 10 other companies (including a shortlist of Johnson Controls, Siemens, and Honeywell) to convert the City's street lighting system to state-of-the-art LEDs. Now substantially complete except for LED lighting being installed on 2 bridges, the project encompasses well over 6,200 fixtures, and took about 6 months to install and commission the cobra heads and decorative fixtures.



TEN delivered to Harrisburg as part of the project a comprehensive asset inventory audit of the entire street lighting system, loaded onto Harrisburg's GIS system. By the end of this year, all the roadway and street lighting in Pennsylvania's state capital owned by the city, including bridge lighting, will be illuminated with LEDs, including a controls system capable of, at a minimum, dimming fixtures, troubleshooting maintenance, locating each fixture by GPS, and monitoring energy usage from a centralized location.

Contact Information:

Wayne Martin, P.E.
City Engineer
City of Harrisburg
717-315-4255
wsmartin@cityofhbg.com

Project Summary

Total Fixtures Replaced	6,000+
Funding Source	M&T Bank (tax-exempt lease)
Initial Cost Estimate	\$2.8 million
Installed Cost	\$3.6 million
Annual Cost Savings (year.1)	\$510,333.00
Tons of CO ₂ Saved	5,736,872 Pounds
Simple Payback	7 years
Estimated Rebate Incentive	\$277,374
Procurement Vehicle	PA Guaranteed Energy Savings Act (Act 39)
Date Started	2015
Date Completed	To be Fully Completed & Commissioned December 2016

As part of TEN's audit in Harrisburg, the following data was collected in preparation of the conversion:

TEN Asset Inventory Audit Data Set for Harrisburg, Pennsylvania LED Street Lighting

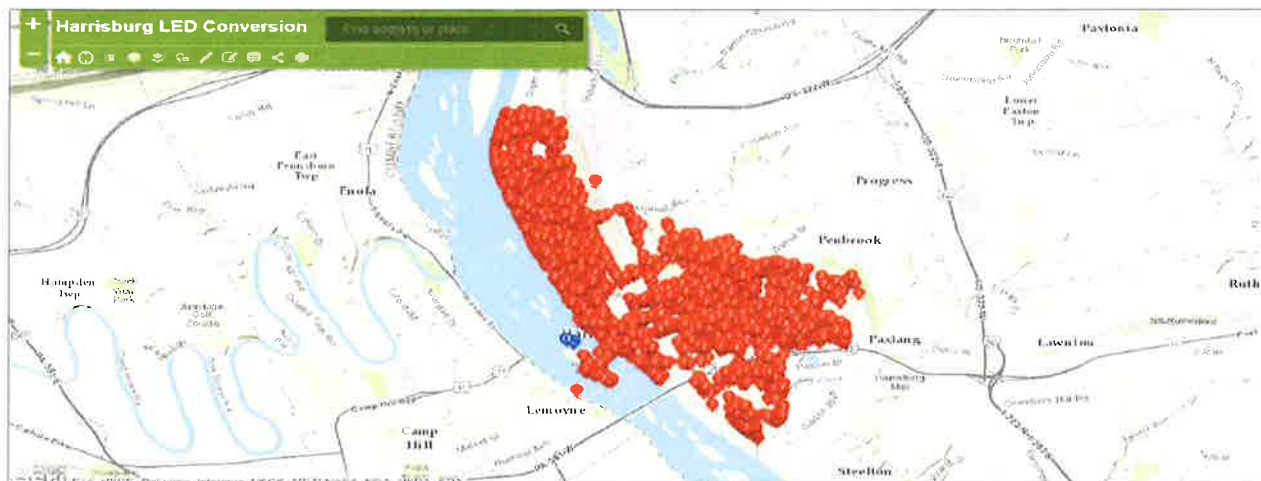
1. All current streetlight fixtures
2. Luminaire styles and types
3. Wattages for all luminaires
4. Actual sample lighting levels of each luminaire type and of each roadway type (access road, two-lane, etc.)
5. GPS/GIS pole location of each asset
6. Current condition of pole and mast arms

7. Infrastructure issues related to poles and wiring
8. Infrastructure issues such as tree/limb obstruction or interference
9. Compliance with PennDOT lighting requirements
10. Values and averages for lighting levels and uniformity; and comparison to current lighting standards, IES recommendations and other City requirements

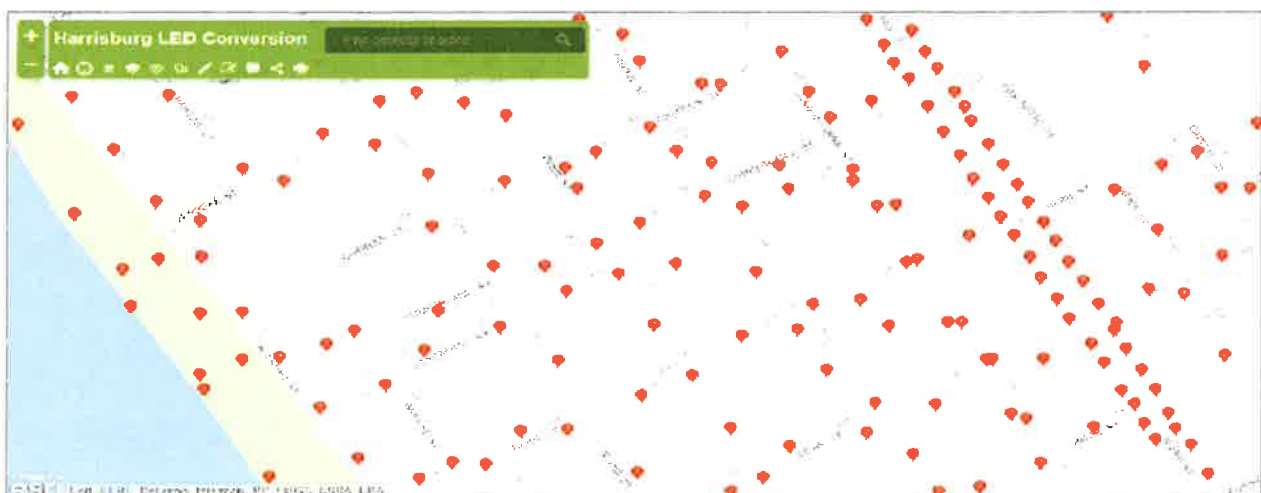
In Harrisburg, in addition to the Asset Inventory Audit, TEN is also undertaking an extensive historical analysis of utility billing for the streetlight system to determine any overcharges paid by Harrisburg to PPL Electric Utilities – known as TEN’s Overcharge Audit. To the extent that any overcharges are revealed, TEN will facilitate return of those payments to Harrisburg for as many years as permitted under applicable law.

Below is screen shot depicting TEN’s GIS/GPS progress mapping of the asset inventory audit for Harrisburg. At the time of this screen shot of the GIS system was taken, approximately 90% of the asset inventory audit was complete (red sections had not been audited). It’s now 100% complete and as the new street lighting system is being installed over the next several months, TEN will apply **real-time LIVE TRACKING** updates to its platform to inform all City stakeholders real-time as soon as a new LED is installed.

Progress Mapping – Installation LIVE TRACKING - 1

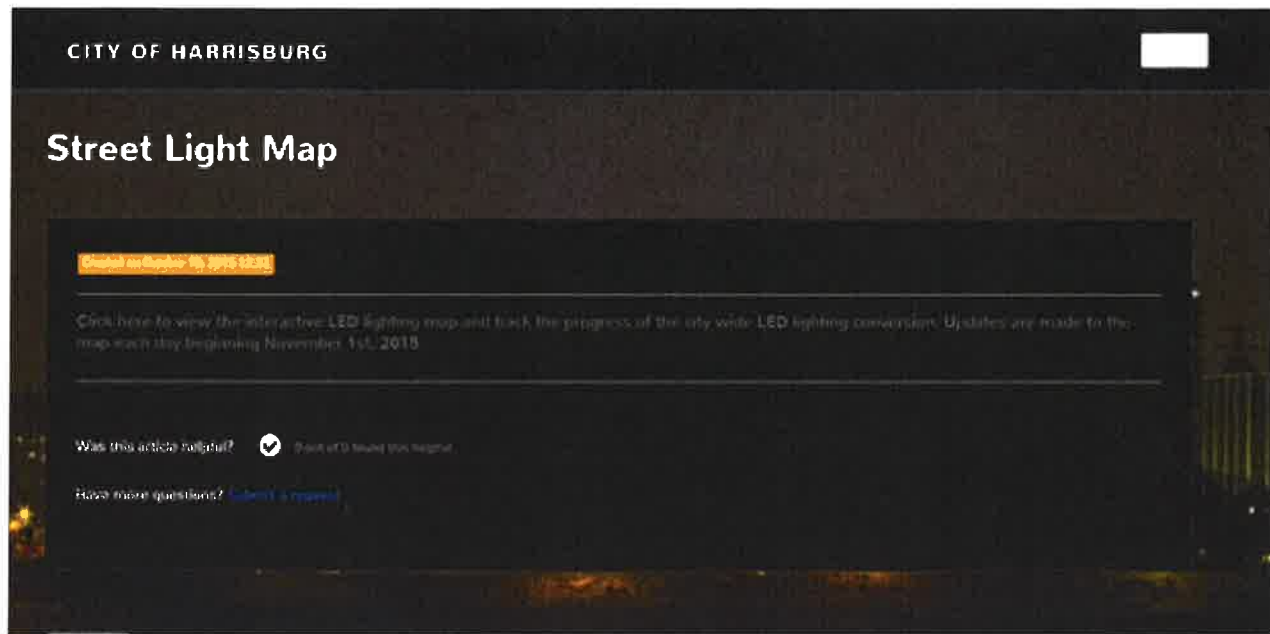


Progress Mapping – Installation LIVE TRACKING – 2 (ZOOMED IN)





LIVE TRACKING Provided on Customer's Website for the public to monitor progress



Project Reference - City of Scranton, PA LED Street Lighting Conversion

TEN Connected was recently selected by the **City of Scranton, PA** - over four other companies (Siemens, Johnson Controls, and SmartWatt) to conduct a technical energy audit and implement a guaranteed energy savings contract for the City's comprehensive LED street lighting initiative. TEN Connected's winning proposal included options for the City to replace fixtures, refinish and paint aging poles, the installation of lighting controls, and to incorporate revenue generating smart media technology throughout Scranton, known as the Electric City.



The project will include replacing more than 6,000 street lighting fixtures and is expected to save the City nearly \$400,000 in annual electricity and lighting system maintenance costs. Also under consideration by Scranton is the integration of a Smart Media Grid similar to those installed in New York City and Kansas City that will include outdoor and indoor interactive media kiosks, possibly digital LED banners on decorative poles, and a dedicated mobile app to generate revenue to help pay down the costs associated with the street lighting infrastructure upgrades. The revenue expected to be generated for the City of Scranton is approximately \$4 million over the first five years.

Contact Information:

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Once complete, the City of Scranton will not only have a 100% accurate GIS/GPS street lighting inventory and integrated GIS streetlight map, the City will have a new, world-class LED street lighting system with intelligent wireless controls to dim fixtures, turn them on/off, and to troubleshoot usage and maintenance.



Project Summary

Projected Cost Savings	\$400,000
Project Cost	\$4,000,000
Annual Electric Energy Savings (year.1)	2,595,669 kWh
Estimated Simple Payback	5.0 years
5-yr Smart Cities Revenue Projection	\$2+ million
Estimated Rebate Incentive	\$236,853
Procurement Vehicle	PA Guaranteed Energy Savings Act (Act 39)
Date Started	December 2016
Date Completed	To be Fully Completed & Commissioned in 2017

Parking Garage & Non-streetlight LED Lighting Upgrade Experience

When reviewing TEN's project references, note that TEN's team members, who are also assigned to this project, have been extensively involved with non-streetlight LED lighting upgrade projects. One of these recent projects is described below. For the Penn State University Beaver Stadium Project, TEN's team members performed the auditing, engineering, project development, selection and procurement of material and subcontractors (through competitive bidding processes), contract negotiation, construction management (including onsite project management), commissioning, training customer staff, and delivering the measurement and verification of project performance.

Project Reference: Penn State University, Beaver Stadium LED Lighting Upgrade with Integrated Controls

The significant element of this project was the critical path timing. In order to be ready for the upcoming football season, TEN had to expedite delivery of materials and contractors' schedules. The Beaver Stadium project included the installation of a comprehensive LED lighting system upgrade with a wireless controls system

- including exterior entry gates, concession walkway areas, loading docks, main concourses, ADA-accessible ramps, pedestrian ramps, and press stairways. All were completed in time for the first game of the season! And in fact, the fixture selected for the concession walkway areas, main

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concourses and pedestrian ramps **is a parking garage fixture (Cooper Top Tier) controlled by a sophisticated, but simple to use wireless controls front-end system.**

Total Fixtures	1,000
Installed Cost:	\$768,610
Annual Electric Cost Savings:	\$107,779
Total Annual Cost Savings:	\$139,779
Annual Electric Savings:	1,481,090 kWh
Annual O&M Savings:	\$32,000
Tons of CO2 Saved Annually:	1,021
Payback after Incentive (yrs):	4.9
Rebate Incentive:	\$76,776
Procurement Vehicle	PA Guaranteed Energy Savings Act (Act 39)



Parking Garage and Surface Lot References

TEN Connected can bring this same level of experience to the City of Portland's parking garages, where the City has ownership interest and manages the facility or in the facilities managed by MHR Management. TEN has noted that the City may want to include the following facilities in the project and to upgrade them with all new LED lighting: Elm St. Parking Garage (managed by the City of Portland Parking Division), Spring St. Parking Garage (managed by the City of Portland Parking Division), Casco Bay Garage (managed by MHR Management), and Temple Street Garage (managed by MHR Management).

TEN will leverage its significant parking garage experience, references and best practices to offer to the City of Portland economically sound options for upgrading all of the lighting in its parking garages to LED, with daylight harvesting, and controls to maximize energy savings and the fixture life cycle.

Below is a partial list of TEN's team experience with upgrading parking garage and surface lot lighting, as well as details on TEN's most recent parking garage LED upgrades installed at Temple University. References are available upon request.

Project Reference: Temple University: Liacouras Parking Garage

Total Fixtures Replaced	537
Funding Source	Customer funded
Installed Cost	\$453,029
Annual Cost Savings (year1) energy and O&M	\$74,315
Annual Electric Savings	752155 kWh
Tons of CO ₂ Saved Annually	428.4
Payback after Incentive (yrs.)	5.6 years
Contract Term	5.6 years of M&V post construction
Rebate Secured for the Customer	\$36,404 (Act 129 PPL Electric Utilities)
Procurement Vehicle	Self-Initiated by Temple

Project Reference: Temple University: Carlisle West Garage

Total Fixtures Replaced	417
Funding Source	Customer funded
Installed Cost	\$324,445
Annual Cost Savings (year1) energy and O&M	\$54,563
Annual Electric Savings	525,339 kWh
Tons of CO ₂ Saved Annually	299
Payback after Incentive (yrs.)	5.5 years
Contract Term	5.5 year M&V post construction
Rebate Secured for the Customer	\$24,239 (Act 129 PPL Electric Utilities)
Procurement Vehicle	Self-Initiated by Temple



Additional Parking Garage/Lot Project Experience

Customer Name and Location	Work Performed
5 th Avenue Place, PA	Lightings Upgrade for Large Multi-Tier Facility Parking Garage
American Beverage Corp-Papercraft, PA	LED Lighting Upgrade for Facility Parking Lot
Altoona Parking Authority, PA	LED Lighting Upgrade for Lot 16, Lot 17, Lot 20, and Parking Garage
Bellaire School District, OH	LED Lighting Upgrade for Parking Lots
The Bradley Center, PA	LED Lighting Upgrade for Facility Parking Lot
Carnegie Museums, PA	Lighting Upgrade for various Parking Lots & Multi-Tiered Parking Garage
City of New Kensington, PA	LED Lighting Upgrade for various Parking Lots
City of Morgantown, WV	Lighting Upgrade for various Parking Lots
Eastern Gateway Community College, OH	LED Lighting Upgrade for various Parking Lots
Pennsylvania State Capital (Harrisburg), PA	LED Lighting Upgrades for Capital Parking Complex
Housing Authority of Lawrence County, PA	LED Lighting Upgrade for various Parking Lots
Martins Ferry School District, OH	LED Lighting Upgrade for various Parking Lots
Neshannock School District, PA	LED Lighting Upgrade for Facility Parking Lot
Penn State University, PA	LED Lighting Upgrade for Medlar Field and various Parking Lots
Sardello Inc., PA	LED Lighting Upgrade for Facility Parking Lot
Temple University, PA	LED Lighting Upgrades for University Carlisle Garage, with controls
Temple University, PA	LED Lighting Upgrades for University Liacouras Garage Lighting, with controls
The Trimont Condominium Complex, PA	LED Lighting Upgrade for Facility Parking Garage
UPMC, PA – Magee Hospital, St. Margaret Hospital, Presbyterian Hospital, and Shadyside Hospital	Lighting Upgrade for 4 (four) Multi-Tiered Parking Hospital Parking Garages
Washington College, MD	LED Lighting Upgrade for D-Parking Lot, Kent Crossing Parking Lot, and other various Parking Lots.



E. Approach

TEN Connected's Approach

Designing a smart street lighting system for an entire city is no easy task. The City of Portland will require a high level of coordination, expertise, specialization, and experience to deliver the desired result of new street lights (equipped with technology that will enable the installation of a controls system if desired), possible infrastructure improvements, and positioning the City for any current and future smart city technology integration. TEN Connected will utilize proven methods, tools, and techniques to deliver a project that meets and even exceeds the City's expectations.

TEN Connected has been a first mover nationally, helping cities of various sizes upgrade their street lighting systems. The team at TEN Connected has done everything from developing a street lighting design to helping facilitate the procurement of materials to ensuring that all ideas are communicated with installation sub-contractors so that our customers receive the absolute best prices in the marketplace. Because of TEN Connected's turn-key role on numerous projects, **including the direct purchase of millions of dollars of street lighting and related lighting materials from the likes of Philips, Eaton/Cooper, GE, Leotek, Holophane (AEL), and CREE**, TEN has established substantial (and diplomatic) manufacturer relationships resulting in TEN's ability to analyze for our customers and then to deliver to them the highest quality commercialized lighting and smart city technologies, at the absolute lowest possible cost.

To meet the needs of the City, any contractor or manufacturer will require significant experience serving a city as well as being well versed in the latest smart lighting technologies. TEN Connected is intimately familiar with the significant coordination needs of a street lighting project and TEN Connected will design, develop and deliver to the City the best possible project at the lowest cost – **by driving down the costs of each project component – specifically including labor and material - at every level.**

General Scope Understanding, Project Goals, and Objectives

TEN Connected believes that clear communication and meeting the City's expectations every step of the way from the initial audit through the construction process, and training the City on new technologies and reporting results are all key components to successful project coordination and implementation. TEN Connected will work closely with Portland to help prioritize and to ensure that the project is implemented on-schedule, as budgeted, and that the benefits of the project survive for the long term.

TEN Connected will work with Portland to meet all goals related to design, product procurement, and installation, and TEN Connected is committed to working with the City to meet and exceed project goals:

- For the City: TEN Connected will produce a final design plan that maximizes energy and cost savings, that improves standardization while reducing the variety needed for inventory, and that matches communicated needs and improves overall public safety.
- For the City: TEN Connected will produce an Inventory Audit Report that will provide the desired information to secure funding and/or to provide further economic justification for remaining project-related costs, including locating each new asset by its GPS location – with 100% accuracy - rather than a 10-15 feet margin of error.
- For the City: TEN Connected's Inventory Audit Report will be **reconciled against CMP's current street lighting system data** to accurately confirm system inventories, and then to facilitate negotiation



surrounding the acquisition of the system from Central Maine Power under the newly established Maine legislation and Maine Public Utilities Commission regulations.



1. Audit

Methodology, Tools, and Techniques

TEN Connected will conduct a city-wide sample photometric field survey and audit, at street-level, delivered to the City of Portland sortable by asset, street, neighborhood, district, and by roadway type (access road, two-lane, etc.). The audit will verify compliance with existing regulations and lighting standards, address any deficiencies in the current street lighting systems, and will address any over-lit or under-lit areas of Portland.

Data collected concerning over-lit areas and discrepancies in lighting uniformity or irregularities in lighting levels will be used in preparation for reducing installed wattages to optimize energy savings to benefit the economics and payback of the project, while at the same time delivering recommended light level standards. Additionally, this data will be given to the City in an electronic file that can be seamlessly used with the City's existing GIS software, like ESRI ArcMAP, and in Microsoft Excel format.

The data associated with under-lit areas will be utilized to improve lighting levels in some areas to ensure greater public safety, security and proper visibility. For this purpose, TEN Connected has a fully-engineered process and dedicated audit team (equipped with the latest photometric measuring equipment) to inventory the existing lighting levels; the result of which are accurate street-level field measurements. In addition to photometric results, TEN Connected's inventory audit also gathers additional details and characteristics of the entire system.

TEN Connected's analysis not only will completely and accurately identify and inventory all assets of the street lighting system, but also will be cross-checked against the latest inventory data (to the extent available and from actual bills) provided by the City of Portland and uploaded onto TEN Connected's audit platform, to reveal any discrepancies. This will allow TEN Connected and the City of Portland to correct the data at the field level, at the time it is discovered.

TEN Connected's city-wide asset inventory audit, designed to facilitate a seamless transition to TEN Connected's project lighting design and installation, can, where the City finds value, capture electronically, each of the following:

Variables to Be Collected - Base Survey Information, including verification and GIS level mapping

1. All current streetlight fixtures;
2. Luminaire styles and types;
3. Wattages for all luminaires;
4. Actual lighting levels of each luminaire type;
5. Establish each pole's GPS location (with 100% accurate GPS location technology);
6. Cross reference with the City's existing asset inventory and lighting level and wattage information to identify inconsistencies in lamp type and wattage uniformity;
7. Current condition of pole and mast arms and;
8. Notation (comments and/or photos) of visual infrastructure issues related to poles and wiring or tree/limb obstruction or interference;
9. Confirmation of ownership and maintenance for each luminaire and pole;
10. Compliance with state roadway lighting requirements (where necessary);



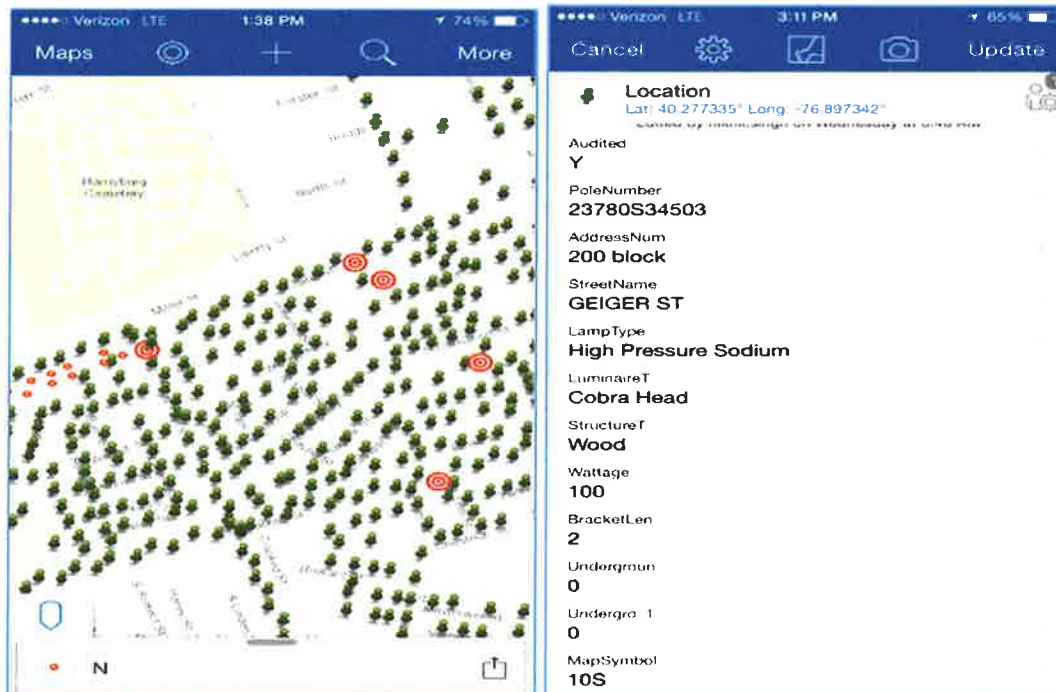
Optional Audit Information:

11. Roadway widths;
12. Discrepancies or irregularities in lighting levels;
13. Pole height of each asset;
14. Values and averages for lighting levels and uniformity; and compare them to current lighting standards, IES recommendations and any other specific City requirements.



TEN Connected will collaborate with the City of Portland through a final scoping analysis of the audit. Additionally, weekly (and sometimes daily) status reports will be made available through TEN's **GIS LIVE TRACK** system for each location to track the progress of the audits. Using our mobile-based inventory audit program, Portland officials will be able to access audit updates on the progress of the inventory assessment.

Following is a sample depiction of the system that would be used to collect data and to report to the City of Portland (daily or weekly) updates to the audit provided through TEN Connected's mobile-based audit platform.



Below is screen shot depicting TEN Connected's GIS/GPS progress mapping taken during the asset inventory audit for Harrisburg, PA. At the time this screen shot of the GIS system was taken, approximately 90% of the asset inventory audit was complete (red sections had not been audited). As TEN Connected completed the conversion of the street lighting system, TEN Connected also supplied **real-time LIVE TRACKING** updates to the City's platform to inform all stakeholders, real-time, as each new LED is installed.



For the Asset Inventory Audit, TEN Connected's highly trained project manager and lighting auditors will work with locally sourced and hired audit team members (and provide rigorous training on TEN Connected's developed platform) to complete the inventory assessment for the City of Portland.

For example, in Harrisburg, TEN hired local Harrisburg residents, who received extensive training on TEN's auditing platform – to work alongside our team to complete the audit of the lighting system and to assist in the final lighting design to be installed – resulting in a very successful locally-supported accurate audit. TEN Connected believes a similar approach would be ideal for the City of Portland. This is just one of the many ways TEN Connected creates local economic development opportunities through its projects.

Procedure to Develop an Audit Report

TEN Connected will review any inventory audit Excel spreadsheet and Central Maine Power account billing summaries (actual bills) supplied by the City of Portland to perform a utility bill analysis to determine the existing quantities on which the City is being billed, and the estimated wattage used to determine monthly costs to develop a baseline. The utility bill provides an explanation of terms and charges related to the supplier rate, generation and transmission rate in addition to noting the rate that Central Maine Power charges under the LED street lighting tariff.

TEN Connected used the City of Portland's breakdown of approximately 6,700 lights to develop the costs to deliver the audit reports, inventory assessment with utility bill reconciliation, financing assistance, system design, onsite project management, installation, and 24-hour maintenance utilizing a City of Portland & Central Maine Power pre-approved local electrical contractor.

Referencing the hours per year that Central Maine Power uses and the estimated wattage for each luminaire, TEN Connected then can determine the total yearly consumption. This analysis forms the basis for baseline energy consumption. In terms of design, relying on TEN Connected's past street lighting project experience, we know what the post wattages for each existing lamp type should be - therefore an estimate for costs (and eventually savings when TEN Connected is in receipt of Portland's comprehensive billing





information) is completed with an extremely high degree of confidence and certainty. Knowing the existing yearly consumption and estimated savings, TEN Connected then performs an energy balance reconciliation to determine and ensure our savings projections are correct.

The City will then see, as a result of completing this project, a kWh reduction and a reduction in monthly utility bills.

Once the verification and finalization of TEN Connected's Asset Inventory Audit (with Utility Bill Reconciliation) is completed city-wide, TEN Connected will have an extremely accurate depiction of existing quantities, wattages, conditions, and what will be required to finalize the design and installation plan. With a completed audit, TEN Connected can obtain accurate material and labor costs as well as post retrofit wattages – keeping in mind that the City may be currently paying for some street lights that no longer exist. The audit will facilitate accurate billing moving forward which will also represent some direct utility cost reduction without the need for any corresponding retrofit costs. After installation, and after all other utility negotiations are complete, TEN Connected will also advocate for reimbursement of previous billing inaccuracies that are documented through this process.

Approach to the Project and Establishing the Amount to be Financed

TEN Connected believes it to be prudent to use the City's current inventory audit spreadsheet (to the extent one is available) in finalizing the preliminary project size knowing (as is always the case with audits) that they have a certain level of accuracy. Therefore, the final project size will then be represented and TEN Connected will indicate the final amount of project funding, and that it may vary "slightly" as the project costs are refined and completed.

RAPID IMPLEMENTATION – Recommended Alternative✓ TEN's "Best Process" Implementation Approach for the City of Portland

Instead of conducting the inventory audit/survey prior to installation, TEN is proposing to undertake the verification survey/audit (and 100% accurate GIS level mapping) simultaneous with installation of the streetlight fixtures themselves.

As part of this recommended **RAPID IMPLEMENTATION**, TEN Connected then also recommends using a fully cost disclosed "add" / "deduct" unitized pricing approach in the contract to ensure and inform Portland of any discrepancies experienced in the audit as installations and upgrades are actively being completed. What this means is that Portland will only be charged for the exact number of fixtures converted to LED, and not some projected amount.

This approach has multiple benefits:

- i) Reduces the redundant cost of providing a second audit (if one already exists);
- ii) Shortens the delivery time of the project by months and allows TEN Connected to begin installing significant scopes of the project to capture savings for Portland more immediately;
- iii) Protects Portland from the concern of incurring unnecessary costs knowing "upfront" what the costs are for any changes encountered during construction; and,



iv) Provides for a way to reconcile, exactly, for any discrepancies in an audit through fully disclosed unit pricing.

If the City requires an asset inventory audit prior to installation, based on TEN Connected's significant experience and technical expertise, TEN Connected will deliver to the City a customized Asset Inventory Audit report **accurately identifying costs, savings and payback** (both simple and with any rebates or incentives included) for the LED streetlight retrofit. Again, there are few, if any, energy and utility situations TEN Connected has not already encountered and successfully addressed for other street lighting clients - specifically including: i) successfully applying for and maximizing available rebates, ii) applying for, and obtaining confirmation of corrected billing (tariff adjustment) for newly installed wattages from the utility, and iii) obtaining refunds for overcharges related to street lights that no longer exist.



2. Financial Stability and Capability

TEN Connected is financially well qualified to provide the City of Portland with custom financing options for funding 100% of the project. Because the economic and financial structure of each project is just as important as the technical outcomes, the proven financial capabilities of our team will result in the lowest possible cost financing options available at the time of financing.

Our team's experience in creating project financing for municipal customers over the past several decades will enable TEN Connected to assist Portland in meeting its internal financial requirements. Financing structures can vary based upon the types of equipment and systems to be installed, the available savings to be leveraged, and the type of accounting recognition and treatment requested by Portland. TEN Connected will customize the terms of our contract for the City of Portland to ensure that the City receives the absolute lowest cost financing.

TEN Connected is significantly experienced with managing, quickly and efficiently (within days), an internal RFP process for our customers to "open the financing up to competition" so that our customers receive the absolute most competitive rates and terms possible. This process often invites the City's current local financial institution to bid on the project financing. This is another way TEN Connected creates local economic development opportunities strengthening communities.

TEN Connected does not have any monetary interest in financing the project, nor will TEN Connected receive any commissions related to a financed project should TEN introduce the City to an eventual funding source.

Tax-Exempt Lease Purchase Option (Recommended)

A third-party funded, tax-exempt lease is a common method of funding LED street lighting conversion projects. The tax-exempt lease structure generally offers the advantage of quick availability of funding, low issuance costs and flexible payment terms that can match up to the savings cash flow, thereby always assuring the City borrowing the funds is cash flow positive, or at the very least, neutral.

"Shared Savings" / "Sale Leaseback" and Power Purchase Agreement (PPA) Models (Not Recommended)

TEN Connected does not recommend that the City of Portland enter a system acquisition agreement whereby an independent third party (not the City) purchases the street lighting system from the City or on behalf of the City and then leases the system back to the City of Portland. This "Shared Savings" funding model, in most cases, is unnecessarily costly and is generally reserved for non-government organizations that do not have access to extremely low-cost, tax-exempt funding sources.

The shared savings model is materially flawed (and has been out of favor for many years) because the City of Portland can obtain financing dollars to invest in the project much cheaper than a third party (with higher investment thresholds to meet) can loan it to them. In some cases, these "solutions" come with a hefty 10% or more cost of capital interest rate built to support the internal rate of return (IRR) requirements of the "lender" – making it necessary for that lender to "share" the savings with the City to cover the higher costs. Additionally, with current and historically low tax-exempt interest rates available, the City should not share the energy savings dollars with a third party when the most economically prudent course of action should be for the City to retain all of the energy savings to support the conversion – resulting in more scope for the available savings when compared to the shared savings model.



3. Design

There are important aesthetic, performance, operational, and ethical decisions that must be made when deciding on the street lighting package and installation configuration. These include determining the lighting levels required to accomplish the objectives; balancing the cost, energy efficiency, public safety, maintenance regime, and life cycle of the product chosen; choosing a fixture and pole style; addressing sky glow and light trespass through cut-off options; consideration of control systems; deciding on a light curfew (if appropriate); deciding on pole height and spacing; and evaluating the effect of lighting on nearby ecological habitats, such as parks, greenways, and riparian corridors. We discuss a few of these items for consideration in detail within this section, because important design decisions are informed by these considerations and the quality of the field audit.

The main goal of a TEN Connected-converted streetlight system is to ensure that safety, security and visibility are maintained throughout the City of Portland by ensuring appropriate lighting levels. At the same time, the volatility of electricity markets, how electricity is priced into the market and, the seemingly inevitable rise in electricity prices, require TEN Connected to focus directly on reducing excess energy consumption wherever possible to offset all costs of the project.

In addition to the goal of improving safety, security and visibility for residents, motorists, cyclists and pedestrians, TEN Connected's design will detail and verify lighting levels and discrepancies in uniformity of existing installations, and will identify any areas requiring corrective action to ensure that, municipality-wide, the lighting system, designed and installed by TEN Connected, will be consistent with nationally recommended lighting level standards post-conversion.

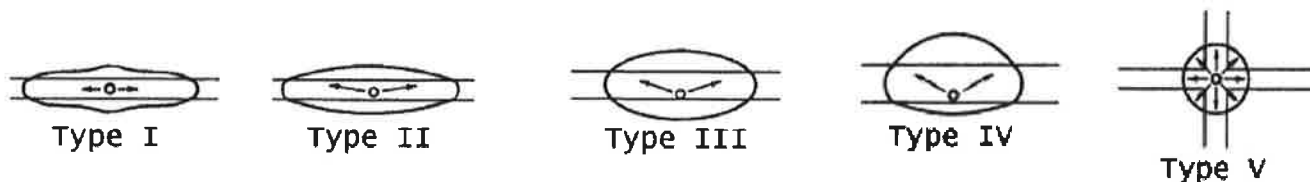
Importantly, TEN Connected shares the City's perspective that, although IES RP-8-14 recommends adequate light levels for the safety of pedestrians, cyclists, and vehicles, existing pole placements limit the degree to which IES standards can be met. Therefore, TEN Connected has independently developed design methodologies that will best deliver adequate lighting for the City for the expected product life cycle while at the same time supporting Portland's specific goals for the project. And therefore, IES standards may not be the standard selected by the City of Portland.

For example, enhanced public safety/homeland security is the primary focus of the City of Baltimore's Phase I LED conversion project. So much so, that the City asked TEN to evaluate fixtures best suited to "overdrive them" in high crime areas to shine a light on potential criminal activity – with the added feature to be able to dim the LED in the future if necessary to preserve its life cycle. TEN's customized design methodologies (based on life cycle costs and fixture performance analyses), after having been fully understood by Baltimore, were used by Baltimore to make its final selection on fixtures.

Appropriate Lighting – Pedestrian/Vehicle and Bicycle/Vehicle Crash Data, Light Levels/Spacing, Localized Land Uses, Volumes of Bicycle Activity, and Unique Neighborhood Activities.

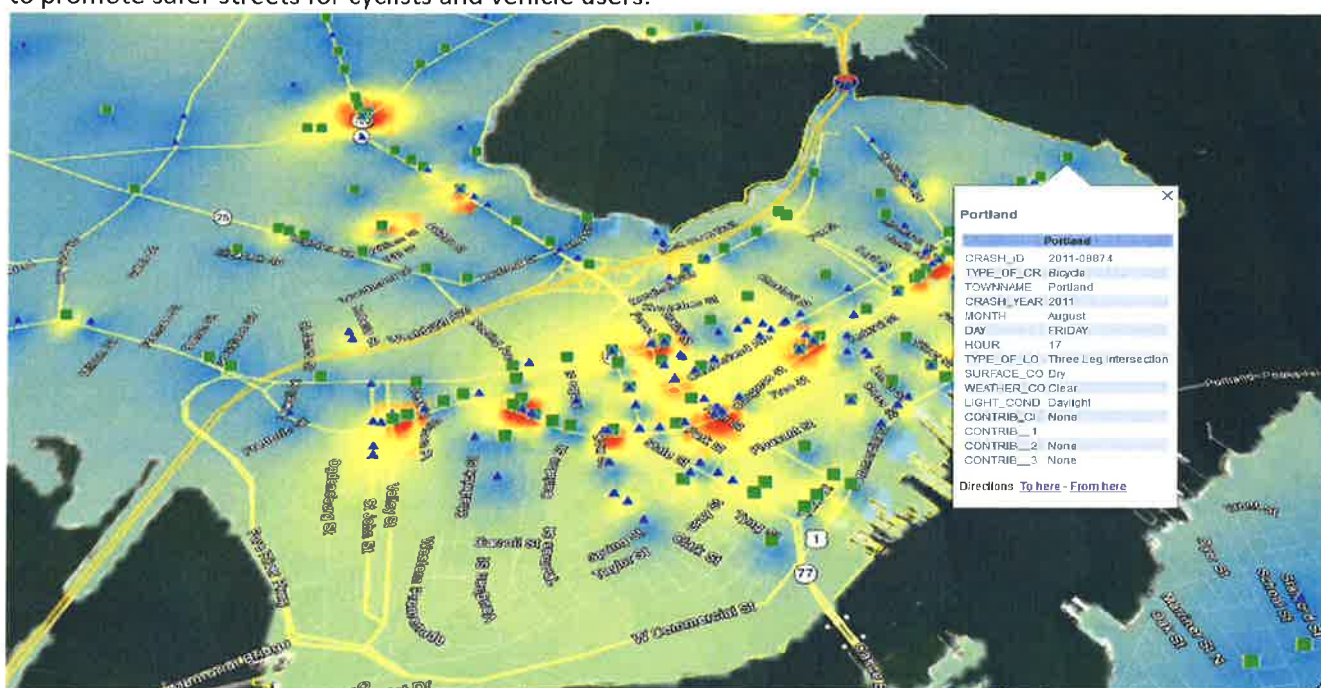
In the City of Harrisburg, PA, TEN was also asked to identify areas where lighting could be increased – public safety corridors, parking enforcement zones, and high crime locations, and then to recommend the most appropriate light levels and technology to meet those specific goals. TEN's design methodologies and recommendations were used by Harrisburg to inform their final fixture selection decision.

Different luminaire types can produce different lighting distribution. TEN Connected will work with the City of Portland to incorporate an appropriate analysis of important data points that can be used when developing the final lighting retrofit design. For example, this may include using a specific distribution footprint and light output for bicycle paths and high traffic locations coupled with pedestrian proximity, as well as analysis of the specific lighting distribution types, as follows:



Additionally, by utilizing data from the Maine DOT, the Greater Portland Council of Governments, and the City's Bicycle Coordinator, TEN Connected will utilize the specific and most recent pedestrian/vehicle and bicycle/vehicle crash data from the City of Portland, and our team will evaluate options available to the City and TEN Connected will make recommendations regarding appropriate changes to light levels in specific locations throughout the City.

TEN Connected Solutions would make recommendations to address lighting levels in the areas highlighted below to promote safer streets for cyclists and vehicle users:



From GPCOG, <http://www.gpcog.org/transportation-land-use/bikepedtrails/bike-ped-crash-data/>, Accessed 11.2.2016

Addressing Localized Land Uses

TEN Connected Solutions has experience working with cities to address lighting in areas like parks and waterfronts or where cultural facilities or public safety buildings require specialized lighting design. For example, TEN Connected has received positive feedback from Fire officials in the City of Harrisburg regarding the new LED street lights. Both firemen and local residents of Harrisburg feel the new lighting is an asset to the area and that it encourages better community engagement.

Addressing Placemaking, Wayfinding, and Unique Neighborhood Characteristics

When it comes to street lighting specifically, there are many opportunities for contributing to the aesthetic quality of a street. Using intelligent luminaires with a controls system, the intensity of street lights can be adjusted to not only save energy but also to highlight certain streets and provide cues to people that a particular street is residential (less bright) or commercial (brighter). Intensity of light can also be moderated to indicate activity during



special events. A further use of intensity is to provide illumination for direction during emergency or evacuation situations.

It is also important to limit the amount of light that trespasses onto adjacent buildings for a number of reasons. Light trespass can be a serious annoyance for residents whose interior space is affected by street lights with insufficient cut-off. Light trespassing on a building may also interfere with a property owner's attempts to control the nighttime aesthetics of their building via their own architectural lighting scheme.

Another factor is the surrounding reflective value of materials, such as sidewalks, and weather conditions, particularly rain and snow. Reflective surfaces impact luminance, increasing available light by up to three times. When sensors and control systems are in place, lights can be dimmed accordingly to optimize performance and minimize the cost of operation.

When glare and light trespass are due to fixture design, they can be solved using reflectors and shields on luminaire heads to shield or diffuse excess light. In general, when considering LEDs, a color temperature of 4,100K or warmer is recommended by TEN Connected.

Addressing Safety – Benefits Residents, Visitors, Public Safety Officials, and Businesses

A major task of street lighting is to increase safety for motorists, pedestrians and bicyclists, particularly at intersections where pedestrians/bicyclists may be crossing. A consistent concern is that high-mast streetlights, particularly those garnished with High Pressure Sodium (HPS) bulbs, do not adequately provide contrast between the pedestrian/ bicyclists and the background.

Metal halide fixtures have long been used at intersections because their better color rendering allows for better visibility and contrast. LEDs provide a similar benefit in this application. Street lighting also has an impact on the ability of emergency and utility personnel to perform their work at night. Emergency personnel report having a hard time seeing color properly under HPS lighting. This is an issue when work crews must identify colored electrical wires, for example.

LED lighting, with its potential for bright light and glare, needs to be designed to be compatible with camera performance. In some cases, cameras may also need to be repositioned for enhanced views. Safety officials generally prefer uniform light along the street, believing that uniform light eliminates shadows and adds to clarity. And LEDs improve the results of facial recognition technology.

Nighttime lighting also provides psychological comfort for society's more vulnerable members. When designed properly, lighting can be an effective tool in promoting outdoor safety. Crime Prevention Through Environmental Design (CPTED) researchers recommend that outdoor lighting be used to help with "natural surveillance" and "natural territorial enforcement" strategies.

Specific tactics include:

- Avoid poorly placed lights that create blind-spots for potential observers and miss critical areas
- Ensure potential problem areas, such as stairs, entrances and exits, ATMs, bus stops, dumpster and recycling areas, are well-lit (but not overly lit)
- Use shielded or cut-off luminaires to control glare
- In pedestrian areas, place lighting at heights that will illuminate the faces of the people
- Use lighting to identify property ownership and define public, private, and semi-private space

Addressing Energy Use – Benefits Residents, Visitors, Environment, and Businesses



LED technology's low-energy profile can further be enhanced using control systems and sensor programs that allow for user-control of street lights in certain contexts. Luminaire light output may also be reduced when there is sufficient natural ambient light.

LED lighting is increasingly emerging to capture energy efficiency savings around the world. There are more than 131 million street lights in the United States alone, producing 128 million metric tons of carbon dioxide pollution annually. Ninety percent of these lights are HPS or older technologies. Approximately ten percent are LEDs.

A comparative life cycle assessment of available street light technologies by the University of Pittsburgh's Mascaro Center for Sustainable Innovation noted the following:

- 22% of all energy generated in the U.S. is used for lighting, with 8% of that used for public outdoor lighting.
- A significant portion of the power used for current (not yet converted) street light bulbs produce heat, not light.
- LEDs are the most efficient, durable, long lasting and environmentally clean lighting source to date.
- LEDs last upwards of 20 years, significantly reducing maintenance costs, waste and environmental impact.

According to the US Department of Energy, in the next 20 years rapid adoption of LED lighting in the U.S. can:

- Reduce electricity demand for lighting by one-third
- Eliminate 258 million metric tons of carbon emissions
- Avoid building 40 new power plants
- Create financial savings that exceed \$200 billion

Post Field Survey Efforts:

Generally, Post Field Survey Efforts produce the following data which TEN would analyze, review and provide to the City: (1) Manufacturer Selection, (2) Final Design, (3) Installation Plan Base on Field Survey, and (4) Energy Analysis.

Addressing Monitoring – Benefits Residents, Visitors, Public Safety Officials, and Businesses

Since LED lighting is electronic, it can be remotely controlled or addressed on an individual fixture basis, on a series basis such as a particular street, on a City-wide basis, or any combination. Control methods include sending electronic signals by radio frequency (RF), internet (Wi-Fi), cellular, or simply by hard wiring. Safety officials feel the control possibilities of LED street lighting offer a variety of communication methods to alert fire and police. For example, the fixture closest to a 911 incident may flash on-and-off. Light intensity can also be increased to provide additional light when needed. Controls can be used to identify each street light's location to measure power usage on an individual basis, to signal when replacement is needed, to identify burned out or damaged fixtures, or to adjust color temperatures to accentuate warmer or cooler hues.

Addressing Durability – Benefits Local Government

AASHTO provides standards for the durability of luminaires in general. As a solid-state (SSL) technology, LED arrays are more able to hold up to shocks and vibrations.

Addressing Reliability – Benefits Local Government

Storm events knock out street lights and traffic signals, requiring Public Safety to assign police officers to critical intersections on a 24/7 basis for at least 24 hours and occasionally longer to direct traffic. At critical locations, backup batteries can be used for LED fixtures.



Addressing Light Output – Benefits Residents, Visitors, Public Safety Officials, and Businesses

Emergency responders require street lighting to be bright enough for emergency situations. While street lighting will need to meet minimum Lighting Ordinance footcandle standards, the amount of light may not be enough under certain emergency circumstances. The ability to increase LED light output at intersections via addressable controls is an advantage of the technology.



Addressing Light Pollution – Benefits Residents, Visitors, and Businesses

Light pollution is possibly the easiest form of pollution to prevent since it is easily controlled through proper fixture design. Additionally, much of it, such as streetlights, is directly under the control of the public sector or is subject to regulations.



4. Project Management

More detailed information about TEN Connected's Project Team can be found in **Attachment 1**.

TEN Connected Solutions' team has managed LED conversion projects of nearly identical size and complexity to the City of Portland in Harrisburg, Bethlehem, Baltimore, and most recently Scranton. TEN Connected's experienced in-house project managers will utilize our automated platform to update the City on project success, in addition to regularly scheduled in-person progress meetings. Starting in the design phase, and continuing through the implementation phase, TEN Connected will develop our partnership approach with Portland to identify the personnel required to efficiently execute the project.

TEN Connected believes that clear communication and meeting (or exceeding) the City's expectations every step of the way through the construction process is key to successful project coordination and implementation and garnering an excellent project reference from the City. TEN Connected will partner with the City to help prioritize and to ensure that the project is implemented on-schedule, as budgeted and that the benefits of this program survive for the long term.

When TEN Connected is invited to assist in optimizing equipment selection and system design, our team goal is purely to serve the City with a high-quality project implementation which saves operating costs (energy and maintenance) while delivering a street lighting system providing optimal comfort and safety, and other required environmental needs. TEN Connected's team researches, designs, and oversees field installations and testing of the high-quality, cost-effective lighting conversion project. TEN Connected will assist the City in analyzing the efficiency and other characteristics of several world-class LED fixtures for possible selection. TEN Connected's independence from any manufacturer enables us to provide the City of Portland with the most appropriate lighting solutions that efficiently address specific needs – further enhancing your results. TEN Connected's engineers and lighting designers have been able to diplomatically work with product manufacturers and suppliers on a national level to help in the selection of equipment and systems that can deliver a lower life cycle cost and better controls functionality.

Our team has experience project managing multiple projects simultaneously – from LED street lighting upgrades to smart city technology implementations to parking garage upgrades and more – and TEN Connected Solutions will bring that same level of expertise, experience, and coordination to the City of Portland.

Implementation

The major general steps of a TEN Connected construction implementation plan are as follows:

Initial Project Startup

Immediately upon award of the project, TEN Connected will further develop the partnership strategy with the City and identify all of the personnel required to efficiently execute this project. Once all the members of the project team are identified, the expectations for the project and its implementation will be clearly outlined. The project's implementation milestones will be established in the contract and in more detail in the project's regular construction meetings. These milestones will be confirmed regularly through clear lines of communication which have been established to facilitate a successful project implementation.

Procurement

As each project submittal is approved by the City, purchase orders will be issued for materials and subcontracts entered into for installation. TEN Connected will carefully evaluate the pre-identified subcontractors to determine the most appropriate fit for the project scope. TEN Connected's independence from any particular subcontractor or manufacturer ensures that it is able to provide the most appropriate solutions that efficiently address the City's



needs. As a result, TEN Connected can develop an objective and unbiased partnership with the City by implementing the lighting equipment and system upgrades that generate maximum returns often times through local community resources.

FOUR CRITICAL STEPS that TEN Connected has identified in the project implementation phase, that require precise record-keeping, and that are handled directly by TEN Connected's Project Manager are as follows:

1. MONTHLY Utility Notification of work complete - Allows savings to be "activated" on a monthly basis
2. MONTHLY Rebate Notification of work complete - Keeps a steady rebate cash flow returning to customer
3. MONTHLY Customer Invoicing of work complete - Systematically spaces project costs to customer
4. MONTHLY Subcontractor Invoicing of work complete - Provides cash flow for equipment and miscellaneous costs

Construction

Regular meetings will be held with the City to establish construction guidelines and TEN Connected will also work with the City to minimize the impact to the City's operation of the construction activities. Standard project management tools, such as a Gantt chart and detailed meeting minutes will be used to track progress. TEN prides itself on a proven track record of successful project implementations in varied settings which include everything from installations in offices, classrooms, gymnasiums and major sports stadiums, to special access situations in correctional and medical facilities – and certainly street lighting projects where traffic and pedestrian safety is of critical importance.

Construction services will be sourced through mutually agreed upon specialty electrical and controls subcontractors. All subcontractors perform their work under the direction of our in-house construction project management. TEN Connected's construction project managers will collaborate with our internal engineering team on specific design issues which are certain to arise. TEN Connected's internal project management team also will be responsible for training, preparing custom Operations & Maintenance (O&M) manuals, overseeing project commissioning, and ensuring the proper deployment of the control system (if included) to the satisfaction of the City.

Inspections & Reporting

As part of our Quality Control program, continuous inspections during construction are performed to ensure compliance with the scope of work and any City of Portland requirements. TEN Connected's project managers and engineers along with the City's representatives will inspect the construction of the project. Progress will be tracked on a daily and bi-weekly basis, and the results shared with the City and the Project Team.

Project Commissioning Plan

In the street lighting industry, the term "commissioning" is often applied to lighting control system activation, and applies to the entire City and its energy-using systems, including luminaires and controls. System activation and functional testing are steps within a larger process of ensuring all installed systems satisfy the design intent and owner requirements.

Commissioning answers the question, "Does the lighting system perform according to what the owner wanted and the designer intended?"

Using a Global Positioning System ("GPS") and a GPS functional control node embedded into each fixture, TEN Connected installs and activates the new street lights to be able to identify themselves and network instantly ("real time"). This approach reduces the cost of programming each fixture and eliminates on-site commissioning.



If the City's street lighting configuration resides on its own Geographic Information System ("GIS"), various types of lights including traffic signals, decorative, park lights, and various types of decorative lighting can be combined with the existing street lights ("layered GIS"). TEN Connected has (for other cities) and, will for Portland, integrate the LED converted street lights into Portland's GIS as the City sees necessary to do so.

Measurement and Verification (M&V) Approach

Energy savings for an LED street lighting upgrade project is determined by comparing annual energy use before and after the installation of the upgraded technology. The objectives of the M&V process are to document the annual energy savings achieved by the project. Energy use patterns are studied before and after the installation, and the annual energy savings are calculated as the difference between energy use before and after implementation (base-year and post-retrofit energy use). The calculation of energy savings may require adjustments to hours of operation if adjustments are permitted by the City's utility to optimize savings.

TEN Connected will provide a guaranteed savings program to Portland based upon sound and proven engineering design principles that: 1) isolate the energy efficiency criteria for which TEN Connected is responsible, and 2) specify those other parameters which are beyond TEN Connected's control.

TEN Connected will provide a customized M&V plan designed with the International Performance Measurement Verification Protocol (IPMVP) in mind. Our lengthy experience with all IPMVP options (A, B, C and D) enables us to delineate the cost and benefits of the approach needed to ensure the optimal structure of the M&V plan for Portland. As a means of equipment verification, the selected control system can act as a check and balance to verify the upgraded equipment is performing as TEN's Designer and the manufacturer intended.

Project Acceptance

TEN Connected's Project Manager will work in conjunction with the City's assigned project representative(s) and other personnel to make sure all systems, fixtures and equipment are performing as designed. Any deficiencies will be identified as punch list items and will be used to track and correct the deficiencies. Once the City and Project Manager have signed off on the completion of the Project, it is turned over to the City of Portland's street lighting operations personnel.

The Project Acceptance date marks the start of the material workmanship warranties from the manufacturer, and the savings measurement period.

In addition, a functional customized Operations and Maintenance (O&M) Manual will be provided to help optimize operation to provide significant energy savings and other lighting upgrade-related benefits. TEN views its O&M Manual as a risk reduction strategy, which will help systems run efficiently, function properly, and deliver its full life expectancy of value.

Operation & Maintenance Plan

TEN Connected's partnership approach continues throughout the contract term after the project's implementation to ensure that the savings guarantee (if applicable) and equipment operating parameters are realized. The warranties will be well-documented in the project-specific operating manuals and TEN Connected stands ready to assist Portland on any warranty issues throughout the warranty period. TEN Connected's approach to cost-effective maintenance of the project is to train City staff whenever possible, to understand and address operation and maintenance issues before the completion of the project.



In order to guarantee efficient functioning of all installed equipment, and the energy management goals of the City, a customized preventive operations and maintenance plan (POM Plan) will be delivered by TEN Connected after project completion.

The POM Plan would consist of a checklist of tasks that are performed at manufacturer-recommended intervals (usually measured in hours of equipment run time). This checklist will be kept in the form of a log and updated manually when tasks are performed. The POM Plan would include the following fundamental information, gathered during the audit:

- Installed Equipment;
- Manufacturer's name;
- Vendor's name and contact information;
- Date installed;
- Warranty information;
- Recommended parts lists;
- Vendor maintenance;
- City of Portland maintenance required;
- Maintenance checklist;
- Training;
- City-wide lighting and lighting controls layouts and as built lighting and lighting controls layouts.

In general, a comprehensive maintenance program should include:

- Fail alert system details
- Luminaire cleaning plan (Less heat is generated on lenses by LEDs than HID lamps so less dust normally adheres and fuses to the lens than historically with outdoor luminaires)
- Unit, power supply and photocontrol replacement plans (Note that today's power supplies are rated for 100,000 hour life and the expectation is that replacements will be very rare (<1%).

Training

Training is an important aspect of TEN Connected's offering. City personnel need to understand the objectives of the energy savings program and equipment operation to meet those objectives and to have them sustained over time. To that end, TEN Connected prefers to conduct comprehensive training on-site, during the construction phase to familiarize the City staff with the new systems. The majority of training is focused on familiarizing personnel with the new lighting and controls equipment being installed, equipment / system operation and regular maintenance. Most of the training will take place during start-up of the equipment and during the commissioning process, and some at project completion. All training is coordinated by TEN Connected project managers and the operations representatives from the City.

Integration with the City's GIS System, if available

Unique to our offering, we believe, is our ability to provide the City with electronic GIS shapefile format files that we create through our integrated, mobile-application driven auditing process and commissioning during our structured installation process. This enables the City to integrate all the new street lighting information (i.e. technology, inventory, wattages, GPS locations, etc.) into their existing Global Information System (GIS) at the time of installation. This is incredibly helpful, we believe, to the City of Portland in managing its street lighting system, providing analytics, and ensuring quick response times to outages.



When difficult and complicated challenges arise, TEN Connected's broad expertise and street lighting specialization will enable studying the problem, exploring all possible solutions, and supplying clearly defined options along with a recommended course of action.

Quality Control

TEN Connected Solutions believes that quality control starts in the development stage and continues all the way through construction, commissioning, and measurement and verification. An effective energy savings program requires a delicate balance between engineering and construction management. We establish this balance by involving the construction team during the development phase of the project to ensure the "constructability" of the lighting and lighting controls solutions we propose. The ultimate success of any energy savings project is measured by the ability of the installed systems to achieve the projected savings targets and to meet environmental expectations, while the success of a brilliant design is also predicated by its ability to be constructed. TEN Connected takes a comprehensive approach to development and engineering to establish this critical balance. This approach is made possible through TEN Connected's in-house design, engineering and construction management personnel.

Our design, engineering and construction teams work closely with each other to develop the scopes of work that are competitively bid to the City of Portland's approved vendors and subcontractors to ensure that the design intent is met, the project/system can be installed properly and maintained, and the construction team is very familiar with the project before installation begins. This seamless and transparent hand-off to construction ensures quality control. TEN Connected's team is also open to our subcontractors' input when it improves the design and/or lowers the cost to provide a better solution for the City.

Reporting to TEN Connected's Director of Installation, the on-site, 30-hour OSHA Certified Project Manager is accountable for the management of all assigned project construction activities taking place. The Project Manager (PM), through their on-site management, will ensure that the worksite is safe, supervised and managed in an effective and efficient manner for the City of Portland. Maintaining and managing daily communications with and directing the activities of all subcontractors is key to the success of the project. Our project managers utilize TEN Connected's proprietary cTEN application to quickly and efficiently report worksite progress, concerns and work scheduled to be performed the following day. This communication is shared with both our Director of Installation and designated personnel of the City as another procedure to monitor quality control.

Warranty and Maintenance

A comprehensive, 10-year material warranty will be included with TEN Connected's project offering for the City of Portland. The manufacturer's warranty will pass through TEN Connected directly to Portland to ensure that the City will have direct access to the full value of the manufacturers' warranty over the term of the contract. Specifics of this warranty will be negotiated to the best terms for the City and detailed in writing through the final engineering process with the selected manufacturer(s).



5. Technology Procurement

a. Fixtures

TEN Connected Solutions appreciates the desire to upgrade street lighting throughout the City of Portland to achieve the maximum benefits of LED technology while also maintaining a high level of value using quality products and careful installation. TEN Connected's unique approach to street lighting solutions will aid the City in determining the best lighting fixture(s) to meet their needs. On a weekly basis, TEN Connected is working with the world's leading exterior LED streetlight and decorative fixture luminaire manufacturers and distributors, and incorporating their technologies into our projects. This position allows TEN Connected to be an early evaluator of these technologies, and to come to conclusions regarding the efficiency, design, light output, quality and characteristics of the various technologies for and on behalf of our customers.

There are important aesthetic, performance, operational, and ethical decisions that must be made when deciding on the street lighting package and installation configuration. These include determining the lighting levels required to accomplish the objectives; balancing the cost, energy efficiency, public safety, maintenance regime, and life cycle of the product chosen; choosing a fixture and maybe a pole style; addressing sky glow and light trespass through cut-off options; consideration of control systems node or photocell; deciding on a light curfew (if appropriate); deciding on pole height and spacing; and evaluating the effect of lighting on nearby ecological habitats, such as parks, greenways, and riparian corridors.

The main goal of a TEN Connected-converted streetlight system is to ensure that safety, security and visibility are maintained throughout the City of Portland by ensuring appropriate lighting levels. At the same time, the volatility of electricity markets, how electricity is priced into the market and, the seemingly inevitable rise in electricity prices, require TEN Connected to focus directly on reducing excess energy consumption wherever possible.

As part of TEN Connected's competitive evaluation process on behalf of the City, TEN Connected Solutions will provide the City with a customized **LED Fixture Performance Characteristics Matrix** to facilitate discussions between TEN and the City with the end goal of assisting in the internal evaluation and final fixture selection.

Following is a depiction of the Performance Characteristics Matrix that was created by TEN (TEN Connected) for the City of Harrisburg prior to fixture selection. This matrix served as the foundation for TEN (TEN Connected Solutions), on behalf of Harrisburg, to request (in this case) cobra head fixture pricing – as well as to offer recommendations to Harrisburg regarding final selection.



Harrisburg Street Lighting					
Manufacture	GE	LEOTEK ELECTRONICS USA LLC	CREE	Cooper	HOLOPHANE / AEL
Part #	ERS1083E1140AGRAYB DT	GCM1-30F-MV-MW-3-GY-1A-PCR7	BXSPCHT2MEE40K-ULSVN- SPX	VERD-A02-D-U-T3-4N7- 10K-48-AP	ATBM E MVOLT R3 48 MP AO
Watts	117	105	101	92	115
Color Temp	4000k	4000k	4000K	4000k	4000k
CRI	70 CRI	70	70	>70	70+
Distribution	TYPE III	3	II LONG, II OR III	T3	R3
Lumens	9300	9,192	8,407	9,099	13,600
mA	1050mA	1000	375mA/4	1.6ma	950ma
lm/W	79	88	83	99	118
IP Rating	IP66	66	IP66	IP66	IP66
Life Rating	50,000	100,000	100,000	>254,000	100,000 system
EPA R2	0.5	0.44	0.7	0.5	.70
BUG Rating	B1-U0-G1	B2 U0 G2	B1 U0 G1	B2 U0 G2	B2 U0 G3
DLC (Y or N)	Y	Y	Y	Y	Pending
Weight #	20 lbs	10 lbs	<18LBS	20 lbs	21
7 pin NEMA PCR	7 pin included	Y	7 pin included	7 pin included	7 pin included
Lead time	2-4 weeks	2-3 weeks typical	4-6 WEEKS	2-4 weeks	3-5 WEEKS
Dimming	0-10V driver included	0-10V driver included	0-10 driver included	0-10 driver included	AO MANUAL OPTION or ROAM smart controls
Warranty	5yr std/10yr option	10 years complete	10 YEARS	10 Years	10 years
LEDs	Included	Included	10 YEARS CREE	10 Years	ABL Comm. Warranty
Drivers	Included	Included	10 YEARS CREE	10 Years	"
Finish	Included	Included	10 YEAR GRAY	10 Years	"
Fixture	Included	Included	XSP1C SERIES	10 Years	"
Labor Allowance	N/A	N/A	NA	N/A	N/A
Comments	Internal Bubble Level D 3-level dimming standard - Dimming Driver; T = 10kV/5kA Surge Protection Rubber seal around arm standard Mounting bubble standard 4-bolt option for mounting N/C Reversible mounting plate for different pipe OD Parts MADE IN Malaysia, assembled in CA (meets BAA)				
			Multi-level dimming standard	Bird Guard Mounting bubble	Multi-level dimming standard Mounting bubble standard

Sampling to Facilitate Final Fixture Selection

Using TEN Connected's Performance Characteristics Matrix, we worked with the City of Harrisburg and various national manufacturers to identify a prominent area for the street lighting samples to be installed. Upon installation, the City then invited residents, public works officials, and public safety professionals to vote for (or weigh in on) their favorite fixture using such variables as light output, design, ease of operation, insect guard availability, and several others. Two (2) samples of each manufacturers' LED cobra head were installed for purposes of determining ease of installation and maintenance, and one (sample) of each was "table-topped" in City Hall so that city personnel and the public could view and inspect the options for selection.

After residents weighed in on the fixtures installed and displayed in City Hall for public view and inspection, and, with consideration given to TEN's professional recommendations, the City made a final selection (Eaton/Cooper) of the cobra head fixture they believed best met the needs of the City of Harrisburg after considering all the variables.

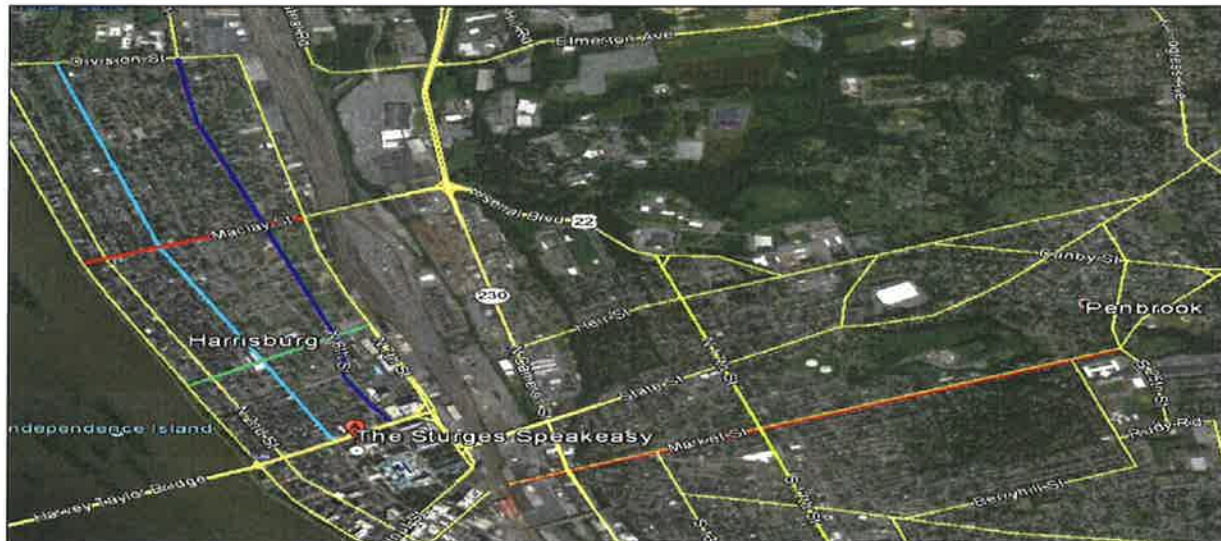
Picture of samples “table-topped” in Harrisburg City Hall for Inspection and public input



TEN Will Deliver World-Class Options for Portland

TEN Connected Solutions will work with the City to determine if incorporating a pilot would help in the education of the new technologies available and in the final selection of a new LED street lighting fixture. As a feature of TEN Connected’s approach to lighting design and street lighting, if the City decides to engage in a pilot process, this process will not result in any additional installation costs. TEN Connected will work with the lighting manufacturers and the distributors to negotiate free samples.

Using a similar matrix to those that have been prepared in our other street lighting projects, TEN Connected will also work with Portland to obtain products for comparison that detail each characteristic – everything from color temperature to ease of installation to length of manufacturer’s warranty – and that are appropriate for various locations throughout the City. Special consideration will be given to areas where Portland may want increased or decreased lighting. Again, in Baltimore and in Harrisburg, TEN Connected developed a lighting design that allowed City officials to improve light levels in target communities and safety corridors.



Depiction of pre-design mapping work for City of Harrisburg’s Emergency Evacuation Routes

Finally, TEN will deliver to the City a new update to the City’s GIS system that identifies the characteristics of the new LED street lighting system, an accurate inventory of all new products purchased, and all expected costs, savings, financial paybacks, and potential incentives for the new street lighting system.



b. Smart Controls, IoT, and other Smart City Solutions

TEN Connected Solutions develops projects that integrate Information Communications Technology (ICT), Connectivity-Related Devices and customized Smart Cities technology applications (e.g. security services, neighborhood services, media, etc.). While there are a number of products and software services available, TEN Connected would seek to incorporate commercially ready technologies that would meet the City of Portland's goals.

Advanced Wireless Controls

Installing advanced wireless controls enables the City to have more control over new LED street lights, increase overall luminaire lamp life, provide dimming capabilities (where applicable) for increased electric energy savings, and to reduce maintenance costs associated with the street lighting system.

When the full life-cycle of an advanced wireless controls system is considered, the technology (with the 7-pin NEMA connector) has been found to provide more control for the street lighting system and to "future-proof" the street light, and to enable additional technologies to be integrated at a later date. Any TEN Connected recommended and/or installed control system will have open Application Program Interface that will allow the city to ensure functionality and expand the system in the future if so desired.

Other Value-Add Systems Available through TEN Connected

LED STREET LIGHTING & SMART CITIES

- **Procurement.** Established municipal procurement method facilities delivering LED street lighting and technologies to cities
- **Installation.** TEN, through its technical and construction teams, install LED street lighting city-wide
- **Financing.** Energy and maintenance savings from LED streetlights help to pay for the deployment of other smart cities technology
- **Equipment/Technology Deployment.** LED Luminaires and mast arms themselves provide physical platform to deploy smart city applications
- **Revenue Generation.** Installed equipment/technologies platform serves as revenue generation apparatus for cities



ENERGY & MAINTENANCE

- Utility grade metering
- Usage monitoring
- Remote outage notification
- Utility rebate optimization

UTILITY

- Water metering
- Gas metering
- Equipment monitoring/control
- Hazardous materials emergency response

VEHICLE

- Smart parking
- Parking enforcement
- Vehicle detection
- Mobile payments
- EV charging

TRANSIT

- Fleet management
- Asset tracking
- Mobile payments
- Smart roads

PUBLIC SAFETY

- Video surveillance
- Remote security monitoring
- Emergency response
- Mass notifications

INFRASTRUCTURE

- Sensors
- Antennas
- Wireless connections
- Small cells
- Charging platforms

More specifically and by way of example, here are some smart city solutions offered by TEN Connected:

1. Public Wi-Fi, by REDZONE Wireless (TEN Connected Partner)



Redzone Wireless, LLC is a leading Maine-based wireless internet service provider. The company has deployed a combination of wireless broadband technologies to provide broadband network access to ~220,000 Households, and 30,000 Businesses in Maine.



The company deploys transmission equipment on fiber optic-connected telecommunications towers, delivering competitive broadband services for residential, commercial, enterprise and municipal applications. Redzone's networks operate on both FCC-licensed and open spectrum bands. Redzone's 4G LTE Advanced fixed wireless network operates on 2.5GHz EBS spectrum, secured through a long term exclusive lease agreement with the University of Maine System. Redzone is a certified Pine Tree Zone company, and has received a portion of it's financing through a loan program administered by The Finance Authority of Maine (FAME).

TEN Connected, in partnership with Redzone Wireless, proposes to investigate and propose the construction and activation of a city-wide high speed 100 Mbps public Wi-Fi network and infrared camera system in Portland. The system proposed would include installations of ~ 600 Wi-Fi Access points (APs), and ~600 Infrared cameras, and would be constructed during the installation of LED lighting upgrades.

The City of Portland is spread across 22 square miles of land area, and is lighted by approximately 6,600 light poles/fixtures. Preliminary engineering suggests that approximately 600 Wi-Fi APs would provide network coverage across the entire city.

Managed Wi-Fi Network

As part of the Wi-Fi network, TEN and Redzone will provide a large scale wireless mesh solution for Portland public & municipal use. We will provide a completely turnkey solution, from network design and RF planning to deployment and on-going network maintenance and support. TEN and Redzone will coordinate the installation of wireless broadband internet connections, configure all wireless access points and Redzone will provide Portland with ongoing monitoring, user technical support, and management of all equipment.

Redzone's Customer Service Center located in Maine provides live one-on-one support, 24 hours a day, 7 days a week, 365 days a year. We feel that superior customer service is one of the foundations of our network services.

Benefits of Managed Wi-Fi

- Consulting and Network Analysis
- Complete Turnkey Solution – Hands Off and Worry Free
- Proactive Network Monitoring and Maintenance
- 24 x 7 x 365 Customer Support

Managed IP Video Surveillance

TEN and Redzone also propose a managed IP video surveillance system as a means of protecting the community, as well as public and private property. TEN and Redzone propose a complete turnkey solution including camera/surveillance network design, installation, and on-going network maintenance and support.

Video Surveillance System Features



- Wireless Surveillance Cameras Are Installed on the Same Wireless Network Used for Wi-Fi
- Network Owners Can View and Control Versatile Pan/Tilt/Zoom Cameras from Anywhere via the Internet**
- Day and Night Vision
- Megapixel Resolution
- Weather Proof
- Vandal Resistant

The wireless connectivity will be supplied through Redzone's existing wireless network infrastructure currently deployed throughout the Portland metro area. The public Wi-Fi network will provide a defined period of free daily broadband access to users accessing connections through a custom Portland community portal. The Portland Wi-Fi portal will also provide direct access to local information & community services.

The 100 Mbps Free Public Wi-Fi network will distinguish Portland, Maine among the most connected American cities, bridging the digital divide among economically challenged segments of the population; assisting students with free access to broadband for homework and educational purposes; supporting job seekers with the tools to access and apply for available employment opportunities; and to support tourism by providing visitors to Portland with high value ubiquitous connectivity.

The infrared camera system will provide day & night visibility throughout the city at up to 600 locations to be determined including schools, parks, high traffic areas, intersections, downtown business & entertainment districts, public buildings, parking lots & municipal structures, etc. The system would provide digital recording capabilities and system administration through a cloud-based video control system. The system will allow multiple users in law enforcement, public safety, planning

TEN and Redzone already have established preliminary cost estimates to deliver this service to Portland, and look forward to sharing our vision with the City through this process.

Revenue Sharing

At the conclusion of the daily free Wi-Fi service period (projected to be 60 minutes), Public Wi-Fi network users will be presented the option to purchase access for additional time periods, generally offered in increments of 1 hr, 1 day, 1 week or 1 month. Based on mutual agreement to the specific terms and pricing, TEN Connected and Redzone would be willing to negotiate a revenue sharing arrangement with City of up to 20%. The agreement could enable the Portland to recover its monthly network operating expenses and potentially recapture the original capital investment based on usage.

2. Smart City Media (TEN partner) -- Revenue Generation

A Smart City Media LLC, smart media grid enables communities like Portland to be better connected. In fact, the platform uses information kiosks to create a better connected community, where citizens can easily discover events, programs, deals and other relevant and important information as they walk down the street. The system also allows public safety and homeland security officials to not only see and assess emergency situations but also to broadcast alerts and provide mobile updates to residents in targeted locations.





This platform also serves as a significant revenue generation opportunity. Advertisers can develop targeted content and pay premium fees to broadcast their individual content. This revenue opportunity can net up to several hundreds of thousands of dollars for Portland to be used to pay for light grid infrastructure improvements, public services, or reinvested into the smart street lighting system.

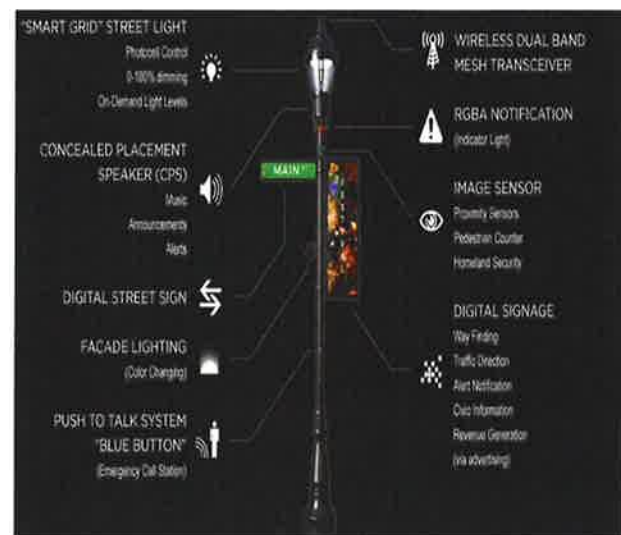


TEN and Smart City Media already have established preliminary cost estimates to deliver this service to Portland, and look forward to sharing our vision with the City through this process. **Original estimates indicate that a smart media platform could generate \$850,000 for Portland in the first 5 years without Portland having to invest any capital in the project.**

a. Intellistreets, by Illuminating Concepts (TEN partner) – Revenue Generation

In addition to generating revenue and providing public safety and homeland security officials with critical information, smart city technologies can also be used to broadcast audio messages to residents, serve as a mechanism to update residents on traffic closures, and use colors and lights to alert individuals to an emergency situation.

Intellistreets has designed, patented and manufactured electronic modules (EM) that may be embedded or attached to almost any form of structure or luminaire. The system uses wireless technology – not Wi-Fi (and therefore potentially less “hackable”) – to communicate with individual luminaires. Using wireless eliminates the high construction costs of wiring, cabling, and conduit and allows for integration within virtually any modern architectural control system for synchronization of any feature within and around the Intellistreets system.



Finally, the system can be used for entertainment purposes and allow the City to use of radio broadcast from playlists while a wide range of additional sensors can be utilized for exciting pedestrian user interaction.

b. Public Safety - Gun Shot Detectors

Recently, a national manufacturer partnered with a technology based company to fit microphones to LED street lighting systems. The microphones can detect gun shots and give approximate locations to local public safety officials who are then able to better to determine the number of gun shots and potentially the number of shooters.



6. Installation & Maintenance

Description of Work

TEN Connected will provide an Investment Grade Audit to the City of Portland, detailing the scope of work to be completed. Additionally, once construction begins, TEN Connected will manage and maintain daily progress information and track quantities, contractor payments, and change orders. We will prepare and recommend for approval, periodic installation quantities satisfactory to the City.

Installation Schedule

TEN Connected will develop, monitor and maintain a master project schedule for the entire project to integrate and coordinate the activities of the various ongoing design and construction activities and contracts.

TEN Connected will adhere to the required installation schedule unless otherwise agreed upon by the City and TEN Connected to change the timeframe for installation based on the number of fixtures and smart cities technologies to be installed.

A project schedule can be found in **Section H: Project Schedule**.

Reference Standards

There are important aesthetic, performance, operational, and ethical decisions that must be made when deciding on the street lighting package and installation configuration. These include determining the lighting levels required to accomplish the objectives; balancing the cost, energy efficiency, public safety, maintenance regime, and life cycle of the product chosen; choosing a fixture and pole style; addressing sky glow and light trespass through cut-off options; consideration of control systems; deciding on a light curfew (if appropriate); deciding on pole height and spacing; and evaluating the effect of lighting on nearby ecological habitats, such as parks, greenways, and riparian corridors.

The main goal of a TEN Connected-converted streetlight system is to ensure that safety, security and visibility are maintained throughout the City of Portland by ensuring appropriate lighting levels. At the same time, the volatility of electricity markets, how electricity is priced into the market and, the seemingly inevitable rise in electricity prices, require TEN Connected to focus directly on reducing excess energy consumption wherever possible to offset all costs of the project.

In addition to the goal of improving safety, security and visibility for residents, motorists, cyclists and pedestrians, TEN Connected's design will detail and verify lighting levels and discrepancies in uniformity of existing installations, and will identify any areas requiring corrective action to ensure that, municipality-wide, the lighting system, designed and installed by TEN Connected, will be consistent with nationally recommended lighting level standards post-conversion.

Importantly, TEN Connected shares the City's perspective that, although IES RP-8-14 recommends adequate light levels for the safety of pedestrians, cyclists, and vehicles, existing pole placements limit the degree to which IES standards can be met. Therefore, TEN Connected has independently developed design methodologies that will best deliver adequate lighting for the City for the expected product life cycle while at the same time supporting Portland's specific goals for the project. And therefore, IES standards may not be the standard selected by the City of Portland.

For example, enhanced public safety/homeland security is the primary focus of the City of Baltimore's Phase I LED conversion project. So much so, that the City asked TEN to evaluate fixtures best suited to "overdrive them" in



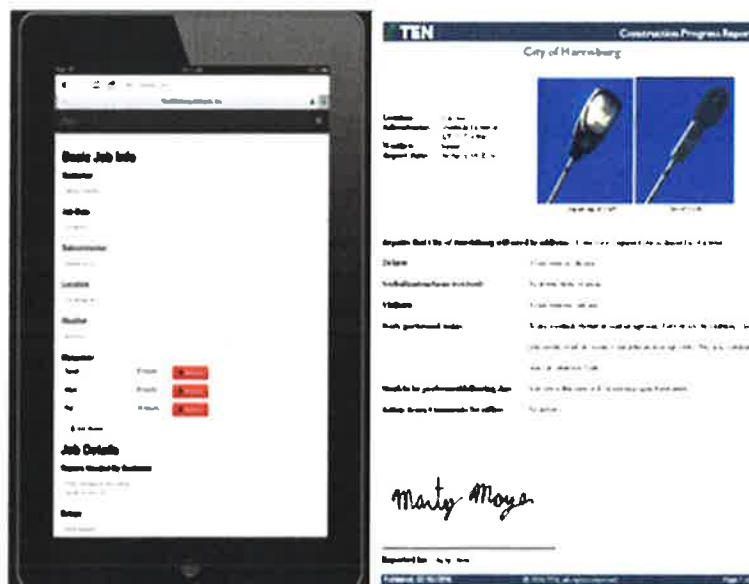
high crime areas to shine a light on potential criminal activity – with the added feature to be able to dim the LED in the future if necessary to preserve its life cycle. TEN's customized design methodologies (based on life cycle costs and fixture performance analyses), after having been fully understood by Baltimore, were used by Baltimore to make its final selection on fixtures.

Submittals

TEN believes that quality control starts in the development stage and continues all the way through construction and measurement and verification. An effective energy savings program requires a delicate balance between engineering and construction management. We establish this balance by involving the construction team during the development phase of the project to ensure the constructability of the lighting and lighting controls solutions we propose. The ultimate success of any energy savings project is measured by the ability of the installed systems to achieve the projected savings targets and to meet environmental expectations, while the success of a brilliant design is predicated by its ability to be constructed. TEN takes a comprehensive approach to development and engineering to establish this critical balance. This approach is possible because TEN utilizes in-house design, engineering and construction management.

Our design, engineering and construction teams work closely with each other to develop the scopes of work that are competitively bid to the City's qualified vendors and contractors to ensure that the design intent is met, the project/system can be installed properly and maintained, and the construction team is very familiar with the project before installation begins. This seamless and transparent hand-off to construction ensures quality control. TEN's team is also open to our subcontractors' input when it improves the design and/or lowers the cost to provide a better solution for the City.

Reporting to TEN's Director of Construction, the on-site 30-hour OSHA Certified Project Manager is accountable for the management of all assigned project construction activities taking place. The Project Manager, through their on-site management, will ensure that the worksite is safe, supervised and managed in an effective and efficient manner for the City. Maintaining and managing daily communications with and directing the activities of all subcontractors is key to the success of the project. Our project managers utilize TEN's proprietary cTEN application to quickly and efficiently report worksite progress, concerns and work scheduled to be performed the following day. *This communication (depicted below) is shared with both our Director of Construction and designated personnel of the City as another procedure to monitor quality control.*





Quality Assurance and Warranty

TEN Connected will conduct spot inspections, a final inspection, and semi-final inspection if directed, and generate a punch list of work to be completed for each contract. TEN Connected will monitor the punch list until it is complete. TEN Connected will provide written notice to the City when all project work is complete and recommend project acceptance.

TEN Connected will provide an individual experienced with safety programs in construction to serve as the City's agent and representative in matters of construction safety, specifically one with experience which directly relates to state and local safety laws, including statutes, rules, regulations, and ordinances. Tasks will include the following: a) Review the timeliness of safety and accident prevention procedures on the project and review and accept Contractor Safety Programs; b) In the event certain individuals are found to be in violation of safety requirements, direct the subcontractor to remove the individual employee, or to invoke any other contractual remedy deemed appropriate; c) Observe and monitor subcontractor compliance with OSHA, the City, and local and state laws and regulations; d) Periodically attend Foremen's 'tool box' safety meetings and evaluate effectiveness; e) Review and accept subcontractor emergency and safety plans and procedures; f) Organize and participate in monthly site inspections and report on findings; g) Continually coordinate the City's general and specific safety concerns with the Project; h) TEN's involvement in the Safety of the project shall in no way relieve or decrease the Contractor's obligation for safety.

Installation

TEN Connected will conduct bi-weekly on-site job progress meetings for the project with Project Management representation in attendance as needed. We will attend/facilitate pre-job and preconstruction conferences and all job related meetings. TEN Connected will discuss issues and actions to be taken with all responsible parties, and dates when issues are to be resolved. TEN Connected will review and negotiate costs for additional extra work. TEN Connected's team can provide detailed engineer's cost estimates, and our project managers will document the contractor's work force for any extra work that may be required or requested.

Field Quality Control

TEN Connected will provide daily management while the project is on-going. TEN Connected's project managers will be available to coordinate with contractors, utilities, and City of Portland operations personnel to evaluate progress and activity daily. TEN Connected's project managers will also provide regular emailed progress reports and updates from our proprietary cTEN construction management program.



Adjusting and Cleaning

For each of its customers, TEN delivers a custom Operations and Maintenance (O&M) manual for luminaires and controls systems. Minimal maintenance is required considering 20-year fixture life and extremely low failure rates of LEDs (i.e. less than 1% in TEN's experience). The development of the maintenance plan starts during the Audit phase of the project. TEN carefully evaluates operating procedures and characteristics so that the luminaires, controls, and ancillary equipment have the most appropriate maintenance plan. TEN's maintenance analysis process yields benefits because the systems can then be operated at the highest level of efficiency.

Disposal

TEN Connected will develop the strategy, identify vendors, and manage the overall process. Collected materials will be gathered including but not limited to capacitors, mercury containing devices, drums, bulbs, and ballasts



and placed in an accumulation area. For each project, accumulation sea containers will be stored at strategic locations for ease of disposal. These locations, when selected, will provide several advantages; most notably the fact that it is a covered and relatively sealed environment. Hazardous products will be kept in the original containers unless they are not re-sealable. The original material safety data sheets (MSDS's) will be retained and available for review by City of Portland. If surplus product must be disposed, disposal requirements set forth by the local, State, and Federal regulations will be followed as applicable. During the collection of materials, the selected recycling and disposal management vendor will ensure and certify that the integrity of the equipment or containers is sound. If the integrity is compromised, the vendor will immediately re-pack the containers or equipment. Temporary containment, if required, will be constructed of polyurethane sheeting and oil socks. The sheeting will be placed under the affected areas and oil socks will be placed around the perimeter of the sheeting.



7. Construction Administration

TEN Connected will work with the City to develop bidding documents for the installation of street lighting systems. Led by our Director of Installation and the Director of Design - TEN Connected will assist in the review of all bid documents to confirm that each specification is addressed and met by the respondents. TEN Connected Solutions offers a full commissioning of fixtures not simply a spot-check to determine if installation procedures are followed.

TEN Connected recommends maintenance on a time and materials basis due to the extremely low failure rate of LEDs (less than 1%) and the availability of "attic stock" to be provided by TEN Connected as part of the project. Alternatively, TEN Connected will offer to undertake a maintenance protocol which also provides a labor warranty directly to the City, and administers the materials warranty provided by the fixture manufacturer.

TEN Connected's specifications for Installation and Maintenance Contractors will include, but will not be limited to, the following:

- Description of Work;
- Required Installation Schedule;
- Order of Streets or Areas to be Converted;
- References;
- Submittals;
- Quality Assurance;
- Commissioning Assistance;
- Warranty;
- Installation Plan;
- Field Quality Control;
- Adjusting & Cleaning;
- Disposal;
- Availability of Maintenance Services; and,
- Safety Record

In addition to the language listed above, TEN Connected will also include language relating to platform training for TEN Connected's proprietary project management software (cTEN), fixture recycling, traffic control and flagging, obtaining permits, or any other goals required of the City, such as M/W/DBE participation goals.

After working with the City to determine the minimum requirements for installation and maintenance contractor(s), and after Invitations for Bids (IFB) have been issued by the City, TEN Connected will review each bid to confirm which vendors have met the minimum criteria, and will deliver to the City a concise summary of those bids for purposes of evaluating desired services and selecting and approving subcontractors.

All subcontractors will perform their work under the direction of TEN Connected's in-house construction project management and will be required to use TEN Connected's cTEN technology platform (for project progress reporting) that will enable the City, and the TEN Connected project team, to receive daily installation updates. Our project management team also will be responsible for training, preparing customized Operations & Maintenance (O&M) manuals, and overseeing project commissioning.

TEN Connected will conduct spot inspections in accordance with the RFP, a final inspection, and semi-final inspection if directed, and generate a punch list of work to be completed for each contract. TEN Connected will



monitor the punch list until it is complete. TEN Connected will provide written notice to the City when all project work is complete and recommend project acceptance.

For example, TEN Connected is currently installing LED street lights in the City of Baltimore. To keep the local community and city officials up-to-date on the progress of the project, TEN Connected coordinates weekly briefing documents. A sample bi-weekly report (TEN Connected prepared for the City of Baltimore) can be found in **Attachment 2: City of Baltimore Street Lighting Upgrades Bi-Weekly Report dated October 28, 2016.**



8. Acquisition of Street Lights

TEN Connected has been closely monitoring the case that has been proceeding in front of the Maine Public Utilities Commission. TEN Connected will assist the City in completing the acquisition of the street lighting system from Central Maine Power. The bulk of such negotiation of course is the Net Book Value (NBV) of the system, as well as the specific requirements (approved by the MPUC) for the City to take ownership of the system from CMP.

TEN Connected will specifically follow the guidelines and procedures currently being developed in strict conformity to that which is required – including whether fusing must be accomplished by CMP or it is legally permissible for someone else to install the required fusing.

Nevertheless, TEN Connected has dedicated staff on hand (who are former utility company executives), who are available to diplomatically negotiate and finalize the various acquisition documents between the City of Portland and CMP.

TEN Utility Billing Structure Experience

It is important to note that due to TEN Connected's contracts with the cities of Bethlehem and Harrisburg (both served by Pennsylvania Power and Light - PPL) and Baltimore (served by Baltimore Gas & Electric – BGE) for their LED streetlight conversion projects, TEN Connected has become intimately familiar with utility street light billing structures across these and other utility territories we are currently conducting business.

Furthermore, TEN Connected's work with the City of Baltimore required TEN Connected not only to design and project manage Baltimore's LED streetlight conversion project, but specifically includes the technical analysis of Baltimore's BGE utility billing structure, including utility bill reconciliation. TEN Connected is confident that we will be able to provide this same comprehensive level of understanding, experience, and successes to the City of Portland in preparing and submitting the information required by Central Maine Power to adjust to the new LED tariff rate.

Currently, TEN Connected is assisting the City of Harrisburg, PA in negotiating the acquisition of several hundred remaining street lights, which are the only remaining street lights in that city that are still owned by the local utility.



9. Rebate/Incentives

Prequalification Application – TEN Connected will repair and submit, on the City’s behalf, a prequalification application with Central Maine Power to begin the rebate and incentive program process, and will follow through with such application until all amounts are received that are due to the City or Portland.

Rebate Program Submission – TEN Connected will establish and maintain necessary records for any products eligible for rebates, and will submit rebate applications per the program’s instructions (as completed or at the end of construction) to the Central Maine Power. Upon receipt from the City, TEN Connected will submit itemized receipts or invoices with the manufacturer, model number, and purchase price of each qualifying product in addition to supplying manufacturers’ specification sheets, as well as submitting any other documentation required by Central Maine Power to maximize available rebates.

The following information from Efficiency Maine would be used to determine rebate estimates and would be used in the program submission application.

	New LED Fixtures	
	Measure Description	Incentive
	Streetlight or Parking Fixture (Pole Mounted; utility pole mounted fixtures are ineligible)	\$75-\$175
	Wall-Mounted and Area Fixture (Wallpack)	\$100
	Canopy or Parking Garage Fixtures	\$50-\$75
	Flood and Spot Lights	\$75-\$175

Final Submission – TEN Connected will compare final project quantity and products with final rebate submission, and will communicate with Central Maine Power to confirm that final submission has been submitted for approval.

Receipt and Payment – TEN Connected will coordinate with the City of Portland and Central Maine Power to ensure that final submissions and payment of rebates and incentives have been completed.

For this initiative, TEN Connected will also seek any other rebates and financial incentives available for the City of Portland. For example, as part of TEN Connected’s street lighting conversion for the City of Bethlehem (PA), TEN Connected obtained \$224,000 in rebates directly paid to the city by the local utility. In the case of the City of Harrisburg, TEN Connected assisted in facilitating a \$500,000 grant awarded to Harrisburg specifically intended for the purchase of equipment related to Harrisburg’s LED street lighting conversion, as well as applying for and securing for Harrisburg in excess of \$385,000 in direct-pay rebates to the city under Pennsylvania’s Act 129 utility rebate program. As certain incentives are time and program sensitive, TEN Connected will undertake careful planning to optimize and obtain maximum value of all incentives available to the City of Portland.



F. Value Added Services

Compared to high-intensity discharge (HID) lamps, like HPS, LEDs provide the following benefits for the City of Portland:

Technology

Reduce Maintenance	Save Energy
- Fewer lamps to replace and dispose due to longer life, lack of parts to replace - Less associated lane closures	- High system efficacy - Less site wattage due to utilization - Controllable and dimmable
Improve Optical Control	Improve Visibility
- Reduce direct and reflected uplight - Less light trespass with reduced shielding - Reduce wasted light	- Better color rendering - More uniform lighting distributions - Eliminate dark areas between poles
Increase Safety	Increase Environmental Care
- Reduced fixture outage liability concerns - Broad spectrum lighting (white light)	- Reduce hazardous waste - Reduce energy consumption

Services

TEN Connected Solutions has the expertise and the national network available to guide the City during the implementation of all smart cities technologies, including but not limited to citywide Wi-Fi, smart traffic and parking management, interactive electronic communication, advanced lighting controls, environmental sensing, electronic vehicle charging, waste management technologies, and other opportunities. For example, early research and estimates by TEN Connected Solutions indicates that the City of Portland could potentially generate millions of dollars in revenue over the term of the contract. These projections are based on advertising revenue and converting the street lighting system to LED; however, revenue generated from installing meters, smart street lighting controls, Wi-Fi, and other technologies will allow the City to realize additional substantial revenues that can be used for operations and infrastructure improvements.



G. Additional Information

Please see **Attachment 3: City of Harrisburg Case Study** and **Attachment 4: Project Photo Gallery**



H. Project Schedule

Construction services will be sourced through mutually agreed upon specialty electrical and controls subcontractors. All subcontractors perform their work under the direction of TEN Connected's construction project management team. TEN Connected's local construction project managers will collaborate with our internal engineering team on specific design issues which are certain to arise. Our project management team will also be responsible for training, preparing custom Operations & Maintenance (O&M) manuals, and overseeing project commissioning.

Draft Project Schedule assumes street lighting inventory will be purchased from Central Maine Power (CMP) prior to contract signing.

Once the City of Portland approves the contract and secures any project funding necessary, the following is our expected installation schedule.

Draft Project Schedule:

Task Description	Duration (Calendar days)
City of Portland Work Order Contract Issued & Fully Endorsed	5 business days
TEN Prepares Final Design	10 business days
Material Procurement & Delivery Services	30 business days
Installation Services, Utility Conversion & Controls Commissioning	65 business days
Substantial Completion (Punch List Submitted and Completed)	15 business days
Final Completion (including final controls commissioning)	10 business days



PRESENTED TO

CITY OF PORTLAND, MAINE

11/9/2016

ATTACHMENT 1:

TEAM RESUMES



TEN Maine

19 Yarmouth Road, Ste 301
New Gloucester ME 04260

TEN Philadelphia

40 West Evergreen Ave
Philadelphia PA 19118

TEN New England

51 Melcher Street
Boston MA 02210

TEN DC/Baltimore

9025 Maier Rd, Ste B
Laurel MD 20723

TEN Connected Solutions Headquarters 1501 Reedsdale St, Ste 401, Pittsburgh PA 15233

855.429.1010 | tenconnected.com | info@tenconnected.com

Street Lighting Team Individual Resumes

TEN Connected Solutions' Executive Team:

Troy Geanopoulos - CEO

Rob Campbell, PE, MBA - EVP

TEN Connected Solutions' Street Lighting Team:

Patrick Regan – VP, Customer Solutions

Olivia Benson, MBA – Program Manager

Joseph Statler - Director of Installation

Mike Schneider, LC, CLEP, CPM – Director of Design

Greg Lok, PE, CEM – VP, Technology & Engineering

Troy Geanopulos **CEO**

Total years of relevant energy-related experience: 20+ Years

Anticipated Role:

As TEN Connected's Chief Executive Officer, Mr. Geanopulos will be a main point of contact throughout the duration of the City's project, along with Patrick Regan, VP Customer Solutions. Troy will ensure proper coordination of TEN Connected's project team with Patrick Regan to ensure Portland's overall satisfaction.

Educational Background:

B.A – Dickinson College, Carlisle, Pennsylvania

Professional/Technical Professional affiliations:

Tepper School of Business – Entrepreneurial Leadership Forum

Member, U.S. Green Building Council

Member, Green Building Alliance

Experience

TEN and TEN Connected Solutions - Chief Executive Officer, 4 years

Mr. Geanopulos is responsible for guiding all of TEN Connected Solution's business development efforts and strategy to address client needs and objectives. He has a valuable combination of skills and experience, which enables him to understand and discuss customer contractual needs and requirements, and extensive hands-on experience in recognizing customer project strategies through decades of energy efficiency experience.

Constellation NewEnergy – Sr. Vice President of Sales, 2.5 years

As Sr. VP of Sales, Mr. Geanopulos was responsible for leading a national sales team for this Fortune 500 Company, developing marketing and business development strategies to position Constellation Energy (now an Exelon Company) as the nation's leading provider of energy efficiency solutions.

Five Year History of Energy Performance Contracting Project Experience

2015 - City of Harrisburg, PA (currently in construction)

Municipal Government Street Lighting, \$3.6 million

2013 / 2014 - City of Bethlehem, Bethlehem PA

Municipal Government Street Lighting, \$3.9 million

2013 / 2014 - United Steel Workers Building, Pittsburgh PA

Commercial Office Building, \$3,510,136

2015 - Eastern Gateway Community College

College, \$1,759,014

2014 - The Pennsylvania State University, Beaver Stadium

State University, Stadium Lighting, \$763,274

Rob Campbell, PE, MBA
Executive Vice President

Total years of relevant energy-related experience: 26+ Years

Anticipated Role:

As TEN Connected's EVP, Mr. Campbell will oversee management of the customer's goal development and strategic planning. Mr. Campbell's primary responsibilities will involve coordination and assignment of resources and project personnel/subcontractors to ensure construction and engineering timelines are met.

Educational Background:

Master of Business Administration – Carnegie Mellon University, Pittsburgh, Pennsylvania

B.S. in Mechanical Engineering – University of Toronto, Toronto, Ontario

Professional/Technical Professional affiliations:

Professional Engineer – Association of Professional Engineers of Ontario

Experience

The Efficiency Network - President and Chief Operating Officer, 4 Years

Mr. Campbell is responsible for the day-to-day operations at TEN Connected Solutions and manages the strategic planning and development goals of the clients.

Constellation NewEnergy – Vice President for Business Operations and Project Management, 7 Years

As Vice President for Business Operations and Project Management, Mr. Campbell provided strategic guidance and support to Constellation's project portfolio.

Five Year History of Energy Performance Contracting Project Experience

2015 - City of Harrisburg, PA (currently in construction)

Municipal Government Street Lighting, \$3.6 million

2013 / 2014 - City of Bethlehem, Bethlehem PA

Municipal Government Street Lighting, \$3.9 million

2013 / 2014 - United Steel Workers Building, Pittsburgh PA

Commercial Office Building, \$3,510,136

2015 - Eastern Gateway Community College

College, \$1,759,014

2014 - The Pennsylvania State University, Beaver Stadium

State University, Stadium Lighting, \$763,274

Patrick Regan, Esquire
VP, Customer Solutions

Total years of relevant energy-related experience: 7 Years

Anticipated Role:

As TEN Connected's VP of Customer Solutions, Mr. Regan will be the primary point of contact through the duration of the project. Working with the CEO, Troy Geanopulos, and EVP, Rob Campbell, Patrick will coordinate and deliver TEN Connected's project team to ensure overall customer satisfaction.

Educational Background:

J.D. – Duquesne University School of Law, Pittsburgh Pennsylvania

B.A – Boston College, Chestnut Hill, Massachusetts

Professional/Technical Professional affiliations:

Licensed Attorney in Pennsylvania

Member, National Energy Services Coalition (PA Chapter)

Experience

TEN Connected Solutions - VP, Customer Solutions, 2.5 Years

Mr. Regan is responsible for overseeing TEN Connected's sales efforts and strategy to address client needs and objectives. He has a valuable combination of skills and experience, including: a law degree, which enables him to understand and discuss customer contractual needs and requirements, as well as extensive hands-on experience in recognizing customer technology, operational, and financial strategy and needs, including presentation and analysis of various financial options and grant programs to determine those best suited for a customer's project.

Constellation, An Exelon Company – Senior Business Development Manager, 4 Years

As a senior business development manager, Mr. Regan managed Constellation's Pennsylvania energy efficiency teams from project evaluation through the Investment Grade Audit phase of development and served as the primary customer interface from scope definition through project implementation.

Five Year History of Energy Performance Contracting Project Experience

2015 - City of Harrisburg, PA

Municipal Government Street Lighting, \$3.6 million

2014 - City of Bethlehem, Bethlehem PA

City Street Light Conversion, \$3.8 million

2013 - Municipal Authority of Westmoreland County, PA

Municipal Water and Wastewater System, \$8.4 million

2013 - Lancaster County, PA

County Buildings, \$6.4 million

2012 - Fayette County, PA

County Buildings, \$2.8 million

Olivia Benson
Program Manager

Total years of relevant energy-related experience: 2 Years

Anticipated Role:

As TEN Connected's Program Manager Street Lighting / Smart Cities Technology Solutions, Ms. Benson will assist in the overall development of the project and manage project-related communications to ensure effective coordination and customer satisfaction.

Educational Background:

M.S. – University of Pennsylvania, Philadelphia, Pennsylvania

M.B.A. – Point Park University, Pittsburgh, Pennsylvania

B.S. – Carnegie Mellon University, Pittsburgh, Pennsylvania

Professional/Technical Professional affiliations:

Experience

TEN Connected Solutions - Program Manager, 2 Years

Ms. Benson is responsible for identifying and developing opportunities to cultivate business relationships and to promote opportunities for TEN Connected Solutions. She assists in the development, award, and signing of contracts with clients and project support where needed in order to meet and exceed client expectations. Additionally, Olivia conducts legislative and industry research to provide clients with comprehensive information related to national street lighting projects and trends.

City of Pittsburgh – Youth Policy Director, 2 Years

As a policy director, Olivia managed and designed community-focused programming for city-wide implementation and led public affairs outreach strategies for youth and education initiatives.

Five Year History of Energy Performance Contracting Project Experience

2015 - City of Harrisburg, PA (currently in construction)

Municipal Government Street Lighting

\$3.6 million

2015 – Middletown Borough, PA (currently in construction)

Municipal Government Street Lighting

\$0.6 million

Joe Statler
Director of Installation

Total years of relevant energy-related experience: 15 Years

Anticipated Role:

As the Director of Installation, Mr. Statler will be the responsible for the development, installation and commissioning of all energy conservation measures.

Educational Background:

Associates Degree - Beaver County Community College, PA

Professional/Technical Professional affiliations:

PMP (Project Management Professional) training

OSHA 30 Hour Training

Certified Lift Operator

Competent Person/Scaffolding Erecting

CP/AED Certified

OSHA 10-hour Training

Experience

TEN Connected Solutions - Director of Installation, 3.5 Years

Mr. Statler is responsible for all aspects of project construction, including but not limited to cost-estimating, coordination of subcontractors, inspections and commissioning, quality assurance and quality control. He also manages relationships with supplier and contractor Network Partners.

Constellation – Director of Site Operations, 10 yrs.

As director of site operations, Mr. Statler was responsible for all aspects of project construction, including cost-estimating, coordination of subcontractors, inspections and commissioning.

Five Year History of Energy Performance Contracting Project Experience

2015 - City of Harrisburg, PA (currently in construction)

Municipal Government Street Lighting, \$3.6 million

2013 / 2014 - City of Bethlehem, Bethlehem PA

Municipal Government Street Lighting, \$3,924,843

2013 / 2014 - United Steelworkers Building, Pittsburgh PA

Commercial Office Building, \$3,510,136

2015 - Eastern Gateway Community College

University, \$1,759,014

2014 - The Pennsylvania State University, Beaver Stadium

State University, Stadium Lighting, \$763,274

Mike Schneider, LC, CLEP, CPM
Director of Design

Total years of relevant energy-related experience: 17 yrs.

Anticipated Role:

Mr. Schneider will research, design, and oversee field installations and testing of high-quality, cost-effective lighting and water conservation measures. His extensive field experience allows him to improvise and revise designs in order to best meet all situations. Having worked with nearly 60 lighting manufacturers, he knows the products, how they work, and the best applications for each option.

Educational Background:

Project Management Certification Program – Xavier University
Community College of Allegheny County

Professional/Technical Professional affiliations:

CPM - Certified Project Manager

Member IESNA (Illuminating Engineering Society of North America)

Certified Lighting Efficiency Professional – AEE

LC - Lighting Certified – NCQLP (National Council Qualifications for the Lighting Professions)

Experience

TEN Connected Solutions – Director of Design, 3 Years

Mr. Schneider's responsibilities include researching, designing, and overseeing field installations and testing of high-quality, cost-effective lighting and water conservation measures

NORESCO - Lighting and Water Energy Engineer, Years

As a lighting and water energy engineer, Mr. Schneider was responsible for the auditing, design, procurement and installation of energy efficient lighting and water solutions.

Five Year History of Energy Performance Contracting Project Experience

2015 - City of Harrisburg, PA (currently in construction)

Municipal Government Street Lighting, \$3.6 million

2013 / 2014 - City of Bethlehem, Bethlehem PA

Municipal Government Street Lighting, \$3,638,379

2013 / 2014 - United Steelworkers Building, Pittsburgh PA

Commercial Office Building, \$3,847,034

2014 - The Pennsylvania State University, Beaver Stadium

State University, Stadium Lighting, \$763,274

2015 - Eastern Gateway Community College

University, \$1,759,014

Greg Lok, PE, CEM
VP, Technology

Total years of relevant energy-related experience: 19 Years

Anticipated Role:

As TEN Connected's Vice President, Technology, Mr. Lok will be reviewing engineering design and structuring projects so that each customer receives the best possible economic and environmental terms.

Educational Background:

B.S Mechanical Engineering. – Queen's University; Kingston, Ontario, Canada

Professional/Technical Professional affiliations:

Professional Engineer (PE) in Pennsylvania, Ohio, West Virginia, Delaware, Virginia, New Mexico and Ontario

Certified Energy Manager (CEM)

Certified Project Manager (CPM)

Member, Association of Energy Engineers (AEE)

Experience

TEN Connected Solutions – VP, Technology, 2.5 Years

Mr. Lok is an energy management specialist that oversees the engineering development of projects, manages internal and external customer expectations, and makes sure that engineering development team meets the needs outlined by the customer. On the R&D side of the business, Greg is responsible for integrating the physical aspects of the energy services business into TEN Connected's software automation platform. He continuously looks for additional applications that can expand TEN Connected's offering and help customers create smart buildings.

Constellation – Executive Director of Product Development, 7 Years

As Executive Director of Project Development, Mr. Lok managed Constellation's MUSH (Municipal Governments, Universities, Schools, Hospitals) Energy Services team with over 35 professional designers and engineers encompassing projects from coast to coast.

Five Year History of Energy Performance Contracting Project Experience

2015 - Temple University, Philadelphia, PA

Higher Education, \$2.6 Million

2015 - Eastern Gateway Community College, Steubenville, OH

College, \$1,759,014

2015 - Community College of Allegheny County, Pittsburgh, PA

College – South Campus, \$3,755,230

2015 - City of Harrisburg, Harrisburg, PA (currently in construction)

Street Light LED Retrofit, \$3,600,000

Phase 1 – 2007; Phase 2 – 2009; Phase 3 – 2012 - Westmoreland County Housing Authority, Greensburg PA

Public Housing, \$12,000,000



PRESENTED TO

CITY OF PORTLAND, MAINE

11/9/2016

ATTACHMENT 2:

CITY OF BALTIMORE, MD BI-WEEKLY REPORT SUBMITTED TO CITY OCTOBER 28, 2016



TEN Maine

19 Yarmouth Road, Ste 301
New Gloucester ME 04260

TEN Philadelphia

40 West Evergreen Ave
Philadelphia PA 19118

TEN New England

51 Melcher Street
Boston MA 02210

TEN DC/Baltimore

9025 Maier Rd, Ste B
Laurel MD 20723

TEN Connected Solutions Headquarters 1501 Reedsdale St, Ste 401, Pittsburgh PA 15233

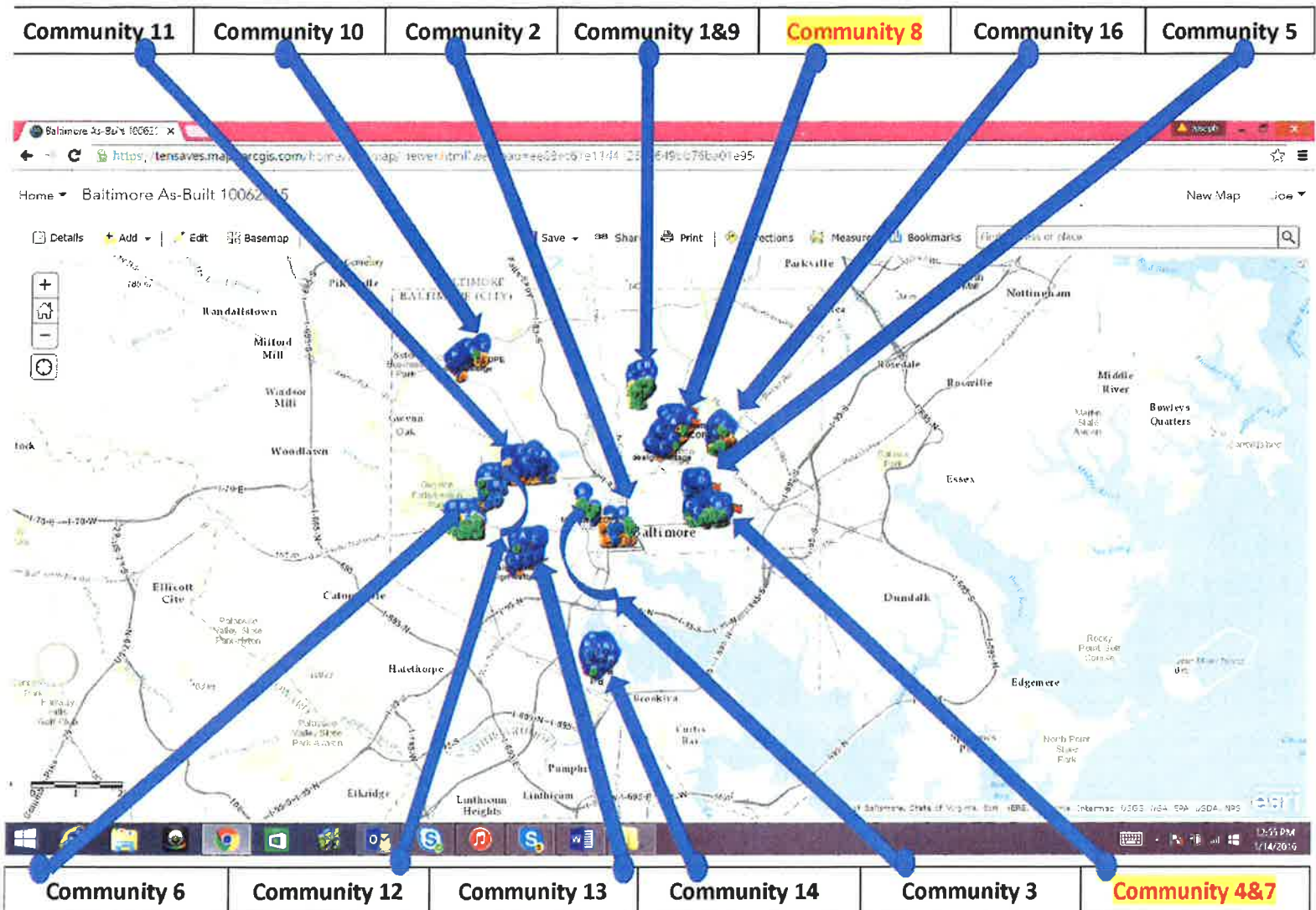
855.429.1010 | tenconnected.com | info@tenconnected.com

City of Baltimore Street Lighting Upgrades

October 28th, 2016

Overview of work:

- Communities highlighted have varying degrees of updates from the 10/14/2016 update



DOT Owned/BGE Maintained =

2142 Pendants Complete (located in fifteen communities)

677 PMAs Complete (currently working in community 8)

278 Acorns retrofitted (located in seven communities, 10, 3, 5, 2, 16, 4&7), No Status Change)

DOT Owned/DOT Maintained =

132 Pendants Complete (currently working in community 3, 1 & 9)

163 PMAs Complete (currently working in communities 4&7)

BGE Owned/BGE Maintained =

1,947 Pendants Complete (located in fifteen communities), ALS back on DOT owned work

6 PMAs Complete (completed PMAs in communities 13 and 6)

	Total complete	Total in project	
Pendant Only	4222	4260	99.11%
PMA (PT) Only	846	1721	49.16%
Acorn (PT3/PT4) Only	278	281	98.93%
Original Overall % Complete	5346	6262	85.37%
Adjusted % Complete (scope deducts)	5346	6244	85.62%

Summary of work:

Community 16 - no change since 10/14/2016

DOT Owned/BGE Maintained =

~29 Pendants Complete 11/11 (indicated by a "Blue C")

~0 PMAs Complete of 150

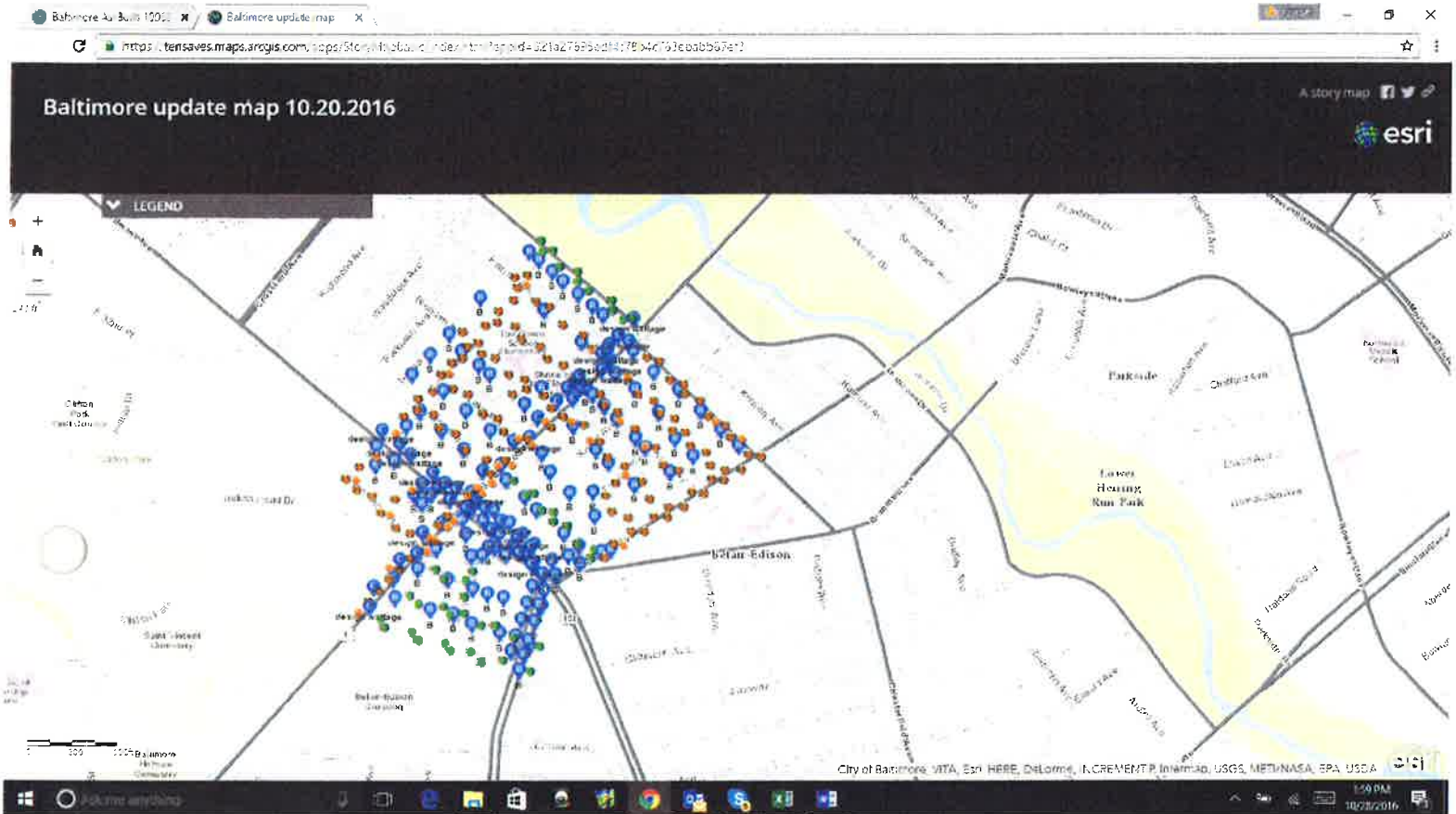
~17 Acorns retrofitted Complete 4/8 (indicated by a "Blue C")

DOT Owned/DOT Maintained =

~0 Pendants in scope

BGE Owned/BGE Maintained =

~114 Pendants Complete 7/20 (indicated by a "Blue B")



Summary of work:

Community 4 & 7

DOT Owned/BGE Maintained =

~220 Pendants Complete 12/3 (indicated by a "Blue C")

~90 PMAs Complete of 90, thru 4/8 progress

~14 Acorns Complete of 14, thru 4/8 progress

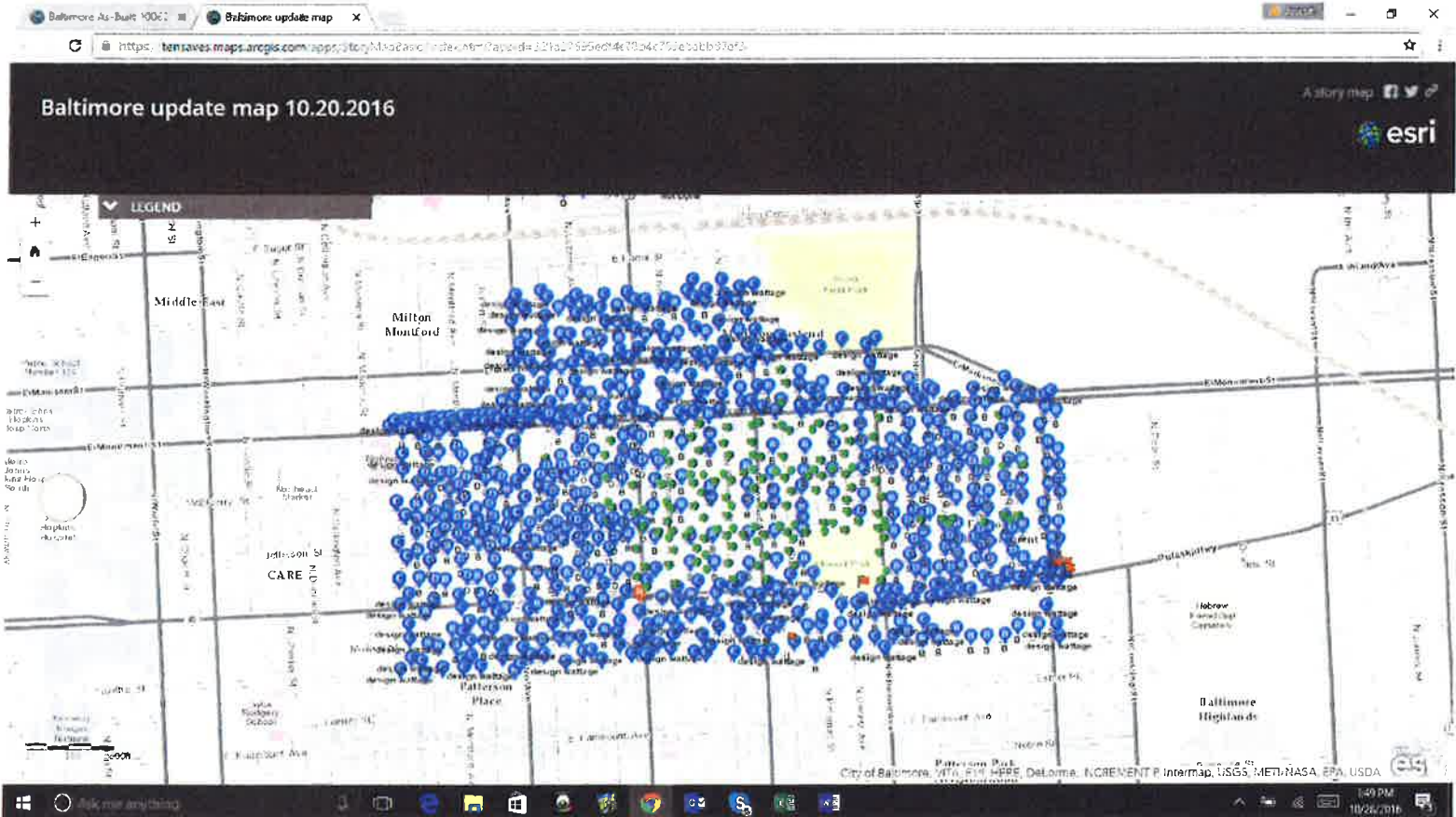
DOT Owned/DOT Maintained =

~16 Pendants of 16 Complete 3/25 (indicated by a "Blue D")

~98 of the 292 PMA fixtures, thru 10/28 progress

BGE Owned/BGE Maintained =

~247 Pendants Complete 2/26 (indicated by a "Blue B")



Summary of work:

Community 2 - no change since 10/14/2016

DOT Owned/BGE Maintained =

~463 Pendants of 466 Complete 4/8 (indicated by a "Blue C")

- In final stages of pendant scope verification and evaluating streets for completion

~NO PMAs to be done

~228 of 231 Acorns retrofitted Complete 3/25 (indicated by a "Blue C")

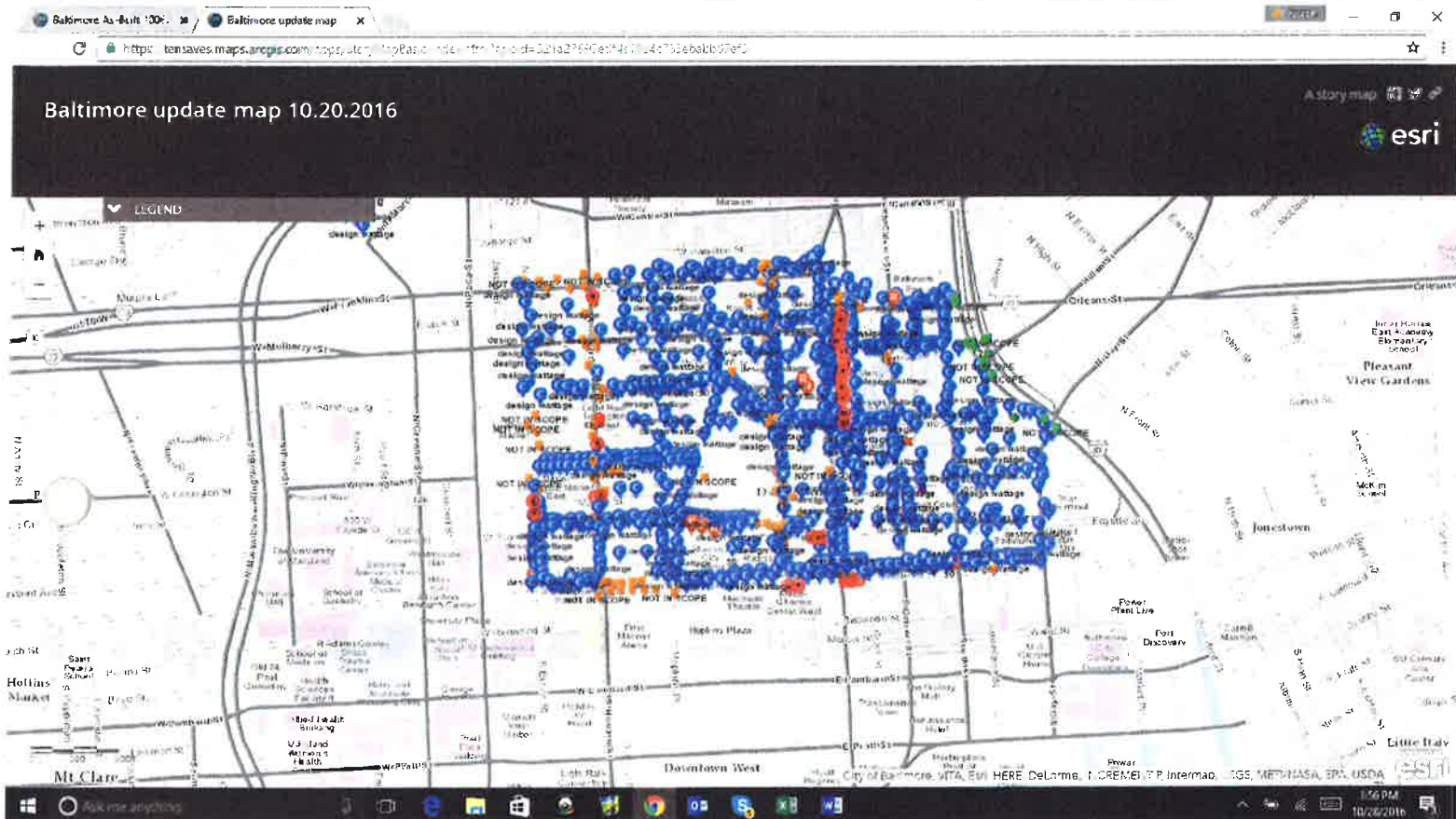
- In final stages of acorn scope verification and evaluating streets for completion

DOT Owned/DOT Maintained =

~2 Pendants in scope

BGE Owned/BGE Maintained =

~3 Pendants Complete 10/16 (indicated by a "Purple circle")



Summary of work:

Community 6 – no change since 10/14/2016

DOT Owned/BGE Maintained =

~81 Pendants Complete thru 2/24 (indicated by a "Blue C")

~126 PMAs Complete of 127, thru 9/29 progress

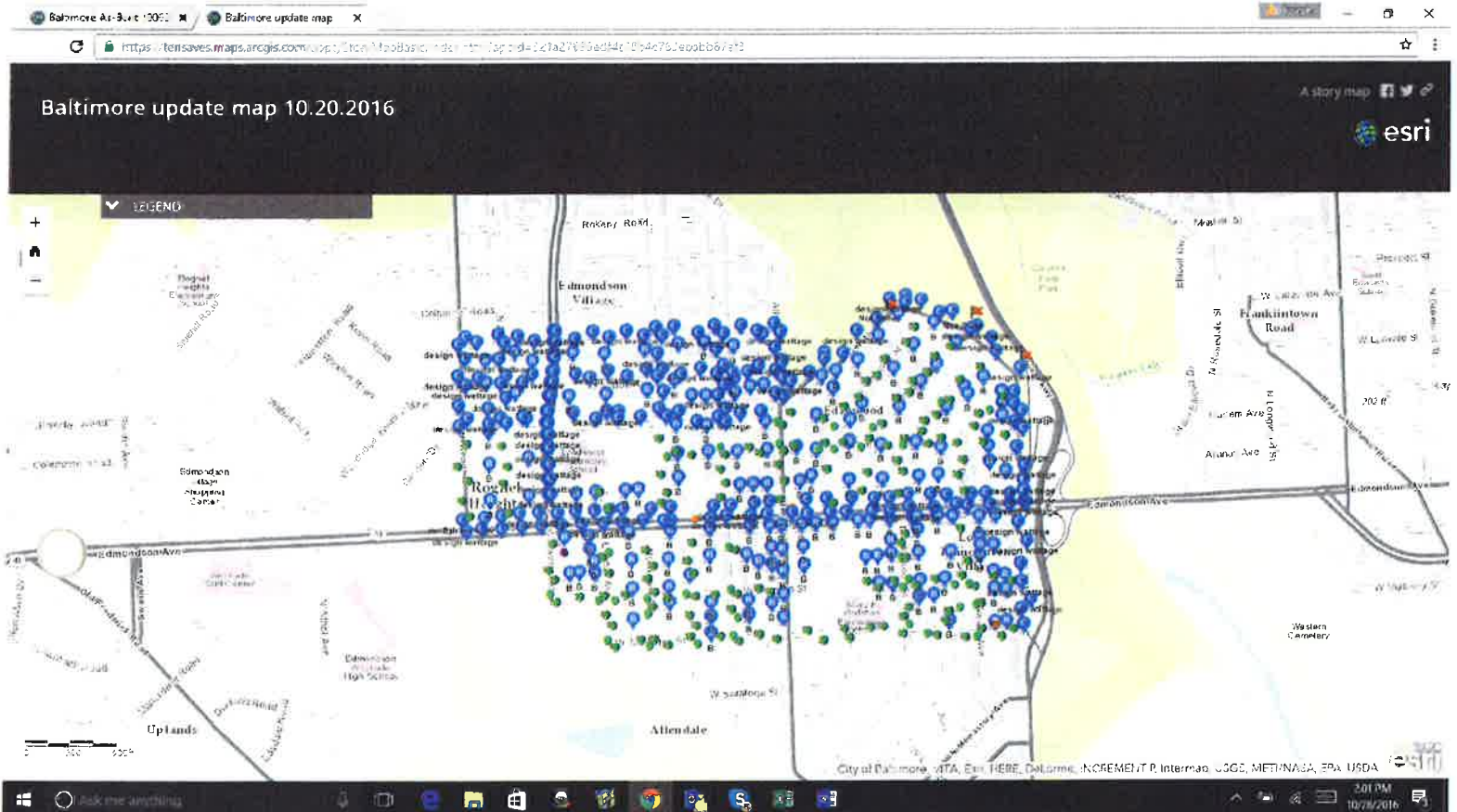
DOT Owned/DOT Maintained =

~0 Pendants in scope

~6 PMAs Complete of 6, thru 8/10 progress

BGE Owned/BGE Maintained =

~155 Pendants Complete 11/8 (indicated by a "Blue B")



Community 11 - no change since 10/14/2016

DOT Owned/BGE Maintained =

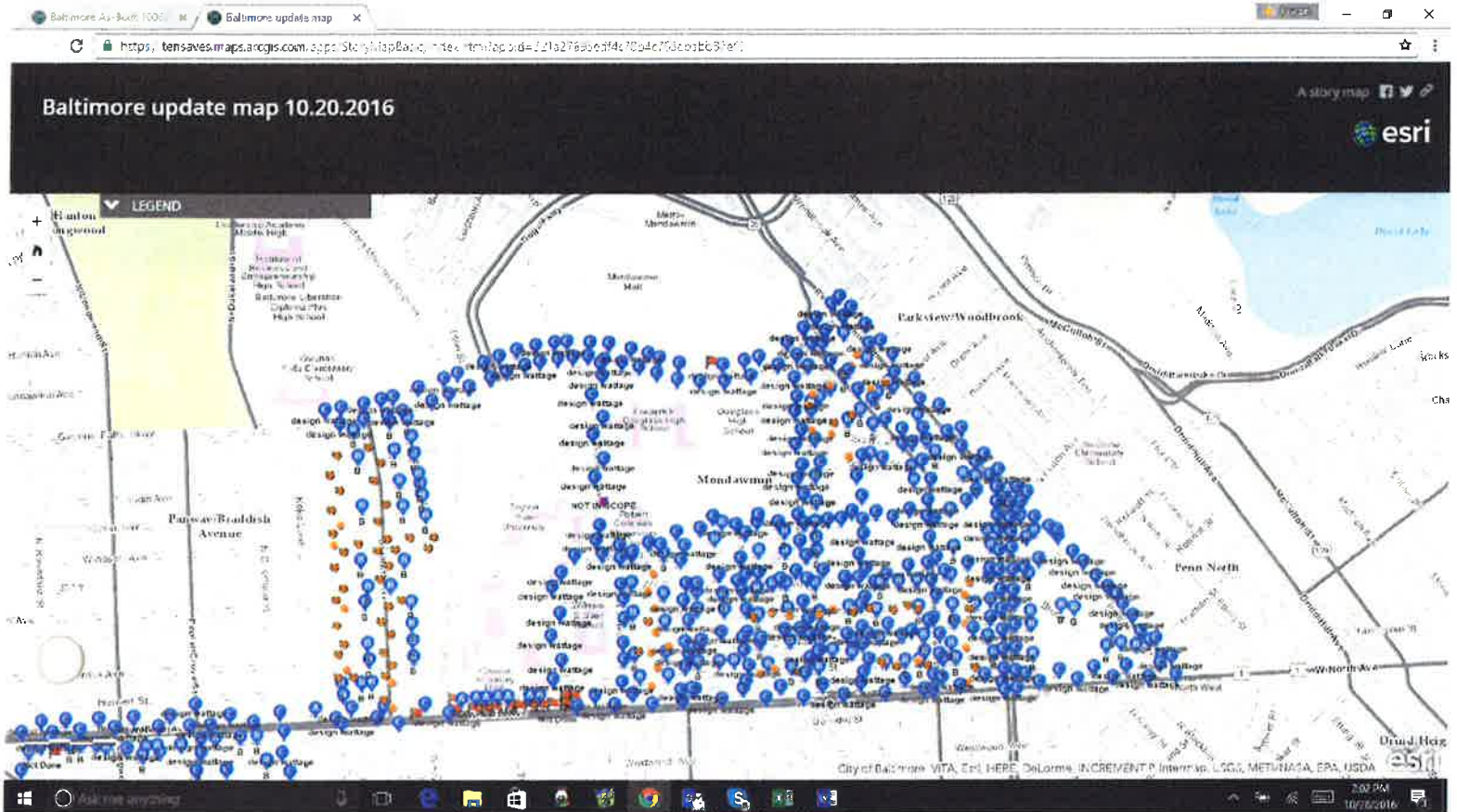
~312 Pendants Complete 1/15 (indicated by a "Blue C")

1 Owned/DOT Maintained =

~0 Pendants in scope

BGE Owned/BGE Maintained =

~143 Pendants Complete 10/29 (indicated by a "Blue B")



Summary of work:

Community 13 - no change since 10/14/2016

DOT Owned/BGE Maintained =

~334 Pendants Complete 12/3 (indicated by a "Blue C")

~104 PMAs Complete of 119, thru 8/10 progress

~NO Acorns to be done

DOT Owned/DOT Maintained =

~5 Pendants in original scope, these are BGE poles and material was returned to storage

BGE Owned/BGE Maintained =

~180 Pendants Complete 11/21 (indicated by a "Blue B")



Project Images

Community 8 → East 31st Street





PRESENTED TO
CITY OF PORTLAND, MAINE
11/9/2016

ATTACHMENT 3:

CITY OF HARRISBURG, PA CASE STUDY



TEN Maine

19 Yarmouth Road, Ste 301
New Gloucester ME 04260

TEN Philadelphia

40 West Evergreen Ave
Philadelphia PA 11918

TEN New England

51 Melcher Street
Boston MA 02210

TEN DC/Baltimore

9025 Maier Rd, Ste B
Laurel MD 20723

TEN Connected Solutions Headquarters 1501 Reedsdale St, Ste 401, Pittsburgh PA 15233

855.429.1010 | tenconnected.com | info@tenconnected.com



PROJECT SNAPSHOT

The City of Harrisburg's highly-competitive procurement process selected TEN Connected Solutions to analyze the City's street lighting system.

TEN Connected Solutions collaborated with City leaders to create an ambitious project plan, converting 6,200 streetlights to LED technology with guaranteed annual cost savings.

"The new LED lights are not only more energy efficient, but they are brighter than the old lighting," said Mayor Eric Papenfuse. "I am confident a brighter Harrisburg will mean a safer and more beautiful city for us all."

TECHNICAL COMPONENTS

- Complete audit and asset inventory, including GIS/GPS street light mapping
- City-wide system design and installation of high-efficiency LED lighting
- Intelligent wireless controls integration
- Utility rebate application and administration

For more information on street lighting projects and Smart Cities technologies please go to TENConnectedSolutions.com

CUSTOMER PROFILE

The City of Harrisburg is the capital of Pennsylvania and the county seat of Dauphin County, the center of the Harrisburg-Carlisle MSA of over a half million residents. Harrisburg is a dynamic and diverse city, enjoying an economic, cultural and social revitalization.

FINANCIAL RESULTS

\$3.6 Million

Project cost

\$525,000

Annual guaranteed energy savings

\$60,000

Annual operational savings

\$285,000

Rebates applied for and secured

FINANCIAL RESULTS

Annual savings of:

3,900,000 kWh Electricity

3021 Tons CO₂ Reductions

TEN Headquarters

1501 Reedsdale St, Ste 401
Pittsburgh PA 15233

TEN DC/Baltimore

9025 Maier Rd, Ste B
Laurel MD 20723

TEN Philadelphia

40 West Evergreen Ave
Philadelphia PA 1918

TEN New England

51 Melcher Street
Boston MA 02210

855.429.1010

| TenConnectedSolutions.com

| info@TenConnectedSolutions.com



PRESENTED TO

CITY OF PORTLAND, MAINE

11/9/2016

ATTACHMENT 4:

TEN CONNECTED SOLUTIONS GALLERY



TEN Maine

19 Yarmouth Road, Ste 301
New Gloucester ME 04260

TEN Philadelphia

40 West Evergreen Ave
Philadelphia PA 19118

TEN New England

51 Melcher Street
Boston MA 02210

TEN DC/Baltimore

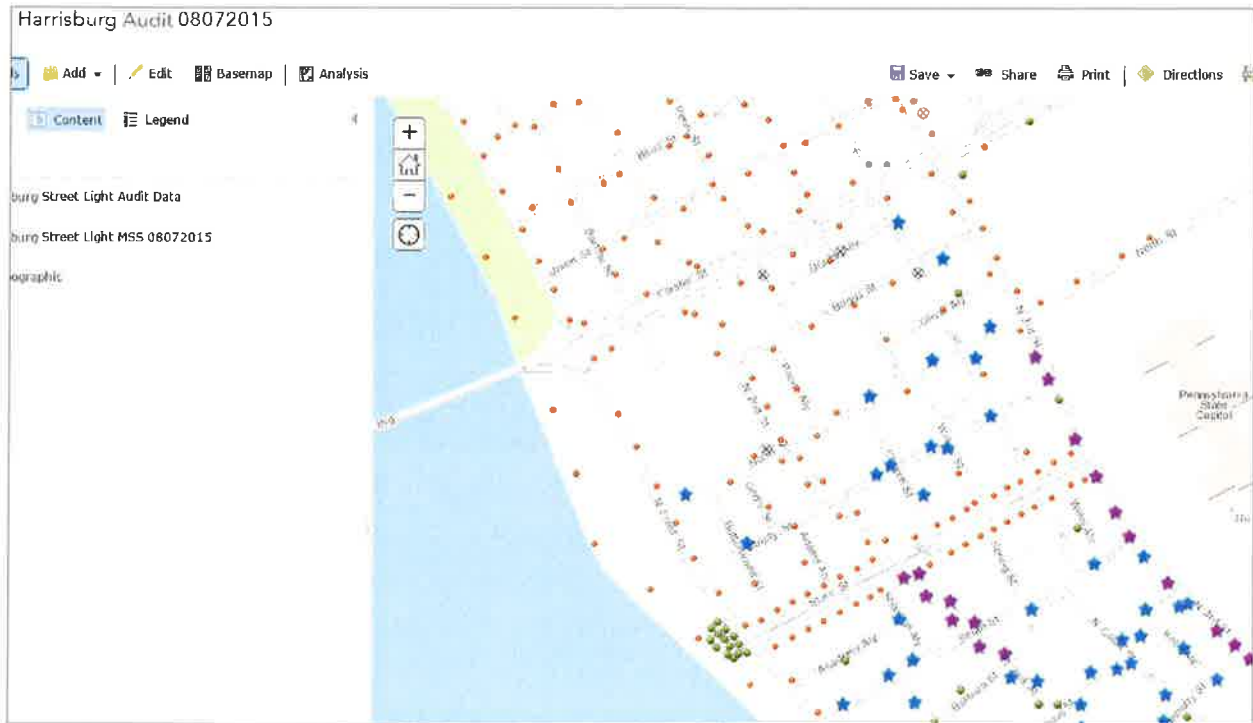
9025 Maier Rd, Ste B
Laurel MD 20723

TEN Connected Solutions Headquarters 1501 Reedsdale St, Ste 401, Pittsburgh PA 15233

855.429.1010 | tenconnected.com | info@tenconnected.com



1. City of Harrisburg – Audit in Progress



2. City of Harrisburg – Tree Trimming Locations

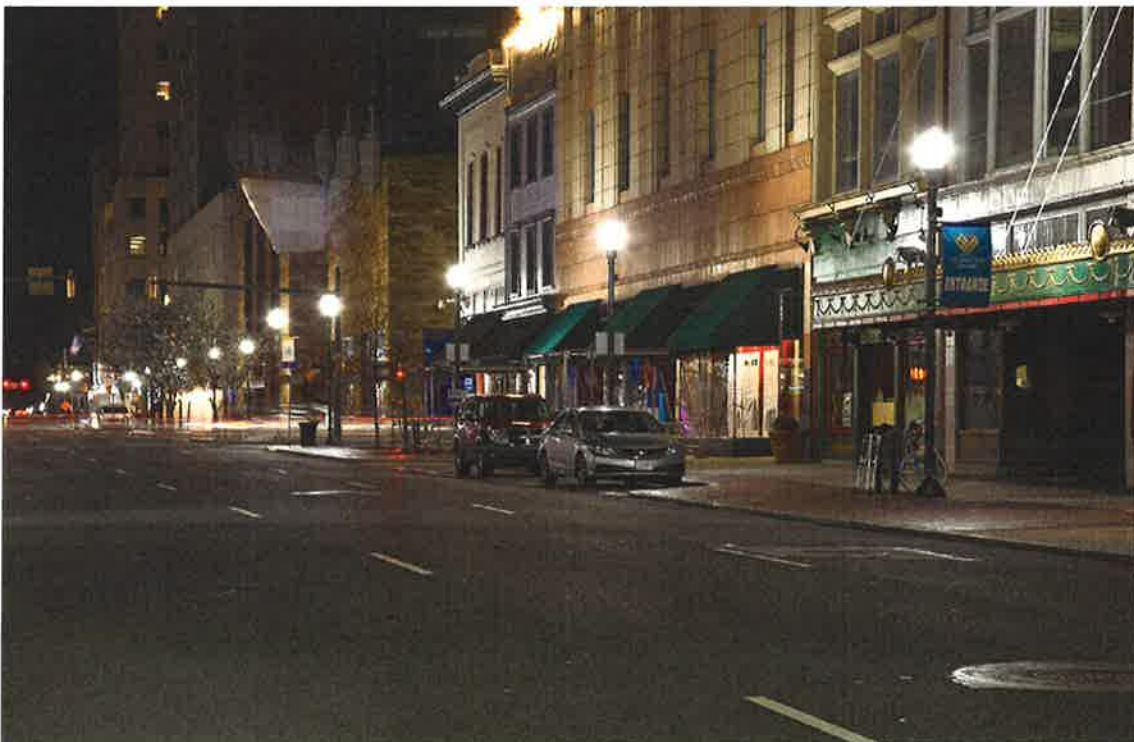




3. City of Harrisburg – North 7th Street LED Street Lights (Truly Green and Eaton/Cooper)



4. City of Harrisburg – Market Street Truly Green Decorative LED Lighting





5. City of Harrisburg – Italian Lake Truly Green Decorative LED Lighting



6. City of Harrisburg – Italian Lake Truly Green Decorative LED Lighting





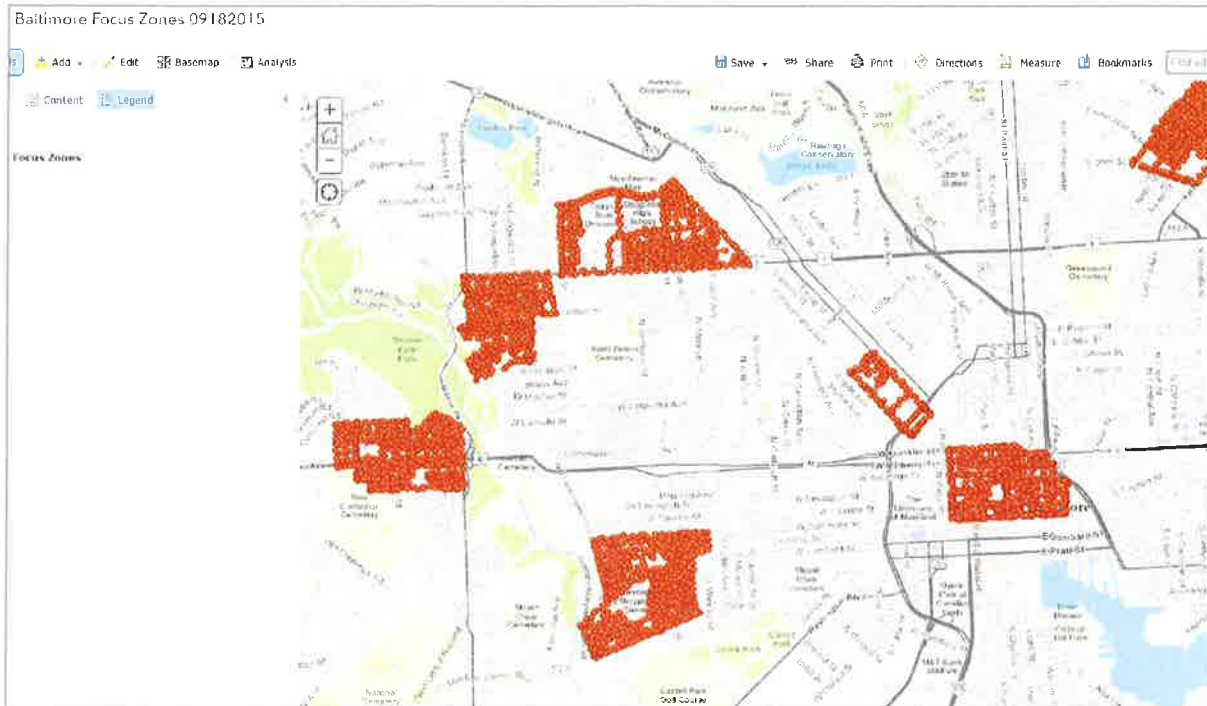
7. City of Harrisburg – Eaton/Cooper LED Cobra Head Luminaire



8. City of Harrisburg – Eaton/Cooper LED Cobra Head Luminaire



9. City of Baltimore – Focus Zones



10. City of Baltimore – LED Decorative Street Lighting Installation



EXHIBIT C – Project Design And Construction

1. Capitalized Terms

All capitalized undefined terms used in this Addendum shall have the meanings assigned thereto in the Contract to which this Exhibit is attached.

2. Project Assumptions and Development Parameters

Project Assumptions are based on the information Portland provided to Contractor as part of the RFP process, Contractor proposed project options to Portland, which options are more specifically identified in Contractor's Response dated 11/9/2016 (Contractor's RFP response) of the Contract.

If and when discovered throughout the audit and installation process, Contractor and Portland will work together, to the satisfaction of Portland, to correct and/or reconcile any inaccuracies in the information and data provided by Portland to Contractor as part of the RFP process.

3. Summary of Project Parts

Project Part 1: Contract date to June 30, 2018

QTY	Description	Price
Core LED Lighting and Control System Upgrade		\$ 2,916,948
4847	CMP cobrahead LED upgrade (new CREE fixtures)	\$ 1,757,017
283	CPM flood and shoebox LED upgrade (new fixtures)	\$ 208,703
5130	Fusing for CMP Cobraheads, floods, and shoeboxes	\$ 343,901
5130	Controls for CMP cobraheads, floods, and shoeboxes (Echelon)	\$ 544,694
2	Parking Garage LED upgrades	\$ 62,633
City Selected Smart City Project Allocation for:		\$1,083,052
Public and City Wi-Fi (1st half of project, ~ 100 locations)		
City Hall exterior color lighting upgrade		
Payson Park softball field LED upgrade		
Deering Oaks fountain color lighting upgrade		
Riverside Golf EV and Cart Charging project		
Pilot decoratives install, to help determine the approach on Phase 2 construction		
Interactive Kiosks for resident/visitor engagement		
Pilot project for Blue Emergency Light system		
Tree trimming, pole painting, LED project contingency		

TOTAL COST of PART 1: \$4,000,000

The dollar amounts set forth in the table above include a portion of the Phase I design work cost listed in Exhibit C-8.

Project Part 2: July 1, 2018 to June 30, 2019

QTY	Description	Price
Core LED Lighting and Control System Upgrade		\$ 2,308,404
290	CMP Holophane LED upgrade (50/50, retrofit/new)	\$ 421,077
784	CMP GE Town & Country LED upgrades (70/30 retrofit/new)	\$ 967,842
402	Portland Decorative LED Upgrades (50/50, retrofit/new)	\$ 602,422
1074	Fusing for CMP Holophane, GE (not for Portland-owned)	\$ 71,998
1476	Controls for all decoratives (CMP and Portland-owned)	\$ 245,065
City Selected Smart City Project Allocation for:		\$ 1,691,596
Public and City Wi-Fi (2nd half of project, ~ 150-300 more locations)		
Dougherty Field LED lighting installation (1 or more fields)		
Traffic Flow System Forrest Ave Corridor		
6 Electric Vehicle (EV) charging stations		
Casco Bay Bridge color LED lighting installation		
Environmental Sensors, Video Cameras installed in Strategic Locations		
Riverton lighting upgrade		
Tree trimming, pole painting, LED project contingency		

TOTAL COST of PART 2: \$ 4,000,000

Details for Project Part 1 and Part 2 are further outlined throughout this Exhibit.

Project Part 3: Ongoing Managed Services (TBD)

During the initial implementation of the Contract, Portland and Contractor will work collaboratively, in good faith, to develop a detailed plan to implement other managed services to further reduce City costs and/or increase City revenues. The cost of these services has yet to be determined and, as of the date of the Contract, is only contemplated by Portland. If implemented, Contractor will develop the scope of the managed services in close consultation with Portland. The final description and cost of any ongoing managed services to be provided under this paragraph is subject to the City's prior written approval.

4. Project Cost

The cost of Part 1 is not to exceed \$ 4,000,000.

The cost of Part 2 is not to exceed \$ 4,000,000.

5. Financing the Project: Indicative Interest Rate and Term

To finance the project, it is Portland's intention to obtain tax-exempt lease purchase financing from Bank of America, or other suitable lender, with an indicative interest rate of approximately 2.050%. It is anticipated that the term of the repayment of the project will not exceed ten (10) years, including the cost of financing.

6. Savings Measurement and Guarantee Services

Subject to the City's prior written approval for each applicable year, Contractor shall provide Measurement and Verification (M&V) services within 12 months after City provides final acceptance of Part 1, Phase II, and every year following, up to 12 years, unless Portland terminates the Measurement and Verification Services earlier. Immediately following the project acceptance date, Contractor shall request City's written approval to provide the following Savings Measurement and Guarantee Services with regard to the Project, (a) setting-up and administering the program, approved by Portland, for the annual verification of project savings achieved in accordance with the International Performance Measurement & Verification Protocol (IPMVP), (b) provide Project Savings Performance Guarantee, and (c) Perform contract administration functions during the Savings / Repayment Term, which shall include but not be limited to: (i) conducting periodic meetings with Portland to determine whether any changes in the Project have occurred, or may occur, that has resulted, or may result, in changes in the anticipated savings from the Project; (ii) assisting Portland in assessing the actual or anticipated impacts, if any, from such changes; (iii) advising Portland regarding options as a result of such changes, and (iv) analyzing savings reports on an annual basis to confirm operating assumptions for purposes of the Project Savings Performance Guarantee. If City requests such M&V services, the City shall pay Contractor at the rates set forth in section A(2) of Exhibit C-8.

7. Project Savings Performance Guarantee

Contractor guarantees that the Project shall provide Portland with a “Guaranteed Dollar Savings Amount” for each Measurement Year of the 10-year savings term.

In order to reconcile this Project Savings Performance Guarantee, the “Actual Project Dollar Savings Amount” for each Measurement Year shall be determined by Contractor in accordance with the procedures of the Measurement and Verification Plans approved by Portland. This reconciliation shall occur within ninety (90) days of the end of each Measurement Year during the 10-year savings term.

If the Actual Project Dollar Savings Amount is equal to or greater than the Guaranteed Dollar Savings Amount for that Measurement Year, then no reconciliation reimbursement from Contractor to Portland is necessary. If the Actual Project Dollar Savings Amount is less than the Guaranteed Dollar Savings Amount for that Measurement Year, then Contractor shall reimburse Portland for the difference between the Guaranteed Dollar Savings Amount and the Actual Project Dollar Savings Amount (“Dollar Savings Shortfall Amount”) for that Measurement Year, subject to the terms, conditions, procedures, reconciliations and formulae which are further outlined in the Portland-approved Measurement & Verification Plan described in Exhibit C-7.

8. Work Schedule

The Project’s Work Schedule, which shall be subject to review and approval by Portland, shall be attached hereto and made a part of the Contract, and the Work Schedule will describe the portions of the design specification and installation work based on the selected equipment.

9. Additional Project Documents

The following tables/schedules/information, attached hereto and made a part hereof, are added to the Contract as additional Project documents under the Contract:

EXHIBIT C Documents

- (a) **Exhibit C-1** - Determination of Savings
- (b) **Exhibit C-2** - Project Design Approval & Notice to Proceed Form
- (c) **Exhibit C-3** - Project Pricing and Adjustment Information
- (d) **Exhibit C-4** - Project Information and Schedule
- (e) **Exhibit C-5** - Project Work Schedule
- (f) **Exhibit C-6** - Scope of Work, Equipment Description, and Warranty Information
- (g) **Exhibit C-7** - Guaranteed Dollar Savings Amounts, Measurement & Verification Service, and Bonding - Schedule for Payment for the Work
- (h) **Exhibit C-8** - Payment for the Work
- (i) **Exhibit C-9** - Other General Conditions
- (j) **Exhibit C-10** - Contractor's Certificate of Liability Insurance
- (k) **Exhibit C-11** - Contractor's Registration with the Maine Department of the Secretary of State
- (l) **Exhibit C-12** - Applicable Rebate Information: Efficiency Maine
- (m) **Exhibit C-13** - Transfer of Ownership from Utility to Portland Inventory
- (n) **Exhibit C-14** - Portland Owned Inventory (no transfer of ownership required)

EXHIBIT C - 1

DETERMINATION OF SAVINGS

A. Determination of Energy Cost Savings

Energy Cost Savings will be calculated by comparing actual energy use with the energy use in the Base Period. Portland and Contractor, by mutual consent, may elect to determine Savings for some or all installations by sub-metering, direct measurement and calculation, or some other means, rather than by direct comparison with the Base Year. In this event, Contractor will perform the necessary calculations, which will be subject to approval by Portland. Energy use in the Base Year may be adjusted by mutual consent.

ENERGY COSTS:

Electricity Supply:

The following tariffs are derived from Portland's Competitive Energy Services Summary of Contracts, dated 10/28/2016:

a) Street lighting supply:

Streetlight A: NextEra All-Inclusive (term: 5/19/2015 to 11/30/2018) \$0.05835/kWh

Streetlight B: Constellation All-Inclusive (term: 2/1/2016 to 11/30/2019) \$0.04690/kWh

For the contract

Street lighting supply: \$0.05263/kWh

These are tariffs for illustrative purposes only and are not intended to reflect actual future tariffs which will likely be different and subject to market conditions.

b) Parking garage(s) supply:

City A: NextEra (MGS/SGS) All-Inclusive (term: 5/19/2015 to 11/30/2017) \$0.07795/kWh

Electricity Delivery:

City of Portland Utilities Charge:

a) Street lighting delivery: Central Maine Power (CMP) rate SL, Section 2, "Delivery Only" \$0.055332/kWh

b) Parking garage(s) delivery: Central Maine Power (CMP) MGS Secondary 3 Phase \$12.32/kW

Web reference:

<https://www.cmpco.com/YourHome/pricing/pricingSchedules/default.html>

SAVINGS DETERMINATION:

SCOPE	PROJECT PART	EXISTING COSTS					POST PROJECT UPGRADES COST					PROJECT COST SAVINGS
		kWh	kW used x 12 mo.	Supply, \$/kWh	Delivery, \$/kWh	Utility Maintenance	kWh	kW used x 12 mo.	Supply, \$/kWh	Delivery, \$/kWh	Utility Maintenance	
TRANSFER OF OWNERSHIP FIXTURES												
	1	2,601,923	N/A	\$136,939	\$143,970	\$517,004	699,705	N/A	\$36,825	\$38,716	\$0	\$722,371
	1	430,473	N/A	\$22,656	\$23,819	\$46,900	95,092	N/A	\$5,005	\$5,262	\$0	\$83,109
	2	204,224	N/A	\$10,748	\$11,300	\$28,635	77,353	N/A	\$4,071	\$4,280	\$0	\$42,333
	2	434,179	N/A	\$22,851	\$24,024	\$85,673	150,293	N/A	\$7,910	\$8,316	\$0	\$116,322
Utility Special Facilities - Poles Only		1	N/A	N/A	N/A	\$ 99,340	N/A	N/A	N/A	N/A	\$0	\$99,340
<i>sub-total: Transfer of Ownership Fixtures</i>			3,670,799	\$193,194	\$203,113	\$777,553	1,022,443		\$53,811	\$56,574	\$0	\$1,063,475

PORTLAND OWNED FIXTURES												
		kWh	kW used x 12 mo.	Supply, \$/kWh	Delivery, \$/kWh	Maintenance	kWh	kW used x 12 mo.	Supply, \$/kWh	Delivery, \$/kWh	Maintenance	
Decorative Fixtures - Retrofit (qty 201)	2	139,401	N/A	\$7,337	\$7,713	\$856	46,704	N/A	\$2,458	\$2,584	\$0	\$10,864
	2	147,141	N/A	\$7,744	\$8,142	\$856	53,408	N/A	\$2,811	\$2,955	\$0	\$10,976
<i>sub-total: Portland Owned Fixtures</i>			286,542	\$15,081	\$15,855	\$1,713	100,112		\$5,269	\$5,539	\$0	\$21,840

PORTLAND OWNED FACILITIES												
		kWh	kW used x 12 mo.	Supply, \$/kWh	Delivery, \$/kW	Maintenance	kWh	kW used x 12 mo.	Supply, \$/kWh	Delivery, \$/kW	Maintenance	
Elm Street Garage	1	133,215	228	\$10,384	\$2,809	\$1,748	57,685	96	\$4,497	\$1,183	\$0	\$9,262
	1	215,973	324	\$16,835	\$3,992	\$2,848	86,037	132	\$6,707	\$1,626	\$0	\$15,342
<i>sub-total: Portland Owned Facilities</i>			349,188	\$27,219	\$6,801	\$4,596	143,722	228	\$11,203	\$2,809	\$0	\$24,604

SAVINGS SUMMARY

PART 1 Savings		3,381,584		\$186,814	\$174,589	\$782,149	938,519		\$53,033	\$46,787	\$0	\$1,043,733
PART 2 Savings			924,946	\$48,680	\$51,179	\$1,713	327,758		\$17,250	\$18,135	\$0	\$66,186
TOTAL Savings			4,306,529	\$235,494	\$225,768	\$783,862	1,266,277		\$70,283	\$64,922	\$0	\$1,109,919

Cost Savings, for the purposes of this contract, are escalated at 2.00% per year for the term of the repayment period.

The Annual Electric Savings is based upon the pre-retrofit Portland billed amounts less the post-retrofit, as-built billing amounts projected for the traffic lighting quantities listed in Exhibit C-6. The Project's Estimated Annual Electric Usage (kWh) amounts for post-retrofit utility billings will be based upon the as-built street lighting quantities, operating hour assumptions, kWh, and billing rates in accordance with the procedures set forth in Exhibit C-4.

Should the as-built quantities change, the projected electric usage shall be adjusted by the added or deducted unit quantities multiplied by the corresponding kWh usage per unit. Such electric kWh adjustments shall be set forth in Change Order(s) to be prepared by Contractor and approved by Portland from time to time during the installation period. An updated Electric Usage Spreadsheet and electric utility billing model will be provided by Contractor for the as-built Project at the end of the installation period.

Base Utility Rates: The utility rates are set forth above. There are no gas or water savings associated with this work.

B. Determination of Transfer of Ownership (Buyback) Cost Savings

Transfer of Ownership Cost Savings:

In addition to the energy savings, this Project also creates significant equipment and maintenance savings through the Contractor and the City's ability to negotiate the transfer of ownership of certain street lighting fixtures from the local Utility to Portland. These savings can be quantified using the transfer of ownership agreements between the local Utility and Portland now that those negotiations are successfully complete. The source of the savings is largely due to and a result of the fixtures then being converted to much more long-lasting and highly warranted LED technology. The Contractor has also negotiated the best possible warranty for Portland with the ultimate equipment vendor. All Transfer of Ownership cost savings will be agreed to by Portland and will be deemed as such as part of any ongoing measurement and verification service. Transfer of ownership savings, for the purposes of this contract, are escalated at 2.00% per year for the term of the repayment period.

EXHIBIT C-2

PROJECT DESIGN APPROVAL AND NOTICE TO PROCEED FORM

TEMPLATES

EXHIBIT C-2, ATTACHMENT A

PHASE I - PROJECT DESIGN ACCEPTANCE AND NOTICE TO PROCEED FORM

(This form will be used by the City of Portland to acknowledge its acceptance of the design and serve as its notice to proceed with the installation of the project.)

In accordance with the Contract ("Contract"), entered into this _____ day of _____, 2017, by and between THE CITY OF PORTLAND (the "Portland") and TEN CONNECTED SOLUTIONS, INC. ("Contractor");

Contractor has performed the Phase I Design Specification Work for the project and submitted to Portland the necessary design and specification documents for the Project ("Design Documents").

Portland has reviewed the Design Documents and hereby designates its acceptance of the Design Documents by execution of this Project Design Acceptance Form.

Contractor is hereby authorized to commence work on the installation of the above referenced Project in accordance with the Design Documents and the following:

- Project Information summarized in Exhibit C-4;
- The time period as set forth in Exhibit C-5, Project Work Schedule;
- The Project Pricing and Adjustment Information as set forth in Exhibit C-3;
- Measurement and Verification protocols summarized in Exhibit C-7.

Such Project Exhibits have been duly executed by both Portland and Contractor.

Contractor acknowledges and agrees that City's execution of this form is for purposes of accepting the Design Documents only, and such acceptance shall not be deemed to impose any duty or liability upon the City related to the design of Contractor's work, and such acceptance shall not relieve the Contractor of any duty or liability it may have under the Contract or applicable law.

Execution of this Design Acceptance and Notice to Proceed by Portland:

By: _____

Date: _____

Acceptance and Notice Acknowledgement By Contractor:

By: _____

Date: _____

EXHIBIT C-2, ATTACHMENT B

PHASE III - PROJECT ACCEPTANCE CERTIFICATE FORM

(This form will be used by the City of Portland to serve as its acceptance of the project and to authorize Contractor to begin to conduct the savings Measurement and Verification services.)

In accordance with the Contract ("Contract"), entered into this _____ day of _____, 2017, by and between THE CITY OF PORTLAND (the "Portland") and TEN CONNECTED SOLUTIONS, INC. ("Contractor"), Portland is hereby accepting that all portions of the Installation Work are substantially complete and operational as of this _____ day of _____, 20_____, ("Project Acceptance Date").

Portland and Contractor acknowledge the attached "punch list" of items to be completed by Contractor no later than the dates as specified on the attached sheet for each item, in accordance with the terms of the Contract and its Scope of Work.

In accordance with the terms of the Contract, Contractor is hereby authorized to conduct the Savings Measurement and Verification Services, which includes the measurement and verification of the Actual Energy Savings in accordance with Exhibit C-7 of the Contract.

Contractor acknowledges and agrees that City's acceptance of the project and execution of this form shall not be deemed to impose any duty or liability upon the City related to the performance of Contractor's work, and such acceptance shall not relieve the Contractor of any duty or liability it may have under the Contract or applicable law.

Project Acceptance Certified by Portland:

By: _____

Date: _____

Project Acceptance Acknowledgement by Contractor:

By: _____

Date: _____

EXHIBIT C-3

PROJECT PRICING AND ADJUSTMENT INFORMATION

Project Cost Adjustments for “Changes in the Project”:

Contractor may experience additional costs or losses of Project Savings for reasons which could not reasonably have been anticipated or controlled by Contractor. Adjustments to the Project Cost may be authorized if, for example, Contractor experiences additional costs above those established in the Project Cost Budget or if there is a deletion or substantial modification to the Project by Portland.

There shall be no additional Project Costs without the City’s prior written approval. Any adjustments to the Project Cost shall be billed/credited by Contractor in accordance with the same general pricing and other terms set forth in this Contract. Contractor shall have no obligation to act on modifications to the Project Scope of Work unless it agrees to do so in writing.

A. UNIT PRICE FOR EACH ADDITIONAL or DEDUCTED UNIT (units added to or deducted from Quantities Listed in Exhibit C-6 Scope of Work, Equipment Description, and Warranty Information:

All unit pricing includes all materials, labor, and other expenses.

Quantities for each type of equipment can be found in Project Scope.

A 1. UNIT PRICE FOR EACH ADDED OR DEDUCTED TECHNOLOGY

Portland Approved Equipment	Portland Approved Part #	Add/Deduct Cost
Arm Mounted Cobra Head LED Light Fixture, 83W	Cree RSWM-A-HT-3ME-9L-30K7-UL-GY-N	\$321.46
Arm Mounted Cobra Head LED Light Fixture, 50W	Cree RSWM-A-HT-3ME-9L-30K7-UL-GY-N-X1	\$321.46
Arm Mounted Cobra Head LED Light Fixture, 74W	Cree RSWM-A-HT-3ME-9L-30K7-UL-GY-N-X6	\$321.46
Arm Mounted Cobra Head LED Light Fixture, 23W	Cree RSWS-A-HT-2ME-3L-30K7-UL-GY-N-X3	\$268.53
Arm Mounted Cobra Head LED Light Fixture, 30W	Cree RSWS-A-HT-2ME-5L-30K7-UL-GY-N-X1	\$277.91
Pole Mounted Dusk to Dawn/Barn Light LED Light Fixture, 50W	E-conolight E-DD1L50N1	\$245.43
Wall Mounted Flood Light LED Light Fixture, 79W	Holophane ACP0LED PK2 MVOLT WFR 30K YK GYSDP 10KVIL PER7 06 43 NL	\$642.91
Arm Mounted Shoebox Fixture LED Light Fixture, 110W	Holophane ATB0 30BLEDE10 MVOLT R3 3K BZ NL P7 w/Arm	\$481.44
Arm Mounted Shoebox Fixture LED Light Fixture, 72W	Holophane ATB0 30BLEDE70 MVOLT R3 3K BZ NL P7 w/Arm	\$481.44
CMP Approved Fuse Holder	Sicame USA FTSC25SCO 2L300N 10A	\$140.42
Control System – Fixture Control Node	Echelon TOP900 TLX-E GPS	\$115.22
Control System – Gateway/Segment Controller	Base station	\$4,177.20

EXHIBIT C-4

PROJECT INFORMATION

City of Portland Address: The City of Portland 389 Congress Street, Portland, Maine 04101

City of Portland's Designee: Troy Moon

Phone: 207-756-8362

Email: thm@portlandmaine.gov

A. SCOPE OF WORK:

The Project Scope of Work is based upon installation of the street lighting related equipment quantities listed in Exhibit C-6. Should the as-built quantities change, the Scope of Work shall be adjusted by the added or deducted unit quantities at the rates set forth in Exhibit C-3. Such Scope of Work adjustments shall be set forth in Change Order(s) to be prepared by Contractor and approved by Portland from time to time during the installation period.

B. PROJECT LOCATIONS:

Project Locations for the Street Lights retrofitted shall be in various traffic intersection and street locations throughout Portland as set forth in Exhibit C-6.

The specific Project Locations shall be updated as part of the As-built documentation provided by Contractor. Installation progress reports shall be generated by Contractor from time to time during the installation period to document Work completed at specified Project Locations up to the date of such progress report.

EXHIBIT C-5

PROJECT WORK SCHEDULE

PART 1 – PROJECT SCHEDULE (for Phase I and II of Core LED Street Lighting and Control System Upgrade Installation):

Final Design Completion: (Phase 1)	Contractor shall complete final design of the core project within two (2) weeks of execution of this Contract.
Final Design Review/Approved: (Phase 1)	Portland shall review final design of the core project and notify Contractor of any objections thereto within two (2) weeks of presentation of design documents by Contractor. Contractor shall promptly respond with a revised final design and the parties shall work expeditiously and in good faith to agree upon a final design.
Rebate Pre-approval if applicable (Phase 1)	Contractor shall complete final rebate pre-approval of the core project within two (2) weeks of execution of customer design approval
Commence Core LED Street Lighting and Control System Upgrade Installation (Phase 2)	Immediately after Utility pre-approval and to be complete within approximately twenty (20) weeks (subject to weather and subcontractor availability).
Substantial Completion Core LED Street Lighting and Control System Upgrade Installation (Phase 2)	Within three (3) weeks after core project installation completion. Notwithstanding anything to the contrary above, Substantial Completion of Core LED Street Lighting And Control System Upgrade shall be complete no later than June 30, 2018.
Field Utility Approval & Bill Reconciliation (Phase 2)	Within four (4) weeks after substantial completion of core project.
Final Completion and Project Acceptance (Phase 2)	Within two (2) weeks after final utility reconciliation of core project

All additional work related to Part 1, to be determined during Part 1, will be performed on a schedule substantially similar to the above.

PART 2 – PROJECT SCHEDULE:

The Schedule for Part 2 will be developed based on the final scope agreed upon between Portland and the Contractor and this work will be scheduled and communicated in a similar way to the Part 1 schedule above, prior to starting the Phase 2 installation of Part 2.

EXHIBIT C-6

SCOPE OF WORK, EQUIPMENT DESCRIPTION, and WARRANTY INFORMATION

A. PART 1 - SCOPE OF WORK

Contractor's City of Portland Street Lighting Scope of Work for the project is set forth below. The following wattages and hours of operation were used in the savings calculations.

LIGHTING EQUIPMENT & LED LAMP WATTAGES

Scope Related to Inventory Purchased from Central Maine Power (CMP) (Transfer of Ownership):

Contract Quantities	Existing Equipment	Pre-(billing) Wattage*	New Equipment	Proposed Wattage**
86	250 or 400W Sodium Cobra Head	300 or 465 W	Cree RSWM-A-HT-3ME-9L-30K7-UL-GY-N-X9	83 W
1,008	50, 70, 100, 150W Sodium Cobra Head	65, 95, 130, 195 W	Cree RSWM-A-HT-3ME-9L-30K7-UL-GY-N-X1	50 W
302	150 or 250W Sodium Cobra Head	195 or 300 W	Cree RSWM-A-HT-3ME-9L-30K7-UL-GY-N-X6	74 W
2,738	50 or 70W Sodium Cobra Head	65 or 95 W	Cree RSWS-A-HT-2ME-3L-30K7-UL-GY-N-X3	23 W
713	100W Sodium Cobra Head	130 W	Cree RSWS-A-HT-2ME-5L-30K7-UL-GY-N-X1	30 W
1	100W Mercury Dusk to Dawn	130 W	E-conolight E-DD1L50N1	50 W
178	250 or 400 W Sodium or Metal Halide Flood	300 or 465 W	Holophane ACP0LED PK2 MVOLT WFR 30K YK GYSDP 10KVIL PER7 06 43 NL	79 W
19	400 W Shoe Box Fixture	465 W	Holophane ATB0 30BLEDE10 MVOLT R3 3K BZ NL P7 w/Arm	110 W
85	250 W Sodium Shoe Box Fixture	250 W	Holophane ATB0 30BLEDE70 MVOLT R3 3K BZ NL P7	72 W

LIGHTING CONTROL SYSTEM AND OTHER EQUIPMENT

Quantities	Description	New Equipment
5,130	Control System – Fixture Control Node	Echelon TOP900 TLX-E GPS
6	Control System – Gateway	Echelon Base Station
1	1 Year Service and Software {hosted by City or Vendor??}	Echelon
1	Mapping Program and Software	Echelon
1	Factory Onsite Startup and Training on Control System	Echelon
5,130	Utility Grade Fuses	Sicame USA FTSC25SCO 2L300N 10A

* Based on Central Maine Power Utility Bills

** Based on Portland Approved Manufacturer and respective Wattage

(May change depending on location (High Crime, Parking Enforcement, Traffic control, existing source, etc.)0

Parking Garage(s) Scope and Quantities:

Contract Quantities	Existing Equipment	Pre-(bidding) Wattage*	New Equipment	Proposed Wattage**
4	4' Wraparound Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
4	4' Strip Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) (No Diffuser)	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
3	4' Vapor Proof Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
11	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
8	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
9	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
2	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
8	Cobra Head Pole Mounted LED Light Fixture. (1) 100W Prismatic Acrylic Diffuser	94	Existing luminaire to remain as is No Retrofit. To remain as is.	94
9	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
4	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
9	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
4	Wall-Pack Wall Mounted High Pressure Sodium, (1) 50W lamp Prismatic Acrylic Diffuser	60	Wall Mounted Wall-Pack LED Light Fixture. (1) 12W	12
11	2x4' Troffer Surface Mounted Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	101	Surface Mounted Install 2x4 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
221	4' Vapor Proof Pendant Mounted Fluorescent, (3) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Vapor Proof Gasketed Diffuser	80	Pendant Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (3) 12W Lamps	36
6	2x4' Troffer Recessed Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	101	Recessed Install 2x4 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
20	4' Industrial Surface Mounted Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) (No Diffuser)	101	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (4) 12W Lamps	48
2	4' Vapor Proof Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
2	2x4' Troffer Recessed Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	101	Recessed Install 2x4 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
2	2x4' Troffer Recessed Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	101	Recessed Install 2x4 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
1	Bare-Lamp Keyless Socket Surface Mounted Compact Fluorescent, Screw-in, (1) 13W lamp (No Diffuser)	12	Existing luminaire to remain as is No Retrofit. To remain as is.	12
2	2' Wraparound Surface Mounted Fluorescent, (2) 24", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	30	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 2' T8 Lamp (2) 8W Lamps	16
2	2' Wraparound Surface Mounted Fluorescent, (2) 24", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	30	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 2' T8 Lamp (2) 8W Lamps	16
2	2x4' Troffer Recessed Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	101	Recessed Install 2x4 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
2	2x4' Troffer Recessed Fluorescent, (4) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	101	Recessed Install 2x4 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
2	8' Industrial Surface Mounted Fluorescent, (2) 96", ES lamp (No Diffuser)	111	Surface Mounted Install 8' Strip, 2-Lamp Centering Kit LED 4' T8 Lamp (2) 12W Lamps	24
4	Bare-Lamp Keyless Socket Surface Mounted Compact Fluorescent, Screw-in, (1) 13W lamp (No Diffuser)	12	Existing luminaire to remain as is No Retrofit. To remain as is.	12
8	Cobra Head Pole Mounted LED Light Fixture. (1) 70W Prismatic Acrylic Diffuser	66	Existing luminaire to remain as is No Retrofit. To remain as is.	66
13	4' Wraparound Surface Mounted Fluorescent, (1) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	28	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (1) 12W Lamp	12
9	4' Wraparound Surface Mounted Fluorescent, (1) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	28	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (1) 12W Lamp	12
4	4' Strip Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) (No Diffuser)	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
2	4' Strip Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) (No Diffuser)	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
158	4' Vapor Proof Pendant Mounted Fluorescent, (3) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Vapor Proof Gasketed Diffuser	80	Pendant Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (3) 12W Lamps	36
12	4' Vapor Proof Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
3	Wall-Pack Wall Mounted High Pressure Sodium, (1) 250W lamp Prismatic Acrylic Diffuser	266	Wall Mounted Wall-Pack LED Light Fixture. (1) 52W	51
10	Canopy Fixture Surface Mounted High Pressure Sodium, (1) 70W lamp Prismatic Acrylic Diffuser	86	Surface Mounted Install LED Screw-in A-Style Lamp Light Emitting Diode Lamp, Screw-in, (1) 21W lamp	19
7	Wall-Pack Wall Mounted LED Light Fixture. (1) 20W Prismatic Acrylic Diffuser	19	Existing luminaire to remain as is No Retrofit. To remain as is.	19
8	High-Bay Pendant Mounted Metal Halide, (1) 250W lamp Prismatic Acrylic Diffuser	266	Pendant Mounted High-Bay LED Light Fixture. (1) 100W	99
3	Wall Sconce Wall Mounted Compact Fluorescent, quad, (1) 26W lamp Prismatic Acrylic Diffuser	30	Wall Mounted Retrofit Wall sconce with Half Sphere LED Kit LED Light Fixture. (1) 11W	11
1	4' Vanity Surface Mounted Fluorescent, (2) 48", T-8 lamp, Instant Start Ballast, NLO (BF: .85-.95) Prismatic Acrylic Diffuser	53	Surface Mounted T8 LED Retrofit Lamp with External Driver LED 4' T8 Lamp (2) 12W Lamps	24
1	Canopy Fixture Surface Mounted Compact Fluorescent, long twin, (1) 36W lamp Prismatic Acrylic Diffuser	46	Surface Mounted Retrofit Existing Drum with 8" LED Kit LED Light Fixture. (1) 11W	11

OTHER WORK INCLUDED IN PART 1 includes:

City Selected Smart City Project Allocation:

- 1) Public and City Wi-Fi (1st half of project, ~ 100 locations)
- 2) City Hall exterior color lighting upgrade
- 3) Payson Park softball field LED upgrade
- 4) Deering Oaks fountain color lighting upgrade
- 5) Riverside Golf EV and Cart Charging project
- 6) Pilot decoratives install, to help determine the approach on Phase 2 construction
- 7) Interactive Kiosks for resident/visitor engagement
- 8) Pilot project for Blue Emergency Light system
- 9) Tree trimming, pole painting, LED project contingency

The funding for the City Selected Smart City Project **allocation items is \$1,083,052**. The final scope of work for these items and schedule for such work will be determined during Part 1, through the piloting of certain technologies, by the City in collaboration with the Contractor.

TOTAL COST OF PART 1: \$4,000,000

B. PART 2 - SCOPE OF WORK

Contractor's and City of Portland's contemplated scope for Part 2 is set forth below. Contractor acknowledges and agrees that the City has not yet obtained financing for Part 2, and Contractor shall not incur, and City shall not be responsible for, any expense related to Part 2 of the Project without the City's prior written approval.

QTY	Description	Price
Core LED Lighting and Control System Upgrade		\$ 2,308,404
290	CMP Holophane LED upgrade (50/50, retrofit/new)	\$ 421,077
784	CMP GE Town & Country LED upgrades (70/30 retrofit/new)	\$ 967,842
402	Portland Decorative LED Upgrades (50/50, retrofit/new)	\$ 602,422
1074	Fusing for CMP Holophane, GE (not for Portland-owned)	\$ 71,998
1476	Controls for all decoratives (CMP and Portland-owned)	\$ 245,065
City Selected Smart City Project Allocation for:		\$ 1,691,596
Public and City Wi-Fi (2nd half of project, ~ 150-300 more locations)		
Dougherty Field LED lighting installation (1 or more fields)		
Traffic Flow System Forrest Ave Corridor		
6 Electric Vehicle (EV) charging stations		
Casco Bay Bridge color LED lighting installation		
Environmental Sensors, Video Cameras installed in Strategic Locations		
Riverton lighting upgrade		
Tree trimming, pole painting, LED project contingency		

TOTAL COST OF PART 2: \$4,000,000

C. OPERATING HOUR ASSUMPTIONS

All proposed fixtures will be charged using the current utility (CMP) SE tariff rate of 4,260 hours of operation each year, even though the control system will be installed and will have the capability to “futureproof” and reduce hours of operation in the future. All pre-project street lighting is being charged at 4,260 hours per year.

D. LOCATIONS AND QUANTITIES

Project locations and quantities for the Street lights retrofitted shall be provided as part of the As-built documentation provided by Contractor. Installation progress reports shall be generated by Contractor during the installation period to document work completed at specified Project Locations up to the date of such progress report.

Contractor will update Portland’s existing GIS software system with the new data being provided under this Contract.

E. WARRANTY INFORMATION

Material Warranty

The following **manufacturer** warranties will pass through Contractor directly to Portland to ensure that Portland will have direct access to the full value of the manufacturers’ warranty over the term of the contract.

Equipment	Manufacturer	Warranty Period
Cobra Heads*	Cree	10
Decorative Retrofit Kits	Hylite or Equal	5
Linear T8 Retrofit Lamp, Type C (External Driver)	Sylvania	7
Miscellaneous Shoebox Fixtures*	Holophane	5
Fixture Mounted Nodes*	Echelon	10
Gateway/Segment Controllers*	Echelon	10

**Includes fixtures, LED lamps, and drivers*

Labor Warranty

Contractor will provide a one (1) year **Labor** warranty to provide all of the labor necessary to install all equipment warranted by the manufacturer and provided by Portland to Contractor for replacement. The one year labor warranty for Part 1 of the Project will run from the City’s final acceptance of Part 1, Phase 2 of the Project, and the one year labor warranty period for Part 2 of the Project will run from the City’s final acceptance of Part 2, Phase 2 of the Project. Any ongoing equipment replacement labor obligations to replace failed equipment covered under the manufacturer warranties after expiration of the labor warranty periods, will be the obligation of Portland.

EXHIBIT C-7

GUARANTEED DOLLAR SAVINGS, MEASUREMENT & VERIFICATION SERVICE

A. GUARANTEED DOLLAR SAVINGS AMOUNTS PER MEASUREMENT YEAR

For the Project, the Guaranteed Dollar Savings Amounts per Measurement Year during the Project Savings Guarantee Period are set forth below:

Project Savings Guarantee Period = 10 years.

MEASUREMENT YEAR	PROJECT SAVINGS			
	UTILITY and MAINTENANCE SAVINGS PART 1	UTILITY and MAINTENANCE SAVINGS PART 2	TRANSFER OF OWNERSHIP SAVINGS ⁽²⁾	GUARANTEED DOLLAR SAVINGS AMOUNTS ⁽¹⁾
Year 1	\$266,179	\$0	\$777,553	\$1,043,733
Year 2	\$271,503	\$66,186	\$793,104	\$1,130,793
Year 3	\$276,933	\$67,510	\$808,966	\$1,153,409
Year 4	\$282,472	\$68,860	\$825,146	\$1,176,477
Year 5	\$288,121	\$70,237	\$841,649	\$1,200,007
Year 6	\$293,884	\$71,642	\$858,482	\$1,224,007
Year 7	\$299,761	\$73,075	\$875,651	\$1,248,487
Year 8	\$305,756	\$74,536	\$893,164	\$1,273,457
Year 9	\$311,872	\$76,027	\$911,028	\$1,298,926
Year 10	\$318,109	\$77,548	\$929,248	\$1,324,905
TOTAL	\$2,914,590	\$645,621	\$8,513,991	\$12,074,202

Rebates and Incentives:

Contractor makes no guarantee with respect to utility rebates. Rebates will be available if there still exists capacity in the Efficiency Maine rebate program at the time the Contractor and Portland apply for the rebate allocation and the technologies used in the project are compliant. Payment of rebates to Portland will happen subject to the payment terms of Efficiency Maine.

Note 1: To the extent that the actual final Project Scope is modified, then the Project Cost, Savings and Rebates amount shall be adjusted accordingly.

Note 2: Transfer of Ownership Cost Savings are allocated at \$ 777,553 per year based on analysis of the actual costs incurred by Portland prior to the transfer of ownership of the assets to Portland. These savings are also escalated at 2.00% annually. These savings result from longer life and warranted equipment installed as part of the project (see elsewhere in this Contract). These savings are deemed to occur in each year of the repayment term (guarantee period). No ongoing measurement and verification will be assumed needed or provided for these Transfer of Ownership Cost Savings.

B. MEASUREMENT and VERIFICATION SERVICE

1. Performance Verification Procedures

Contractor shall provide savings measurement and guarantee services to confirm the Project savings levels as specified in this Exhibit C-7. The savings measurement involves pre- and post-installation determination of energy usage billing for the equipment. For this approach, once the post installation calculations are made, the energy use is quantified and stipulated operating and billing parameters are applied to yield confirmed energy dollar savings.

At the end of the installation period, the actual energy usage for the As-built retrofits will be calculated, and savings will be adjusted to match as-built fixture counts.

Savings verification for this Project will consist of the following steps:

A complete, location inventory of all lighting fixtures affected by the lighting retrofit will be compiled and provided and will include the following information – Location, Fixture type, Quantity and kWh and billing amounts.

The inventory of the As-built retrofit will be compiled and compared listing the same categories of information with updated quantities and post-retrofit kWh usage and billing amounts after Phase III is complete.

Post-retrofit Capacity (kW): Contractor shall determine the As-built Post-retrofit kW for each type of retrofit (“Actual Capacity”).

Baseline Operating Assumptions: The baseline operating assumptions for the Project have been Exhibit C-6 “Operating Hour Assumptions” per Central Maine Power rate schedule and shall be used to calculate the Post-retrofit electric usage.

Electric Energy Usage: At the end of the installation period, the Actual Capacity (kW) and the Baseline Operating Assumptions, shall be used to determine the Post-retrofit Electric Energy Usage (kWh).

Electric Dollar Savings: The Actual Electric Energy Usage shall be multiplied by the corresponding unit prices and totaled to yield the Post-retrofit Electric Dollar amount for billing purposes (“Post-retrofit Billing Amount”). Unit prices to be used shall be the base unit prices set forth in Exhibit C-3.

2. Reconciliation Procedures

Reconciliation Adjustments: For each Measurement Year, the Actual Project Dollar Savings Amount shall be compared and reconciled with the appropriate Guaranteed Dollar Savings Amount for the Project as set forth in Exhibit C-7, on a Reconciliation Statement to be prepared by Contractor and submitted to Portland within ninety (90) days following the end of that Measurement Year.

(i) Positive Reconciliation: If for a Measurement Year, the Guaranteed Dollar Savings Amount less the Actual Project Dollar Savings Amount is equal to or less than zero, then this difference shall be referred to as a “Positive Reconciliation Amount” and no reimbursement to Portland is necessary.

(ii) Negative Reconciliation: If for a Measurement Year, the Guaranteed Dollar Savings Amount less the Actual Project Dollar Savings Amount is greater than zero, then this difference shall be referred to as the “Dollar Savings Shortfall Amount” and Portland shall have the right to reimbursement for the Dollar Savings Shortfall Amount determined using the following procedure:

Reimbursement of Dollar Savings Shortfall Amount:

Contractor shall reimburse Customer for the Dollar Savings Shortfall Amount within thirty (30) days following the date of the Reconciliation Statement (the “Reconciliation Payment”). Contractor shall develop and maintain a Project tracking spreadsheet which shall track the Project’s Energy and Dollar Savings performance and the amounts and balances as set forth above which might be carried over from Measurement Year to Measurement Year. Such Project tracking spreadsheet shall be part of a Project Savings Performance report that Contractor shall generate at the end of each Measurement Year where monitoring services are provided by Contractor during the Savings Term.

However, Contractor shall not be required to reimburse any Dollar Savings Shortfall Amount if (a) Customer modifies, disconnects or fails to operate or maintain the Energy Conservation Measures (ECM's) in accordance with the procedures set forth in the final as-built lighting commissioning or Operations Manual, (b) Customer is in material breach of or in material default under this Contract, including but not limited to failure to maintain the equipment and systems in good working order and condition, (c) this Contract has terminated (due to a non-breach occurrence) as permitted or provided for in this Contract , or (d) the equipment suffers fire, flood or other casualty, until the equipment is properly repaired and restored, . Contractor reserves the right to reasonably modify its Project Savings Performance Guarantee based on any modifications to the Project. This Project Savings Performance Guarantee is contingent upon Contractor's involvement with the Project's performance monitoring, without which the Project Savings Performance Guarantee shall cease. Accordingly, Contractor's annual Guarantee Administration Services shall be purchased by Customer for the period set forth in Schedule C in order for the Project Savings Performance Guarantee to remain in effect.

EXHIBIT C-8

PAYMENT FOR THE WORK

A. Project Cost of Work: The Project Cost of Work includes all amounts to furnish and be responsible for all of the Scope of Work as specified in Exhibit C-6, which shall include labor, materials, tools, equipment, insurance and supervision necessary to satisfactorily specify, design, procure, install, inspect, start-up and test the Equipment and monitor the savings for the Project in accordance with the provisions of this Contract. The Cost of the Work is divided into three phases as follows:

1. Payment for the Work Phase I and Phase II. Portland shall pay Contractor as compensation for Phase I Project Development and Pre-Design Work and Phase II Installation Work, as defined below in monthly progress amounts totaling but not to exceed amount of \$8,000,000 for the Project. The monthly progress amounts shall be invoiced based upon a percentage of the Payment for the Work Phase I Work and Payment for the Work Phase II Work completed and shall contain sufficient documentation to support the invoiced amount. Portland acknowledges that Contractor's Work conducted to prepare the design and negotiate the pricing for materials and subcontractor labor for the Project shall be compensated under this Contract as a portion of the Payment for the Work Phase I cost.

Description	Phase I * Design Work Cost	Phase II Construction Cost	Total Cost
PROJECT - PART 1 Implementation period: Contract sign date to June 30, 2018			
Core LED Lighting and Control System Upgrades	\$145,847	\$2,771,101	\$2,916,948
City Selected Smart City Projects	\$54,153	\$1,028,899	\$1,083,052
Sub-total: Part 1	\$200,000	\$3,800,000	\$4,000,000
PROJECT - PART 2 Implementation period: July 1, 2018 to June 30, 2019			
Core LED Lighting and Control System Upgrades	\$115,420	\$2,192,984	\$2,308,404
City Selected Smart City Projects	\$84,580	\$1,607,016	\$1,691,596
Sub-total: Part 2	\$200,000	\$3,800,000	\$4,000,000
TOTAL PROJECT	\$400,000	\$7,600,000	\$8,000,000

*This Payment for the Work Phase I Cost includes the cost of preparing the scope, assisting with selection of equipment, selection of subcontractors, and negotiation of pricing completed by Contractor.

Note: Additions / Reductions in Scope –

The Payment for the Phase II Project Cost is based upon installation of the actual street light quantities. Should such as-built quantities change, the Payment for the Work Phase II cost shall be adjusted by the added or deducted unit quantities multiplied by the per unit prices set forth in Exhibit C-3. Such cost adjustments shall be set forth in Change Order(s) to be prepared by Contractor and approved by Portland from time to time during the installation period.

2. **Payment for the Work Phase III.** As compensation for Payment for the Phase III Savings Measurement and Verification and Other Managed Services for the Project, as set forth in Exhibit C-7, Portland shall pay a fee at the submission of each annual Phase III Report as set forth below:

MEASUREMENT YEAR	Annual Measurement and Verification Services ⁽¹⁾	Annual Street Lighting Control System Service ⁽²⁾	Total Annual Services
Year 1	\$12,500	\$13,200	\$25,700
Year 2	\$12,875	\$13,596	\$26,471
Year 3	\$13,261	\$14,004	\$27,265
Year 4	\$13,659	\$14,424	\$28,083
Year 5	\$14,069	\$14,857	\$28,926
Year 6	\$14,491	\$15,302	\$29,793
Year 7	\$14,926	\$15,761	\$30,687
Year 8	\$15,373	\$16,234	\$31,608
Year 9	\$15,835	\$16,721	\$32,556
Year 10	\$16,310	\$17,223	\$33,533

Notes:

Note 1:

Upon City's request as set forth in section 6 of Exhibit C, Measurement and Verification (M&V) services will be provided by Contractor within 12 months after the construction period and every year following, up to 10 years, unless Portland terminates the Measurement and Verification Services earlier.

Note 2:

Annual Street Lighting Control System Services shall be provided directly by the control system vendor directly to the City. These services are to access a cloud-based central management system (CMS) for provisioning, monitoring, controlling and analyzing their new street lighting control system. The cost of this system, annually, is approximately \$13,200.

EXHIBIT C-9

OTHER GENERAL CONDITIONS

These construction terms shall be implemented in conjunction with the specifications for the Scope of Work which are provided in the Contract and any Design Documents.

1. Definitions.

A. "Portland", "City", "Contractor", "Contract", "Premises", and "Project", shall have their respective meanings specified in the Conversion of City Street Lights to LED Fixtures & Transfer of Ownership from Utility to Municipality Contract to which these General Conditions are attached.

B. "Support" means the following: Contractor's officers, employees, agents, and representatives; Contractor's suppliers, and subcontractors of any tier; the respective officers, employees, agents, and representatives of Contractor's suppliers, and subcontractors of any tier; and any other person or entity acting under the direction or control or on behalf of Contractor or any of Contractor's suppliers or subcontractors of any tier in connection with or incident to the performance of the Work or this Contract.

C. "Work" shall refer to all acts by Contractor necessary to fulfill all of its obligations under the Contract Documents with respect to the Project and performance of the three Phases of Services for Parts 1 and 2 of the Project, as defined in Exhibit C-8, and in accordance with the terms and conditions set forth in the Contract Documents. Work includes all of the following furnished (or to be furnished), and the performance of all other obligations, under this Contract by Contractor or its Support: personnel, labor, and supervision; technical, professional, and other services; equipment, materials, tools, supplies, goods, and other property; transportation, information, drawings, plans, specifications, design, data, and all other items necessary to complete the Project to the City's reasonable satisfaction.

2. Performance of the Work.

A. Unless specifically modified by Portland and Contractor in a Contract Amendment or Change in the Work agreed to by both parties, all materials and all equipment listed in the Contract, and/or approved Design Documents, and all labor by all trades which are required to complete the installation are included in Contractor's Work. Contractor shall be and act as an independent contractor (and not as the agent or representative of Portland) with regard to performance of the Work and this Contract. Contractor has the right to suspend performance of work on any Portland directed change of a value in excess of ten percent (10%) of the Phase II Cost of Work in the absence of agreement on price and schedule impact of such change. Portland agrees to pay Contractor on a time and materials basis, for a mutually-agreed upon predetermined amount, for changed work being performed while the parties are negotiating the price and schedule impact of the change.

B. Subject to compliance with the requirements of this Contract, Contractor shall perform the Work in accordance with its own methods. Any equipment, apparatus, machinery, material, small items not mentioned in detail and labor not hereinafter specifically mentioned that may be found necessary to complete or perfect any portion of the installation in a substantial manner and in compliance with the requirements stated, implied, or intended in the Contract, Design Documents shall be furnished and installed without extra cost to Portland.

C. Contractor shall fully cooperate with Portland and coordinate the Work to minimize traffic delays. If any Work depends upon the results of work performed by Portland or others, Contractor shall, prior to commencing such Work, notify Portland of any actual or apparent deficiencies or defects in such work that render such other work unsuitable for performance of the Work in accordance with this Contract.

D. Contractor shall provide Portland with a list of its subcontractors prior to Contractor entering into a subcontract for services. Contractor is directly responsible for obtaining the performance of and making all payments to all subcontractors, suppliers and those who perform any and all services or provide any and all supplies to or for the Project, unless directly contracted for by Portland; and further, such subcontractors, suppliers and those who perform services shall have no recourse to or against Portland, unless directly contracted for by Portland.

Contractor shall require its subcontractors to comply with the automobile and general liability insurance requirements set forth in the Contract.

3. Compliance with Laws; Permits.

A. Contractor shall comply, and shall ensure that the Work and all of Contractor's Support comply, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other requirements, now in effect. Contractor shall execute and deliver to Portland all documents as may be required or appropriate to effect or to evidence such compliance or such change in expenses, if any. All laws, ordinances, rules, regulations, orders, licenses, and permits required to be incorporated in agreements of this character are incorporated herein by this reference.

B. Unless otherwise specified in the Contract or directed by Portland, Contractor shall obtain and pay for all permits, inspections, licenses, and fees required to perform the Work in accordance with this Contract. Contractor shall advise Portland in writing and consult with Portland prior to applying for any permit or other authorization from, or entering into any agreement with, any governmental authority with regard to the Work.

4. Contractor Representations.

Contractor represents and warrants the following to Portland (in addition to any other representations and warranties contained in the Contract Documents), which representations and warranties shall survive the execution and delivery of this Contract, any termination of this Contract and the final completion of the Work:

- A) Contractor and its Subcontractors are financially solvent, able to pay all debts as they mature and possessed of sufficient working capital to complete the Work and perform all obligations hereunder;
- B) Contractor is able to furnish the plant, tools, materials, supplies, equipment and labor required to complete the Work and perform its obligations hereunder and has sufficient experience and competence to do so;
- C) Contractor is authorized to do business in the State of Maine and is properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over Contractor and over the Work and the Project

5. Construction and Project Management.

A. Contractor shall provide for a Construction Manager who shall be responsible for providing the following services:

- Coordinate all Project details and Support's construction activities;
- Perform on-site observations and inspections of the progress and quality of the Work for conformance with Contract Documents;
- Communicate with Portland's representative(s) on a regular basis to insure work schedules. Portland's representative is **Troy Moon, Sustainability Coordinator**;
- Submit written monthly progress reports to Portland no later than the 5th day of each month reporting on the prior month's progress, planned progress for the current month, indicating any issues or project concerns and such other information and on such reporting forms as the Portland requests.
- Record all construction changes or deviations in writing to Portland;
- Schedule and attend regular project meetings with Portland representative;
- Conduct or observe and report on tests/measurements required by the Contract Documents; and
- Maintain construction records in an orderly manner.
- Submit certified applications for payment of work completed on Portland approved forms. Failure to submit applications for payment may delay payment of invoices.

B. Pre-Construction Meeting - Contractor shall coordinate and attend a pre-construction meeting with Portland, Contractor and Contractor's subcontractors to discuss:

- approved installation work plan schedule;
- mobilization plan;
- inspection plan;
- coordinating storage, parking, delivery of material;
- daily clean-up;
- service calls;
- hazardous material storage and disposal procedures;
- start-up, testing, inspection and acceptance procedures; and
- safety concerns and other pertinent information procedures.

C. Progress Meetings - Once the installation starts, Contractor shall hold regular monthly (or more frequent) meetings or phone conferences with Portland to coordinate the work schedule, receiving material, report on the status of removal of hazardous waste, provide progress reports, discuss the progress of the job and other matters important to the successful completion of the project.

D. Operation and Maintenance Manuals - Contractor shall submit for review, prior to final inspection, one (1) complete copy, in 3-ring binder, and one (1) complete copy, electronically formatted, of the following:

1. Maintenance instructions and catalog data for each piece of equipment, plus any applicable maintenance instructions for the system(s);
2. Copies of all approved shop drawings;
3. Equipment warranties and certificates;
4. All operation and maintenance data.

6. Quality Assurance and Inspection.

A. Contractor shall use the best approved method for performing the work. Only good workmanship will be accepted, all other will be rejected. All items furnished shall be new items unless the Contract identifies reuse of existing items.

B. Contractor shall perform such detailed examination, inspection, tests, and quality surveillance of the Work as will ensure that the Work is progressing and is being completed in strict accordance with this Contract.

C. All Work shall at all times be subject to inspection by Portland. The Contractor acknowledges and agrees that such inspection is for purposes of approving payment alone and such inspection shall not be deemed to impose any duty or liability upon the City to supervise any aspect of or approve the quality of the Work.

7. Protection of Persons and Property.

A. Contractor shall take all reasonable precautions which are necessary to prevent bodily harm to persons and damage to any property or environment in connection with performance of the Work. Without limiting the generality of the foregoing, Contractor shall erect and maintain such barricades, signs, flags, and other safeguards as are required. Contractor agrees to abide by the safety policies and regulations of Portland, the Maine Department of Transportation, Central Maine Power and any other applicable laws, rules, regulations, and policies.

B. Subject to the warranties described herein, once the Project is finally accepted by Portland, Portland shall be responsible for and shall bear any and all risk of loss, deterioration, theft, vandalism, or destruction of or damage

to the Work and anything used (or to be used or consumed) in connection with the Work, including but not limited to Equipment, except to the extent such loss, theft, destruction or damage results from the sole negligence or willful misconduct of Contractor or its Support. Contractor shall work with the City to arrange for secured storage, enclosure or other protection of the Work and anything used (or to be used or consumed) in connection with the Work.

C. Unless otherwise specified in this Contract or directed, in writing, by Portland, all structures and other improvements damaged, altered or removed by Contractor or any of its Support in connection with the performance of the Work shall be repaired, replaced, or otherwise restored by Contractor at its expense to at least as good quality and condition as existed prior to such damaging, alteration, or removal.

D. Unless otherwise specified in this Contract or directed, in writing, by Portland, Contractor shall ensure that no utility (including all supply, disposal, distribution and communication systems, and all similar or related facilities, equipment, and other property) is damaged, removed or unreasonably interrupted by Contractor or any of its Support in connection with the performance of the Work. If Contractor requires the temporary shut off of any utility, Contractor shall request Portland's approval thereof at least twenty-four (24) hours in advance of the time it requires the shut off.

8. Environmental Considerations

A. Site Inspection

1. From the date of this Contract until the Work contemplated hereunder commences, Portland shall afford authorized representatives of Contractor reasonable access to the Premises for the purpose of inspecting the Work area in the Premises or Equipment Location (sometimes the "Site"). As reasonably requested by Contractor, Portland shall provide Portland personnel to accompany the representatives of Contractor and provide all material information with respect to the Site and existing or known Environmental Conditions (as defined in subparagraph 2 below) which are present on or at the Site.

2. The term "Environmental Condition" shall mean the presence of environmental contamination, including the presence of any of the following (collectively, "Hazardous Materials"): oil or other petroleum products; flammable explosives; asbestos and asbestos containing materials; polychlorinated biphenyls (PCBs); urea formaldehyde insulation; radioactive materials; hazardous wastes; fungus, mold, mildew, spores or other biological or microbial agents the presence of which may affect human health, impair occupancy or materially affect the utility of the Site or Premises; toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under the Hazardous Materials Laws (defined below) and/or other applicable environmental laws, ordinances or regulations, and tanks or containers whether regulated or not.

3. Hazardous Materials Laws, shall mean all federal, state and local laws, ordinances and regulations relating to Hazardous Materials ("Hazardous Materials Laws"), including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; any substance subject to the National Emissions Standard Hazardous Air Pollutants as found in 40 C.F.R. Part 61; and all comparable state and local laws, applicable laws of other jurisdictions or orders and regulations.

B. Environmental Condition Remediation; and Removal and Disposal of Florescent Lamps and Ballasts.

1. If Contractor encounters an Environmental Condition at the Premises (including the Site) which may interfere with the Work to be performed under this Contract, Contractor shall notify Portland and shall promptly

take any and all measures necessary to remove and properly dispose of the Hazardous Materials. Contractor shall be solely responsible for the costs and expenses associated with the removal of the Hazardous Materials necessary to provide the Work in this Contract.

2. Outdoor Trash Receptacles for cardboard, metal, and general rubbish shall be supplied and paid for by Contractor, as applicable, and Contractor shall be responsible for the proper disposal of all such materials.

9. General Requirements.

- A. In the event of any conflict with Contract Documents, applicable codes and ordinances shall take precedence over the requirements set forth in this Contract.
- B. Contractor shall cooperate at all times with Portland's staff in all matters concerning scheduling the work, unavoidable interference with Portland's normal working routine, access to work areas, placing and removing temporary barricades, and protection and other safety procedures. All work shall be scheduled with the approval of the City. Work shall not interfere unduly with City operations.
- C. Contractor shall notify Portland of any system deficiencies and repair costs promptly after the pre-construction survey. Contractor shall, at Portland's discretion and the City's expense, repair existing system deficiencies as required to produce a complete and operable system under a Change in the Work process. As a minimum, repairs to the system shall conform to the original standard of construction for the existing equipment.
- D. Installations shall be performed by skilled and certified technicians and trades people.
- E. Contractor shall confine all operations in the performance of the Work (including, but not limited to, storage, assembly, vehicle parking, ingress, egress, and movement of Equipment, materials, tools, and workers) to such areas and during such time periods as set forth in the Work Schedule and approved by Portland. Unless otherwise directed by Portland, acceptance and handling of Work materials shall be performed by Contractor. Storage of materials or tools for the work within a building shall be limited to areas approved by Portland. Outside storage will be permitted only when approved by Portland. Portland shall not be required to provide vehicle parking on the Premises or elsewhere.
- F. Contractor shall, and shall cause its Support to, keep the Work areas, and access to such areas, cleared of rubbish, refuse, and other debris, and in a reasonably neat, clean, and safe condition. Upon completion of Work each day, Contractor shall promptly remove all rubbish, refuse, and other debris and all of its equipment and surplus equipment and materials not to be used at or near the same location during later stages of the Work and make areas safe for conduct of business.

EXHIBIT C-10

CONTRACTOR'S CERTIFICATE OF LIABILITY INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/25/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Joseph J. Joyce Associates, Inc. 9 North Main Street Pittston PA 18640-0506	CONTACT NAME: Cheryl Fazio PHONE (A/C No. Ext): (570) 655-2831 FAX (A/C No.): (570) 655-4668 E-MAIL: cfazio@joyceinsurance.com ADDRESS: INSURER(S) AFFORDING COVERAGE NAIC # INSURER A: Crum and Forester Specialty Co INSURER B: Pennsylvania National Mutual 14990 INSURER C: Hartford Fire Insurance Company 19662 INSURER D: INSURER E: INSURER F:
INSURED The Efficiency Network Inc. 1501 Reedsdale Street Pittsburgh PA 15233	

COVERAGES

CERTIFICATE NUMBER: MASTER 17-18

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL SUBR INDR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC ☐ OTHER		SPK-118339	8/1/2017	8/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 Pollution Liability \$ 2,000,000
B	☒ AUTOMOBILE LIABILITY ANY AUTO ☐ SCHEDULED AUTOS ALL OWNED AUTOS ☐ NON-OWNED AUTOS HIRED AUTOS		A090731601	8/1/2017	8/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist combined \$ 1,000,000
A	☒ UMBRELLA LIAB EXCESS LIAB DED ☒ RETENTION \$ 0		SPK-100361	8/1/2017	8/1/2018	EACH OCCURRENCE \$ 9,000,000 AGGREGATE \$ 9,000,000
C	WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	44WEC190711	8/1/2017	8/1/2018	PER STATUTE ☐ OTHER ☐ EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability		SPK-118339	8/1/2017	8/1/2018	Each Occurrence \$2,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Proof of Insurance

CERTIFICATE HOLDER

CANCELLATION

**	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Cheryl Fazio/CRM

ACORD 25 (2014/01)

INS075 (01/14/01)

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EXHIBIT C-11

**CONTRACTOR'S REGISTRATION WITH
THE MAINE DEPARTMENT OF THE SECRETARY OF STATE**



MAINE

Department of the Secretary of State
Bureau of Corporations, Elections and Commissions

Corporate Name Search

Information Summary

[Subscriber activity report](#)

This record contains information from the CEC database and is accurate as of: Fri Sep 08 2017 13:23:11. Please print or save for your records.

Legal Name	Charter Number	Filing Type	Status
TEN CONNECTED SOLUTIONS, INC.	20170551 F	BUSINESS CORPORATION (FOREIGN)	GOOD STANDING

Filing Date	Expiration Date	Jurisdiction
02/27/2017	N/A	DELAWARE

Other Names (A=Assumed ; F=Former)

NONE

Clerk/Registered Agent

NORTHWEST REGISTERED AGENT LLC
415 CONGRESS STREET, STE 202A
PORTLAND, ME 04101

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EXHIBIT C-12

APPLICABLE REBATE INFORMATION: EFFICIENCY MAINE



Commercial & Industrial Prescriptive Program

Information for Qualified Partners

Lighting Solutions**

Effective 7/1/17 - 9/30/17*

Interior Lighting Measure Code	Measure Description	Measure Subcode	Incentive
S21	Recessed, Surface and Pendant-Mounted LED Downlight	N/A	\$10
S30	Refrigerated Case LED Light Fixture	N/A	\$30 per Door
S32	Refrigerated Case LED Horizontal Light Fixture	N/A	\$25 per Foot
S51	Space Lighting Design with New LED Luminaires	LED 2x2 Interior Fixture <40W	\$70
		LED 2x2 Interior Fixture ≥40W	\$70
		LED 2x4 Interior Fixture <50W	\$75
		LED 2x4 Interior Fixture ≥50W	\$75
		LED 1x4 Interior Fixture <40W	\$70
		LED 1x4 Interior Fixture ≥40W	\$70
S52	LED Retrofit Kits for Interior Luminaires	Integrated Retrofit Kit for LED 2x2 Interior Fixture	\$65
		Integrated Retrofit Kit for LED 2x4 Interior Fixture	\$65
		Integrated Retrofit Kit for LED 1x4 Interior Fixture	\$65
		Linear Retrofit Kit for LED 2x2 Interior Fixture	\$50
		Linear Retrofit Kit for LED 2x4 Interior Fixture	\$50
		Linear Retrofit Kit for LED 1x4 Interior Fixture	\$50
S61	High/Low Bay Design with New Fixtures	LED High/Low Bay Fixtures <100W	\$10
		LED High/Low Bay Fixtures ≥100- <150W	\$30
		LED High/Low Bay Fixtures ≥150- <200W	\$85
		LED High/Low Bay Fixtures ≥200- <300W	\$115
		LED High/Low Bay Fixtures ≥300W	\$185
S62	LED Retrofit Kits for High/Low Bay Fixtures	LED High/Low Bay Fixtures <150W	\$175
		LED High/Low Bay Fixtures ≥150W	\$225
S64	LED High/Low Bay Mogul Screw-Base Replacement Lamps for HID Lamps	Replacement Lamps Type A <50W	\$60
		Replacement Lamps Type A ≥50W	\$130
		Replacement Lamps for Low-Bay (Type B/C) <80W	\$150
		Replacement Lamps for Low-Bay (Type B/C) ≥80W	\$200
		Replacement Lamps for High-Bay (Type B/C) <120W	\$225
		Replacement Lamps for High-Bay (Type B/C) ≥120W	\$275
S81	Space Lighting Design with New LED Linear Ambient Luminaires	LED Linear Ambient Luminaire <50W	\$60
		LED Linear Ambient Luminaire ≥50 - <100W	\$100
		LED Linear Ambient Luminaire ≥100W	\$125
S110	LED T8 Replacement Lamps	Type A LED Lamp	\$5
		Type C LED Lamp	\$10

Efficiency Maine is the independent administrator for energy efficiency programs in Maine. Efficiency Maine's mission is to lower the cost and environmental impacts of energy in Maine by promoting cost-effective energy efficiency and alternative energy systems to help customers save electricity, natural gas and heating fuels throughout all levels of the Maine economy.

efficiencymaine.com

866-376-2463

6/23/2017 MEC:mrindPres

*This information sheet is updated quarterly. The next update period will be 10/1/2017-12/31/2017.

**See Measure Code Reference Guides by Solution for specific measure eligibility criteria.



Commercial & Industrial Prescriptive Program

Information for Qualified Partners

Lighting Solutions**

Effective 7/1/17 - 9/30/17*

Controls

Measure Code	Measure Description	Measure Subcode	Incentive
L50	Cooler Case Mounted Occupancy Sensor For LED Fixtures	N/A	\$30 per Door
L60	Fixture Mounted Occupancy Sensor	N/A	\$35
L70	Occupancy Sensors Remote Mounted Only	N/A	\$60
L71	Vacancy Sensors	N/A	\$30

Exterior Lighting

Measure Code	Measure Description	Measure Subcode	Incentive
S6	Outdoor LED Mogul Screw-Base Replacement Lamps for HID Lamps. Type B & C Only	Low Output (250-5,000 lm)	\$65
		Mid Output (>5,000-10,000 lm)	\$80
		High Output (>10,000 lm)	\$90
S8	LED Retrofit Kits for Streetlights, Parking Lot Lights and Fuel Pump Canopy Fixtures	<50W	\$100
		≥50-<100W	\$125
		≥100-<200W	\$175
		≥200W	\$200
S11	Outdoor Pole-Mounted LED Streetlight or Parking Lot Fixture	<50W	\$80
		≥50-<100W	\$130
		≥100-<250W	\$180
		≥250W	\$600
S13	Outdoor Wall-Mounted & LED Area Fixture (Wallpack)	N/A	\$100
S17	LED Canopy or Parking Garage Fixtures	<50W	\$70
		≥50-<80W	\$100
		≥80-<130W	\$75
		≥130W	\$70
S23	LED Flood and Spot Lights	LED Flood/Spot <50W	\$125
		LED Flood/Spot 50-100W	\$200
		LED Flood/Spot >100W	\$250

Efficiency Maine is the independent administrator for energy efficiency programs in Maine. Efficiency Maine's mission is to lower the cost and environmental impacts of energy in Maine by promoting cost-effective energy efficiency and alternative energy systems to help customers save electricity, natural gas and heating fuels throughout all levels of the Maine economy.

efficiencymaine.com

866-376-2463

6/23/2017MECommIndPres

*This information sheet is updated quarterly. The next update period will be 10/1/2017-12/31/2017.

**See Measure Code Reference Guides by Solution for specific measure eligibility criteria.

EXHIBIT C-13

TRANSFER OF OWNERSHIP FROM UTILITY TO PORTLAND INVENTORY

Refer to attached spreadsheet.

EXHIBIT C-14

PORTLAND OWNED INVENTORY (NO TRANSFER OF OWNERSHIP REQUIRED)

Refer to attached spreadsheet.



Finance Department
Brendan T. O'Connell, Director

MEMORANDUM

TO: Finance Committee (FC)

FROM: Brendan T. O'Connell - Finance Director,
Troy Moon – Sustainability Coordinator

DATE: September 22, 2017

SUBJECT: **Financing Recommendation – City Streetlights LED Conversion**

Executive Summary

In 2016 one of the City Council Common Goals for the Energy and Sustainability Committee was a plan to convert street lights to LED. City Council allocated funding (\$100,000 in FY17, \$500,000 in FY18) in each of the previous two rounds of Capital Improvement Plan project funding towards the conversion. In October, 2016 City staff released a request for proposals for LED streetlight conversion and selected The Efficiency Network Connected Solutions (“TCS”) to assist with the overall project. According to TCS, the overall project cost will be approximately \$8.6M. Furthermore, once all streetlights have been repurchased from Central Maine Power (“CMP”) and converted to LED the City will realize a savings of over \$900,000 per year – a combined reduction in kilowatt hours usage and removal of the lease/maintenance charges from our CMP bills.

To fund the project a total capital outlay of \$8.6M is required. A phased implementation approach is being recommended by City staff and the City Manager, with two \$4M phases in each of the next two years. This will help stagger the debt burden across multiple fiscal years and will also hedge against future replacement of all the LED lights being required at generally the same time. A 10-year, 2.05% municipal lease with Banc of America Public Capital Corp is being recommended for the financing. The interest rate is competitive, the lease will be subject to an annual appropriation clause by City Council, and the annual debt service costs from the lease will be more than offset if the savings projected by TCS are realized.

Additional Analysis - Cost of Streetlight Project

City staff has worked with TCS to develop a scope of work for the streetlight project that incorporates a variety of related lighting and smart cities projects to be implemented during the two phases of the project. The work assigned to each phase and its cost is highlighted below:

Preliminary work:

Purchase of CMP owned streetlight assets \$590,000 (predominantly already allocated CIP Funds)

Project Part 1:

CMP cobra head LED upgrade (new fixtures)	\$1,757,017
CMP flood and shoebox LED upgrade (new fixtures)	\$208,703
Fusing for CMP cobra heads, floods, and shoeboxes	\$343,901
Controls for CMP cobra heads, floods, and shoeboxes	\$544,694
Convert lighting in two parking garages to LED	\$62,633
Selected Smart City and lighting projects	\$1,083,052

These could include:

- Public Wi-Fi (approximately 100 locations)
- City Hall exterior lighting
- Athletic field lighting improvements
- Riverside GC solar charging station for golf carts
- Pilot project for decorative lighting
- Pilot emergency alert system using lights
- Tree trimming, pole painting, project contingency

Total Cost – Phase 1 **\$4,000,000**

Project Part 2:

CMP Holophane LED upgrade (50/50 retrofit/new)	\$421,077
CMP GE Town and Country LED upgrades (70/30 retrofit/new)	\$967,842
Portland decorative LED upgrades (50/50 retrofit/new)	\$602,422
Fusing for CMP Holophane and GE (not currently City owned)	\$71,998
Controls for all decorative lights	\$245,065
Selected Smart City and lighting projects	\$1,691,596

These could include:

- Public WiFi (between 150 – 300 additional locations)
- Athletic field lighting upgrades
- Intelligent traffic controls (Woodford Corner, Allen Corner)
- Electric vehicle charging stations
- Environmental sensors
- Tree trimming, pole painting, project contingency

Total Cost – Phase 2: **\$4,000,000**

Additional Analysis – Savings from Streetlight Project

TCS projects significant annual savings for the City of Portland once this project is completed. These savings result from a significant reduction in kilowatt hours used annually (i.e. the “generation” costs), a small

reduction in delivery costs (the cost charged by CMP to get their electricity to our locations) and a complete removal of the “equipment maintenance charge.” See Exhibit A below for complete breakdown.

Exhibit A – City of Portland Cost Savings Calculation as Provided by TCS

City of Portland - savings calculations

	kWh used prior to upgrade	cost breakdown	Old Rate (per kWh)	Old Cost to City (per yr)	New kWh post upgrade	New Rate (per kWh)	Post upgrade cost (/yr)
Portland CMP cobraheads	3,328,675	generation	\$0.05263	\$175,188	972,423	\$0.05263	\$51,179
		delivery	-	\$952,408		\$0.055332	\$53,806
		equip, maintnc				-	0
Portland decoratives	398,906	generation	\$0.05263	\$20,994	189,214	\$0.05263	\$9,958
		delivery	\$ 0.05529	\$22,057		\$0.055332	\$ 10,470
Portland Garages (2)	369,757	generation	\$0.05263	\$19,460	191,071	\$0.05263	\$10,056
		delivery	\$ 0.06	\$22,185		\$0.06	\$11,464
TOTALS:	4,097,338			\$1,212,293	1,352,708		\$146,933

Note: the \$0.05263/kWh rate is a blended rate, averaging the rates from Streetlight "A" (\$0.05835 from NextEra Energy) and "B" (\$0.469 from Constellation)

Potential Savings: **\$1,065,360**

- the \$0.055293 per kWh is from CMP rate SL, section 2, 'Delivery only'

- the \$0.055332 per kWh is the new CPM tariff rate, effective July 1, 2017 from CMP rate SL, section 2, 'Delivery only'

- the parking garage rate of "\$0.06" rate is estimated; TBD by CMP

As the Finance Director for the City and a practicing CPA professional skepticism must always be used over information provided by third parties. The reduction in kilowatt hours post-conversion to LED streetlights is backed up by a) our existing data from CMP, b) statistical / manufacturer information from the streetlight hardware chosen by TEN and City staff and, c) a full 10 year manufacturer's warranty for the street lights to be installed. In relation to the overall annual savings the total generation costs are relatively minor and we are confident they will be realized. Although the savings in dollars related to generation is relatively minor, the total reduction in kilowatt hours is incredibly significant and should be highlighted as a major potential success of the project as this helps the City achieve its stated goal of conserving energy and reducing greenhouse gas emissions.

The major savings from this project hinges on the total elimination of the nearly \$1M annual “lighting equipment” charge being levied on the City of Portland by CMP. According to TEN and our Sustainability Coordinator Troy Moon, the approximately \$952k annual charge will no longer appear on City utility bills from CMP after the City repurchases all of our own streetlights from CMP. The savings will be easy to measure as it is separately stated on all of our utility bills (see Exhibit B below for example).

Although the City will no longer receive the “lighting equipment charge” on our utility bills, the City will also no longer receive “equipment maintenance” services from CMP and will be required to maintain our own streetlights. This may require a contract with a third-party vendor but after the initial conversion failure rate of LED streetlights is projected by TCS to be very low. Finally, it is worth noting that CMP is a utility, which may set their charges to offset their cost of doing business. Although the City will no longer be paying the \$952k in “equipment maintenance charges” the loss of that revenue at CMP will need to be incorporated into their future charges and the City may see their share of increases. Without consideration of these additional costs, TCS has projected the City will see an annual operating savings of \$1,065,320.

Exhibit B – Sample City of Portland CMP Bill

ST LIGHTS	12/30/16	11/28/16	32		
Account Summary					
Prior balance					\$0.00
Payments received through 01/04/17				\$0.00+	\$0.00
Balance forward					
New charges					
Electricity Delivery: Central Maine Power (see detail below)				\$2,552.26+	
Electricity Supply: NextEra Energy Services ME LLC (see page 3)				\$637.42+ - electricity	\$3,189.68
Total new charges					
Current Account Balance:				Please pay before 01/31/17	\$3,189.68

Central Maine Power Delivery Service Account Detail

Prior balance for Central Maine Power delivery				\$0.00	
Payments received				\$0.00+	\$0.00
Balance forward					
Current delivery charges					
Delivery Charges: Street Lights					
Sodium Enclosed 70W	222 units @	\$10.20			
Delivery Service	222 units @	\$1.88		\$417.36+	
Lighting Equipment	222 units @	\$8.32		\$1,847.04+	
Sodium Enclosed 100W	2 units @	\$11.28			
Delivery Service	2 units @	\$2.54		\$5.08+	
Lighting Equipment	2 units @	\$8.74		\$17.48+	
Sodium Flood 250W	2 units @	\$17.99			
Delivery Service	2 units @	\$5.92		\$11.84+	
Lighting Equipment	2 units @	\$12.07		\$24.14+	
Sodium Cut Off 70W	21 units @	\$10.92			
Delivery Service	21 units @	\$1.88		\$39.48+	
Lighting Equipment	21 units @	\$9.04		\$189.84+	
Delivery Service Charge				\$473.76+ - Delivery	
Lighting Equipment Charge				\$2,078.50+ - Equipment	
Total current delivery charges					\$2,552.26
Central Maine Power account balance					\$2,552.26

As demonstrated on the example bill, the lighting equipment charge of \$2,078.50 accounts for about 65% of the monthly streetlighting cost. This cost will no longer be assessed once the City purchases the existing lighting equipment.

Specifics – Municipal Lease Finance Recommendation and Annual Debt Service Costs

City staff solicited financing proposals from several different vendors and Bank of America had the lowest interest rate proposal for the project – 10 years at a fixed 2.05%. Under the scenario as provided to the vendor, the City would finance the first \$4M of the project in October 2017, with the first annual lease payments not due until FY19, subject to approval of the FY19 budget by City Council. The total cost of the first \$4M lease in the FY19 through FY28 operating budgets would only be approximately \$446k annually, significantly less than the overall \$1.065M project savings projections from TEN. Keep in mind, due to the phased approach of this project, a second \$4M lease would be brought to City Council in FY19, and that lease would add an additional \$450-\$550k in annual debt service costs to future City budgets (depending on interest rates). In

total, it is estimated that the \$8M of leases would add between \$900k and \$1M to the City operating budgets for each of the next 10 years. However, these lease payments are less than the projected annual savings from TEN.

Bank of America has provided a term sheet for the finance package with the following amortization plan for repayment over the course of ten years. Please note that it calls for semi-annual payments so there would be two payments per year. (Total of 20)

Sample 10 Year Amortization

Total Project Costs	4,000,000.00
Repayment Term (semi-annual)	20
Interest Rate	2.050%
Closing/Funding Date (est.)	10/20/17
Average Life	5.679

Pmt. No.	Year No.	Payment Date	Funding Amount	Payment Amount	Interest Portion	Principal Portion	Outstanding Balance
0		10/20/2017	4,000,000.00				4,000,000.00
1	1	7/15/2018		223,284.32	60,361.11	162,923.21	3,837,076.79
2	1	1/15/2019		223,284.32	39,330.04	183,954.28	3,653,122.51
3	2	7/15/2019		223,284.32	37,444.51	185,839.81	3,467,282.70
4	2	1/15/2020		223,284.32	35,539.65	187,744.67	3,279,538.03
5	3	7/15/2020		223,284.32	33,615.26	189,669.05	3,089,868.98
6	3	1/15/2021		223,284.32	31,671.16	191,613.16	2,898,255.81
7	4	7/15/2021		223,284.32	29,707.12	193,577.20	2,704,678.62
8	4	1/15/2022		223,284.32	27,722.96	195,561.36	2,509,117.26
9	5	7/15/2022		223,284.32	25,718.45	197,565.87	2,311,551.39
10	5	1/15/2023		223,284.32	23,693.40	199,590.92	2,111,960.47
11	6	7/15/2023		223,284.32	21,647.59	201,636.72	1,910,323.75
12	6	1/15/2024		223,284.32	19,580.82	203,703.50	1,706,620.25
13	7	7/15/2024		223,284.32	17,492.86	205,791.46	1,500,828.79
14	7	1/15/2025		223,284.32	15,383.50	207,900.82	1,292,927.97
15	8	7/15/2025		223,284.32	13,252.51	210,031.81	1,082,896.16
16	8	1/15/2026		223,284.32	11,099.69	212,184.63	870,711.53
17	9	7/15/2026		223,284.32	8,924.79	214,359.53	656,352.00
18	9	1/15/2027		223,284.32	6,727.61	216,556.71	439,795.29
19	10	7/15/2027		223,284.32	4,507.90	218,776.42	221,018.87
20	10	1/15/2028		223,284.32	2,265.44	221,018.87	0.00
				4,465,686.36	465,686.36	4,000,000.00	

Cash Flow Analysis:

As indicated, project savings will cover the annual finance costs and should allow some additional savings in the operational budget during the life of the lease agreement. TCS ran a cash flow analysis which demonstrates a comparison of savings versus financing costs. The financing scenario assumes phase two projects would be financed over nine years instead of ten so that the entire project is paid off in ten years and that the interest rate for Phase 2 is comparable to the 2.05% offered by Bank of America for Phase 1.

YEAR	PROJECT SAVINGS				PROJECT FINANCING COSTS			NET CASHFLOW
	UTILITY SAVINGS	UTILITY SAVINGS	TRANSFER OF OWNERSHIP	GUARANTEE D DOLLAR SAVINGS AMOUNTS	DEBT SERVICE PHASE 1	DEBT SERVICE PHASE 2	TOTAL DEBT SERVICE	
	PART 1	PART 2	SAVINGS ⁽²⁾					
Year 1	\$210,983	\$0	\$738,439	\$949,422	(\$446,472)	0	(\$446,472)	\$502,950
Year 2	\$215,202	\$107,601	\$753,208	\$1,076,011	(\$446,472)	(\$491,232)	(\$937,704)	\$138,308
Year 3	\$219,506	\$109,753	\$768,272	\$1,097,532	(\$446,472)	(\$491,232)	(\$937,704)	\$159,828
Year 4	\$223,896	\$111,948	\$783,638	\$1,119,482	(\$446,472)	(\$491,232)	(\$937,704)	\$181,779
Year 5	\$228,374	\$114,187	\$799,310	\$1,141,872	(\$446,472)	(\$491,232)	(\$937,704)	\$204,168
Year 6	\$232,942	\$116,471	\$815,297	\$1,164,709	(\$446,472)	(\$491,232)	(\$937,704)	\$227,006
Year 7	\$237,601	\$118,800	\$831,603	\$1,188,004	(\$446,472)	(\$491,232)	(\$937,704)	\$250,300
Year 8	\$242,353	\$121,176	\$848,235	\$1,211,764	(\$446,472)	(\$491,232)	(\$937,704)	\$274,060
Year 9	\$247,200	\$123,600	\$865,199	\$1,235,999	(\$446,472)	(\$491,232)	(\$937,704)	\$298,295
Year 10	\$252,144	\$126,072	\$882,503	\$1,260,719	(\$446,472)	(\$491,232)	(\$937,704)	\$323,015
TOTAL	\$2,310,201	\$1,049,609	\$8,085,704	\$11,445,514	(\$4,464,719)	(\$4,421,087)	(\$8,885,806)	\$2,559,709

As indicated, project savings exceed costs by over \$2.5 million over the life of the lease. If the savings attributed to the project fail to materialize, TCS has agreed to reimburse the City for the amount of the shortfall as part of its guaranteed savings contract.

This project offers the City an excellent opportunity to improve public safety by improving the overall quality of light in the City while conserving energy and financial resources. We would be happy to answer any questions you may have about it.

MEMORANDUM
City Council Agenda Item

FROM:

DATE: October 22, 2018

SUBJECT: **Order 98-18/19 Amendment to Portland City Code Chapter 14 Re: Impact Fees - Sponsored by the Planning Board, Sean Dundon, Chair and the Economic Development Committee, Council Justin Costa, Chair.**

SPONSOR: Sean Dundon, Chair, Planning Board (voted 7-0 on 10/9/18 to recommend adoption to the City Council), and
Justin Costa, Chair, Economic Development Committee (voted 3-0 on 10/16/18 to recommend to the City Council)

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/05/2018

Final Action 11/19/2018

Can action be taken at a later date: No No. Prompt action will allow for timely implementation of the impact fee ordinance.

PRESENTATION: Sean Dundon, Planning Board Chair, and/or Justin Costa, Economic Development Committee Chair, and Jeff Levine, Director of Planning & Urban Development, will make a five-minute presentation.

I. ONE SENTENCE SUMMARY

The Planning Board and Economic Development Committee have both unanimously recommended the proposed impact fee ordinance and associated amendments to Chapter 14, Division 30, which would require development to pay impact fees to cover the cost of expanding parks and recreation, transportation, and wastewater infrastructure capacity, as a means of streamlining the development review process and planning for sustainable future growth.

II. AGENDA DESCRIPTION

The Planning Board met on October 9, 2018 and voted unanimously (7-0) to forward this item to the City Council with a recommendation for passage. The Economic Development Committee met on October 16, 2018 and voted unanimously (3-0) to forward this item to the City Council with a recommendation for passage.

In response to a recommendation in the City's recently adopted comprehensive plan, *Portland's Plan*, the Department of Planning & Urban Development, in collaboration with the Department of Public Works and the Department of Parks, Recreation, and Facilities, has developed a draft impact fee ordinance for consideration by the Council. The ordinance was drafted based on the Maine state impact fee statute; guidance from the former Maine State Planning Office; review with Corporation Counsel, the Department of Permitting and Inspections, and Finance; as well as examples from comparable communities both in Maine and nationwide. The ordinance not only establishes a schedule for parks and recreation, transportation, and wastewater impact fees, under which development would pay the cost of infrastructure improvements necessary to accommodate that development, but also addresses issues critical to the administration of impact fees.

A minor edit to Division 30 (Affordable Housing) of the City's land use code to provide a fee reduction for

affordable housing is also proposed. The ordinance was unanimously recommended by both the Planning Board and the Economic Development Committee at hearings in mid-October.

This item must be read on two separate days. This item was given a first reading on November 5, 2018. Five affirmative votes are required for passage after public comment.

III. BACKGROUND

Portland's Plan, the City's comprehensive plan, lays a strong foundation for future growth in the city over the next ten years. The plan speaks to where and how growth should occur and suggests mechanisms for funding growth-related improvements. Among these recommendations, Portland's Plan proposes impact fees – one-time fees charged to development to pay for the infrastructure necessary to accommodate that development. Perceived through this lens, impact fees are fundamentally about planning for smart and sustainable growth in the city – a way to help ensure that there is adequate park, recreation facility, and trail capacity; multi-modal transportation capacity; and wastewater capacity to allow the city to grow as envisioned in Portland's Plan.

The City's Planning Division, with the assistance of the Department of Public Works and the Department of Parks, Recreation, and Facilities, began the process of exploring a city-wide system of impact fees in the late winter of this year. In the time since, the Impact Fee Study has produced both draft fees and a draft ordinance, which have been shared and revised over multiple iterations. Altogether, the Impact Fee Study has been reviewed at two meetings of an informal stakeholder group convened for the study, three workshops of the Economic Development Committee, two workshops of the Planning Board, and one workshop of the City Council.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

Establishing development impact fees is one of the Economic Development Committee's 2018 goals. As noted above, the proposed impact fee ordinance, as unanimously recommended by both the Planning Board and the Economic Development Committee, would support sustainable growth as envisioned in Portland's Plan and establish a predictable, equitable, and efficient means of addressing growth-related impacts to infrastructure in the City of Portland.

V. FINANCIAL IMPACT

The City currently requires mitigation of project impacts through the development review process. For reference, an internal staff audit shows that, as mitigation of impacts for site plans approved between May of 2013 and May of 2018, the Planning Board and/or the Planning Authority required infrastructure contributions totaling just over \$1 million, although it should be noted that this figure does not include in-kind work completed by developers, easements or parkland dedications, and some substantial contributions yet to come, including that from the Portland Company redevelopment. The staff audit of infrastructure contributions over the past five years indicates that projects are generally not fully mitigating their impacts and allowing the City's plan for growth to be implemented in a timely fashion. As a result, the backlog of needed infrastructure projects increases without a financial plan to adequately fund the work. In comparison, the impact fee consultant's impact fee revenue projections, assuming growth as projected in Portland's Plan and based on existing trends, show a ten-year total of \$3.6 million for parks, \$13.3 million for transportation, and \$6.4 million for wastewater.

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis and Background that will not appear in the Agenda Description.

VII. RECOMMENDATION

On October 9, 2018, the Planning Board held a public hearing to review the final draft impact fee ordinance and proposed amendment to Division 30. At that hearing the Board voted unanimously (7-0) to find the ordinance and amendment consistent with the City's comprehensive plan and recommend adoption to the City Council.

On October 16, 2018, the Economic Development Committee held a public hearing to review the final draft impact fee ordinance and proposed amendment to Division 30. At that hearing, the Committee voted unanimously (3-0) to recommend the ordinance to the City Council.

VIII. LIST ATTACHMENTS

1. Chapter 14 Impact Fees 11.5.2018
2. Impact Fee City Council Report

Prepared by: Jennifer Munson, Office Manager

Date: 10/22/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE CHAPTER 14
RE: IMPACT FEES**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

1. *That Chapter 14, Section 14-485 hereby amended to read
as follows:*

Sec. 14-485. Definitions.

...

Development fees means:

- (a) The following fees, as described in this chapter: site plan review and inspection fees; subdivision review and inspection fees; impact fees; and administrative fees; and
- (b) Construction and permit fees as described in Chapter 6. "Development fees" does not include any fees charged for reviews conducted by a party other than the city.

...

2 *That Chapter 14 of the Portland City Code is hereby amended by adding an Article to be numbered Article XVII, Sec. 14-1004 to 14-1017, which said sections reads as follows:*

ARTICLE XVII

14- 1004. Authority.

This article is enacted pursuant to the authority of 30-A M.R.S. § 4354 and 30-A M.R.S. § 3001.

14-1005. Purpose.

The purpose of these impact fee provisions is to ensure that new development in the City of Portland bears a proportional or

reasonably-related share of the cost of new, expanded, or replacement infrastructure necessary to service that development through:

(a) The payment of impact fees dedicated to funding improvements made necessary by development; or

(b) The construction of improvements as provided for herein.

14-1006. Applicability.

The following shall be subject to impact fees, with the exception of municipal buildings, which shall be considered exempt.

(a) Any new building or addition to existing buildings which results in net new residential dwelling units, non-residential building square footage, or water/wastewater meters; and

(b) Any change of use which results in a net increase in impact fee per Section 14-1007(f).

14-1007. Calculation of Impact Fee.

(a) In General. Impact fees shall be calculated based on the impact fee schedule in effect at the time of submittal of a complete application for a building permit.

(b) Determination of Use. The determination of the applicable land use category in the impact fee schedule shall be made by the Department of Permitting and Inspections with reference to the City of Portland's most recent *Impact Fee Study*. If the proposed development is of a type not listed in the impact fee schedule, then the impact fees applicable to the most nearly comparable type of land use listed in the impact fee schedule shall be used.

(c) Mixed Use Development. In the event that there is more than one use within a building, impact fees shall be calculated separately for each use.

(d) Redevelopment. In calculating the impact fee for a new building that involves the full or partial demolition of a building housing an existing, legally established use or uses, such new building shall be credited with an amount equal to the fee that would have been charged to the use or uses which occupied the structure at the time of demolition permit. If the

impact fee calculation for the post-development condition is greater than the credit, the applicant shall pay the difference. If the impact fee calculation for the post-development condition is less than the credit, then the applicant shall not be required to pay an impact fee. The City shall not grant credits for demolitions for which a permit was issued more than 12 months prior to the complete application for a building permit.

TABLE 14-1007(e)1: Parks & Recreation and transportation impact fee schedule¹

<u>Land Use Type</u>	<u>Unit of Measure</u>	<u>Parks/Recreation Impact Fee</u>	<u>Transportation Impact Fee</u>
<u>Single-family/Two-family</u>	<u>per unit</u>	<u>\$1,126</u>	<u>\$2,159</u>
<u>Multi-family (3+ units)</u>	<u>per unit</u>	<u>\$752</u>	<u>\$1,023</u>
<u>Retail/Service</u>	<u>per 1,000 SF GFA</u>	<u>\$534</u>	<u>\$8,248</u>
<u>Office</u>	<u>per 1,000 SF GFA</u>	<u>\$677</u>	<u>\$2,800</u>
<u>Industrial</u>	<u>per 1,000 SF GFA</u>	<u>\$363</u>	<u>\$1,130</u>
<u>Institutional</u>	<u>per 1,000 SF GFA</u>	<u>\$645</u>	<u>\$3,082</u>
<u>Hotel/Motel</u>	<u>per room</u>	<u>\$875</u>	<u>\$2,404</u>

¹ Land use types included in the impact fee schedule correspond to those in the City's most recent Impact Fee Study.

(e) Building Additions.

In calculating the impact fee for building additions, each developed property shall be credited with an amount equal to the fee that would have been charged to the existing use at the time of the addition of floor area. If the impact fee calculation for the post-development condition is greater than the credit, the applicant shall pay the difference. If the impact fee calculation for the post-development condition is less than the credit, then the applicant shall not be required to pay an impact fee.

TABLE 14-1007(e)2: WASTEWATER IMPACT FEE SCHEDULE

<u>Meter Size</u>	<u>Capacity Ratio</u>	<u>Impact Fee</u>
<u>5/8 inch</u>	<u>1.00</u>	<u>\$1,886</u>
<u>3/4 inch</u>	<u>1.50</u>	<u>\$2,829</u>
<u>1 inch</u>	<u>2.50</u>	<u>\$4,715</u>
<u>1 1/2 inches</u>	<u>5.00</u>	<u>\$9,430</u>
<u>2 inches</u>	<u>8.00</u>	<u>\$15,088</u>
<u>3 inches</u>	<u>16.00</u>	<u>\$30,176</u>
<u>6 inches</u>	<u>50.00</u>	<u>\$94,300</u>
<u>8 inches</u>	<u>80.00</u>	<u>\$150,880</u>

(f) *Changes of Use.* In calculating the impact fee for changes of use, each developed property shall be credited with an amount equal to the fee that would have been charged to the existing use at the time of application for building permit. If the impact fee calculation for the proposed use is greater than the credit, the applicant shall pay the difference. If the impact fee calculation for the proposed use is less than the credit, then the applicant shall not be required to pay an impact fee. The City shall not grant credits for uses which have been discontinued for a period of 12 months or more prior to the complete application for a building permit.

14-1008. Annual Adjustment of Impact Fee.

To account for inflation, there shall be an automatic annual increase in the impact fee schedule reflected in this article every January 1 based on the change in the construction cost index as published by *Engineering News Record*. The fee adjustment shall be calculated by dividing the index amount published on January 1 of the current year by the index amount published on January 1, 2018 and multiplying the resulting ratio by each fee amount. Annual adjustments shall be made available for public reference.

14-1009. Modification of Impact Fees.

(a) A required impact fee may be modified, in whole or in part, by formal vote of the Planning Board in cases when an applicant is otherwise before the Planning Board, or by the Planning Authority in all other cases, if the reviewing authority finds that:

1. The developer or property owner who would otherwise be responsible for the payment of the impact fee voluntarily agrees to make infrastructure improvements for which the impact fee would be collected or an equivalent improvement approved by the reviewing authority; or

2. The developer or property owner is required, as part of a development approval by the City or a state or federal agency, to make or to pay for infrastructure improvements for which the impact fee would be collected or an equivalent improvement.

Credit amounts shall be determined based on plans, details, and cost estimates for the proposed infrastructure improvements for which the credit is requested. Such plans, details, and cost estimates shall be prepared by a licensed professional engineer and submitted at the time of site plan, subdivision, or building permit application. The applicant shall pay for any third-party review of plans, details, or cost estimates. On-site or immediately adjacent improvements providing direct service to a site as required under subdivision or site plan regulations shall not be considered eligible under this section.

(b) The Planning Board may by formal vote modify the payment of a required impact fee, in whole or in part, if it finds that documentation is provided to demonstrate that a proposed use will impose no or substantially-reduced demands on capital facilities for which impact fees have been adopted. Such documentation shall be prepared by a licensed professional engineer and include a written analysis of the demand for capital facilities generated by the proposed use based on industry standards and the most recent *Impact Fee Study*. Documentation shall be submitted at the time of site plan, subdivision, or building permit application. The applicant shall pay for any third-party review of plans, details, or cost estimates.

14-1010. Reduction in Fees For Affordable Housing.

Any residential development including low-income or workforce housing units and qualifying as an eligible project under Division 30 shall receive a reduction of fees in accordance with Section 14-486.

14-1011. Collection of Impact Fee.

The City of Portland shall not issue any certificate of occupancy required under the Land Use Code until the applicant has paid any impact fees required by this article.

14-1012. Segregation of Impact Fees from General Revenues.

Impact fees collected pursuant to this article shall be maintained in separate, non-lapsing impact fee accounts for each of the facilities for which impact fees are assessed, and shall be segregated from the City's general revenues. These accounts shall be dedicated for funding of the improvements for which the fee is collected, as determined through the City's most recent *Impact Fee Study*. Funds from these accounts shall be distributed to City departments solely for the purpose of capital projects identified in the City of Portland's most recent *Impact Fee Study*.

14-1013. Use of Impact Fees.

Impact fees collected by the City pursuant to this article may be used only for financing facility improvements which the City Council, through the City of Portland's most recent *Impact Fee Study*, has determined are made necessary by new development. The City Council has determined that fees imposed by schedules in this article are reasonably related to the demands created by new development. Impact fees collected pursuant to this article shall be used exclusively for capital improvements, and the City of Portland shall expend funds collected from impact fees solely for the purposes for which they were collected.

14-1014. Refund of Unused Impact Fees.

Impact fees collected pursuant to this article shall be used by the City according to the schedules for the completion of specific capital improvements as specified in the City of Portland's most recent *Impact Fee Study*, but in no event later than ten years after the date upon which the impact fee was collected. Any impact fees which are not so used and any impact fees collected which exceed the City's actual costs of implementing the infrastructure improvements for which such fees were collected shall be refunded. Refunds shall be paid to the owner of record of the property for which the impact fee was collected, determined as of the date the refund is made.

14-1015. Review and Revision.

The impact fees established in this article are based upon the best estimates of the costs of the construction of the facilities for which the fees are collected as determined through the City's most recent *Impact Fee Study*. The Council may, by amendments to this article, change the amounts of the impact fees from time to time as warranted by new information or changed circumstances.

14-1016. Administrative Rules and Regulations.

The Planning Board is hereby authorized to develop rules and regulations governing the administration of impact fees collected pursuant to this article.

14-1017. Effective Date.

The provisions of this article shall apply to all building permit applications submitted following the effective date of this article, with the exception that any development for whom site plan approval has been granted at the time of the effective date of this article shall be considered exempt. Master Development Plan approval prior to the effective date shall not confer exempt status.

CITY COUNCIL REPORT FROM PLANNING BOARD PORTLAND, MAINE



Impact Fee Ordinance - Amendments to Chapter 14 of the City Code City of Portland, Applicant

Submitted to: Portland City Council First Reading: November 5, 2018 Second Reading: November 19, 2018	Prepared by: Portland Planning Board Date: October 22, 2018
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I. INTRODUCTION

Portland's Plan, the City's comprehensive plan, lays a strong foundation for future growth in the city over the next ten years. The plan speaks to where and how growth should occur and suggests mechanisms for funding growth-related improvements. Among these recommendations, *Portland's Plan* proposes impact fees – one-time fees charged to development to pay for the infrastructure necessary to accommodate that development. Perceived through this lens, impact fees are fundamentally about planning for smart and sustainable growth in the city – a way to help ensure that there is adequate park, recreation facility, and trail capacity; multi-modal transportation capacity; and wastewater capacity to allow the city to grow as envisioned in *Portland's Plan*.

The City's Planning Division, with the assistance of the Department of Public Works and the Department of Parks, Recreation, and Facilities, began the process of exploring a city-wide system of impact fees in the late winter of this year. In the time since, the *Impact Fee Study* has produced both draft fees and a draft ordinance, which have been shared and revised over multiple iterations. Altogether, the *Impact Fee Study* has been reviewed at two meetings of an informal stakeholder group convened for the study (see list of members in *Attachment 1*), three workshops of the Economic Development Committee, two workshops of the Planning Board, and one workshop of the City Council.

On October 9, 2018, the Planning Board held a public hearing to review the final draft impact fee ordinance. At that hearing, the Board voted unanimously (7-0) to find the ordinance consistent with the City's comprehensive plan and recommend adoption to the City Council. Similarly, on October 16, 2018, the Economic Development Committee held a public hearing to review the final draft impact fee ordinance. The Committee voted unanimously (3-0) to recommend the ordinance to the City Council.

2. FEE SCHEDULE

In late September, the Planning Division, with its consultant, TischlerBise, presented a draft set of parks and recreation, transportation, and wastewater impact fee calculations to the Planning Board, the Economic Development Committee, and the full City Council. These fee calculations were based on an analysis of projected growth and the cost of infrastructure improvements necessary to accommodate that growth. As of October 19, TischlerBise has documented the methodology and assumptions for all fee calculations in a final report for the *Impact Fee Study* (*Attachment 2*).

It should be noted that these fees represent the second formal draft of the impact fee calculations, as the initial fee calculations, prepared in July, were revised based on feedback from the study's stakeholder group. It should also be noted that, in addition to gathering feedback on the second draft fee calculations from the Economic Development Committee, Planning Board, and City Council in late September, staff has shared the calculations with the stakeholder group and offered to meet with members of the group to review and discuss. No formal written comments on the revised fees were received from the stakeholder group.

WHAT ARE IMPACT FEES?

What are impact fees?

Impact fees are charges paid by new development to fund the cost of providing municipal facilities to serve that development. This idea is premised on the concept that when development occurs, it can bring many benefits, but it also affects the existing infrastructure around it by adding more cars, bikes, and pedestrians to the streets, increasing sewer and stormwater flows into City systems, and infusing additional visitors into the City's parks and open spaces. In turn, these facilities require additional capital investment to provide sufficient capacity to accommodate new growth. As a result of this thinking, impact fees are widely used throughout the United States. Impact fees have been used in some communities in the United States for the past 50+ years.

Where are impact fees?

Although impact fees are particularly common in U.S. states that have experienced rapid population growth in the west and south, they are found in the majority of states nationwide. Concord and Manchester, NH have impact fees, as does Burlington, VT. In Maine, the legislature laid the foundation for impact fees with the Comprehensive Planning and Land Use Regulation Act of 1987. In the time since, communities across the state, mostly in southern Maine, have developed and implemented impact fee ordinances.

How may impact fees be used?

The uses of impact fees vary widely, depending on state enabling legislation, but in all cases impact fees **may only be used on capital projects to construct, expand, or replace infrastructure required to serve new development**. In Maine, impact fees may be used for transportation projects, public safety facilities, sewer and water systems, parks and open space, and school improvements. **Impact fees may not be used to pay for operations or maintenance, and may not be used to address existing deficiencies in these systems.**

How are impact fees generally derived?

Regardless of where impact fees are used, courts have established that there must be a rational nexus and rough proportionality between the type and scale of development and the fee imposed. Per guidance from the former Maine State Planning Office, "the expansion of the facility and/or service must be necessary and must be caused by the development; the fees charged must be based on the costs of the new facility/service apportioned to the new development; and the fees must benefit those who pay." Given these standards, in order for impact fees to be charged, a community must conduct an analysis that identifies growth-related infrastructure costs and apportions those costs to projected development, often by development type, on a square foot, unit, or per trip basis.

At the workshops in late September, staff received a number of questions and comments on the proposed second draft fees. These included the following:

A. How do the fees proposed in the ordinance relate to the 'true' cost of growth?

As discussed above, an original set of maximum defensible fee calculations was developed in the early summer of this year, based on estimated replacement costs and Capital Improvement Plan (CIP) requests, with the assistance of Parks, Recreation, and Facilities and DPW staff. The first draft fees were subsequently shared with the *Impact Fee Study* stakeholder group in late July. As a product of feedback from this group, staff, working with the consultant, made several modifications to the calculations' underlying assumptions. Some of these were necessary given shifting expectations about future facility expansion (e.g. eliminating the Expo from the parks and recreation fee calculations, modifying the wastewater fee credit to include future payments on debt service for existing stormwater projects). Other modifications were a product of a desire to bring the fee to a more tenable level (e.g. elimination of parks vehicles from the fee calculations, changes in assumptions about growth's share of infrastructure costs, changes in assumptions regarding outside funding for projects). Because these modifications were made, the second draft fees are lower and will not go as far as the original fees in terms of planning for future growth. However, it is expected that the fees will generate more revenue than is currently being collected in mitigation from development review projects.

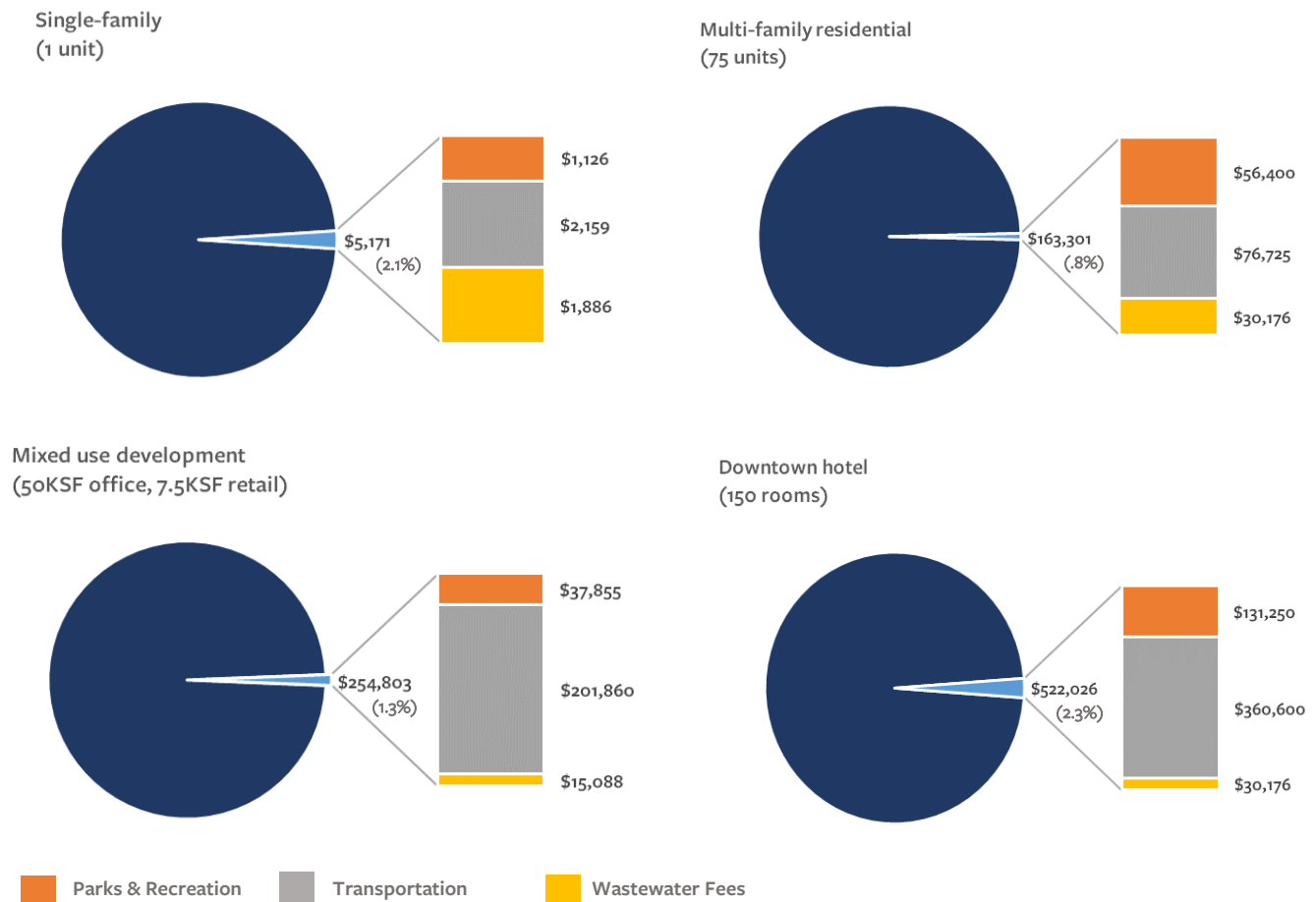


Figure 1: Proposed impact fees as a proportion of total estimated development costs (Note that wastewater fees are based on an estimated meter size.)

B. How will the fees as presented affect development costs? Will the fees have a disproportionate impact on small developments?

Following the development of the second draft fees, staff engaged Colliers International to examine six common development types in the City of Portland and analyze how these fees would affect projected returns on investment (*Attachment 3*). This analysis showed that the effect on returns would generally be fairly minimal across the six development types modeled and that, in all cases studied, the cost of fees represents a nominal percentage of total development costs (less than 2.5%, see *Figure 1*). As the fee is designed to be proportional, this is generally true of both large and small projects.

C. How do fees compare to what projects pay in mitigation now?

The City currently requires mitigation of project impacts through the development review process. As a product of this process, developers often make in-kind physical improvements. In other cases, developers are required to make financial infrastructure contributions proportionate to their impacts. These contributions are held in separate infrastructure accounts until they can be drawn down to pay for improvements identified through the review process. For reference, an internal staff audit shows that, as mitigation of impacts for site plans approved between May of 2013 and May of 2018, the Planning Board and/or the Planning Authority required infrastructure contributions totaling just over \$1 million. (It should be noted that this figure does not include in-kind work completed by developers, easements or parkland dedications, and some substantial contributions yet to come, including that from the Portland Company redevelopment.) In comparison, TischlerBise's impact fee revenue projections, assuming growth as projected in *Portland's Plan* and based on

existing trends, show a ten-year total of \$3.6 million for parks, \$13.3 million for transportation, and \$6.4 million for wastewater.

None of these questions related to fee calculations or fee levels were deemed to necessitate modifications to the second draft fees as proposed. As a result, the parks and recreation, transportation, and wastewater fees presented to the Planning Board, EDC, and full Council in late September have remained unchanged in the final draft impact fee ordinance presented here.

3. PROPOSED IMPACT FEE ORDINANCE

The proposed impact fee ordinance (*Attachment 4*) was developed based on the state impact fee statute; guidance from the former Maine State Planning Office; review with Corporation Counsel, the Department of Permitting and Inspections, and Finance; as well as examples from comparable communities both in Maine and nationwide. The ordinance addresses not only the technical requirements of the statute but issues critical to the administration of impact fees, including:

- A. *Applicability.* The proposed ordinance is written such that any development on a site that generates an increase in impact would be subject to impact fees. This would include new buildings; additions to existing buildings which result in net new residential units, non-residential square footage, or wastewater meters; and all changes of use which result in a net increase in impact per the impact fee schedule.
- B. *Impact fee schedule and basic guidelines for the calculation of the fee.* The proposed ordinance includes impact fee schedules, as well as language designed to clarify methods for calculating fees for mixed-use development, redevelopment, additions, and changes of use. It should be noted that, for typical infill development and changes of use, the ordinance grants credits for existing uses at time of application.
- C. *Provisions for the modification of the fee amount.* The proposed ordinance has been written to allow modifications to fee amounts in two instances:
 - a. The ordinance permits the Planning Board or Planning Authority to grant a credit against required impact fees for any infrastructure improvements made by a developer which are either related or equivalent to the projects for which impact fees are being collected. In these cases, the developer or applicant is required to provide cost estimates, prepared by a license professional engineer, and pay for any third-party review required. Typical site plan improvements, such as sidewalks along a site frontage, are not considered eligible for credits.
 - b. Likewise, the proposed ordinance allows the Planning Board to grant credits against required impact fees for developers that can provide evidence that a proposed use will have no or significantly-diminished demands on the capital facilities for which impact fees are being collected. As above, the developer is required to provide documentation and pay for any required third-party reviews.
- D. *Fee reductions for affordable housing.* The proposed ordinance includes a reference to Division 30, which establishes a schedule for fee reductions for affordable housing developments. It should be noted that this reference necessitates a minor amendment to Division 30, designed to extend affordable housing fee reductions to impact fees, which is also proposed here (*Attachment 5*). The concept of this fee reduction is a response to concerns regarding the effects of impact fees on the production of affordable housing, an explicit goal of *Portland's Plan*. It should be noted that any fee reduction granted through the ordinance must be 'made whole' with funds from another source. In addition, it should be noted that state statute speaks directly to the concept of an affordable housing waiver for wastewater impact fees; however, it is silent on the issue more broadly. Guidance from the former State Planning Office contemplates fee waivers in a more general sense, suggesting that, in cases where a municipality has concerns regarding affordable housing development, that municipality use funds from an alternate source to subsidize impact fees for affordable housing. Corporation Counsel has provided a memo speaking to the question of use-specific waivers or carve outs, including those for affordable housing (*Attachment 6*).

- E. Administration of funds.* The proposed ordinance includes language authorizing the Planning Board to develop rules and regulations regarding the administration of the impact fee system. The language also speaks explicitly to the timing of impact fee collection, accounting procedures, and procedure for refunds as necessary. Fees would be assessed at the time of building permit to provide predictability for developers and paid at the time of certificate of occupancy to more closely link the fee payment with the incidence of impacts.

In addition to addressing statutory requirements and administrative matters, where necessary, the final proposed ordinance also attempts to respond to questions raised by Planning Board members and Councilors in the late September workshops. These included:

- A. How do the impact fee land use categories align with the categories in the land use code?*
The land use categories represented in the impact fee schedules are purposefully designed to be broad. As part of their contract, TischlerBise will formalize a table categorizing existing uses from the land use code into impact fee categories. Should a future proposed land use not fit the impact fee structure, the impact fee ordinance provides discretion to the Department of Permitting and Inspections, who will collect the impact fees, to assign the impact fees “applicable to the most nearly comparable type of land use listed in the impact fee schedule.”
- B. How would refunds work?*
Under the draft ordinance, if a project were not to go forward, refunds would be made to all current holders of properties for which impact fees have been collected, proportionate to that property’s share of the impact fee revenue received for that project. Staff is currently discussing accounting for impact fees, including mechanisms for handling future refunds should they become necessary, with Permitting and Inspections and Finance.
- C. Is there a way to exempt small projects?*
Communities sometimes have ‘carve outs’ or exemptions built into their impact fee ordinances. However, fundamentally, fees must meet an equal protection test, and every carve out essentially undermines the fundamental premise that projects have impacts on system capacity, and to be equitable, the fee must be charged in a manner proportionate to those impacts, regardless of the project type. A memo from Corporation Counsel has been provided to address this issue (*Attachment 6*). No small project exemptions have been proposed.
- D. How often should impact fees be revisited?*
TischlerBise has recommended a reassessment approximately every five years. The proposed ordinance does not specify a timeline, but explicitly allows for changes in the fee schedule “from time to time as warranted by new information or changed circumstances.”
- E. What would the effective date be and how would impact fees be ‘phased in?’*
As written, the proposed ordinance would apply to all building permit applications submitted following the effective date of the ordinance, with the exception of building permits associated with a site plan approved as of the effective date. The rationale behind this approach is that any project that has received site plan approval as of the ordinance’s adoption would have included an assessment of mitigation under the existing site plan review system.

4. DISCUSSION OF THE IMPACT FEE APPROACH

In addition to the technical questions on the fees and ordinance as noted above, the September workshops elicited a number of broader questions about impact fees. These included the following:

A. How do impact fees work in other places?

Generally, impact fees are promoted as an equitable way to address infrastructure demand associated with new growth, as well as a way to add predictability to the development review process. In addition, impact fees are often supported as a means of achieving some measure of economic efficiency; with impact fees, fee payers see direct economic benefit in terms of infrastructure investments that support their development, as well as indirect benefits in terms of predictability in the permitting process and clarity in municipal capital infrastructure planning. As a result, impact fees have been used in the United States for the past fifty years, and are found in a majority of states nationwide. In Maine, impact fees are used in a number of communities, including York, Berwick, North Berwick, Scarborough, Saco, Windham, Gorham, Freeport, Brunswick, Lewiston, and Pownal. A comparison of fees across Maine is included in *Attachment 7*.

B. What happens if the market slows?

With parks impact fees, which are based on an incremental expansion model, the City is obligated to spend only what it collects to maintain levels of service as the community grows. With the transportation and wastewater fees, however, the City is obligated to construct the improvements for which the fee is collected regardless of how much money the City collects in sum total. This means that, should the City underperform when it comes to growth projections, the General Fund/Sewer Fund would need to cover a larger share of those capital projects than anticipated in the fee calculations. If the City overperforms, more capital projects would need to be added to the transportation and wastewater capital project lists (since even more capacity would be needed in these systems than assumed during the *Impact Fee Study*.) With both the transportation and wastewater projects, the capital project lists are based on existing CIP requests, ranked in terms of readiness, so as to avoid overextending the Department of Public Works. (For reference, altogether, the transportation capital projects included in the *Impact Fee Study* represent a total City cost of \$27 million over the next ten years, of which \$15 million is attributable to growth. The remainder would fall to the City's General Fund. In comparison, the City's FY2018 CIP includes \$8.3 million in transportation projects.) It is also important to note that DPW has stated that it has prioritized the construction of all of the projects on the transportation and wastewater capital lists over the next ten years regardless of the implementation of an impact fee system.

C. How would impact fees affect land values or housing prices?

Throughout the *Impact Fee Study*, there have been numerous discussions about the interaction between impact fees, property values, and taxes. Brendan O'Connell, the City's Finance Director, and Christopher Huff, the City's Assessor, have prepared a memo to address broad questions about the increased tax revenue generated by recent development and how this relates to the City's financial picture more broadly (*Attachment 8*). With respect to the incidence of fees, studies have generally shown that, depending on market conditions, the cost of fees can be absorbed by the primary land owner, the developer, or the end consumer, and is often distributed across all three. Staff has prepared a memo to respond to the housing question in particular (*Attachment 9*).

D. How would fees apply to structured parking?

Because conventional transportation planning does not consider parking facilities to generate their own trips (instead, the land uses associated with parking are considered to generate trips), structured parking would not be assessed a transportation impact fee under the proposed impact fee ordinance. In response to concerns about this approach, both staff and TischlerBise attempted to find research that quantifies induced demand associated with parking garages (i.e. the demand that could be attributed to a garage alone, and not the associated land uses). Finding no quantitative analysis on which to base calculations, it is difficult to

develop an impact fee for garages without running the risk of double counting – charging a garage and associated land uses for the same trips. As a result, staff has maintained the original approach with respect to structured parking.

E. How does the fee structure align with broader multi-modal and Transportation Demand Management (TDM) objectives?

Because the capital projects which are the foundation of the transportation fee are all multi-modal - they are designed to create capacity by adding sidewalks, pedestrian lighting, bike lanes and paths, crosswalks and ADA accessibility, transit accommodations, and signal improvements that enhance efficiency - the transportation fee has been designed around the concept of person trips, trips taken by people associated with a land use regardless of mode. This means that some of the incentives built into the site plan process around shifting modes are not an option with the impact fee. It should be noted that this does not mean that those incentives will not continue to exist during the site plan process, when applicants are required to justify their proposed parking arrangement and, in many cases, develop a Transportation Demand Management plan. In addition, and as noted above, the proposed impact fee ordinance would allow the City to make physical multi-modal infrastructure improvements, which are of course critical in terms of supporting TDM and a broader range of transportation options in the city.

F. Will impact fees have unintended consequences with respect to the City's broader policy objectives?

Impact fees are intended as a fair and equitable system for addressing public infrastructure improvements necessary to accommodate growth. For this reason, guidance from both the former State Planning Office and Corporation Counsel is clear that the idea of structuring or restructuring fees around particular land use policy goals should be approached carefully. Jen Thompson, Associate Corporation Counsel, writes,

The focus in an impact fee ordinance should be on accurately assessing the true impacts of development on capital facilities and assessing fees that are directly tied to that impact. When fees are preferentially imposed on particular kinds of development are excepted from fees based on other policy goals rather than on the impact of those uses on infrastructure, a municipality runs the risk of undermining the "nexus" that is established to justify the fee. Further, and as with all fees imposed by government, where similar uses have similar impacts it's important to take care that fees and regulations are being applied equally. If distinctions in applicability are going to be made, it is important that the reasons for treating one group differently than another are well-articulated and sound.

G. How would an impact fee system relate to the City's existing site plan ordinance, Traffic Movement Permit (TMP) process, and system for addressing mitigation?

A clear advantage of impact fee systems is that they lend predictability, equity, and efficiency to the development review process. By and large, the proposed impact fee system would replace the existing negotiation that occurs around mitigation through the City's site plan ordinance. It is assumed that some analysis required under site plan review would continue to occur (e.g. in projects that trigger a TMP, traffic analysis is still expected, for instance), and that projects might continue to make off-site improvements in cases when those improvements are necessary for a project to proceed. In these cases, credits could be applied against the impact fee category for which such improvements are made. However, in general, the impact fee would generally replace the final step in the development review process whereby mitigation is assessed.

5. CONSISTENCY WITH *PORTLAND'S PLAN*

As noted above, the proposed impact fee ordinance is a direct product of *Portland's Plan*. The plan calls for an investigation into the “potential of a more robust framework for assessing development-related impacts” in the city to “generate additional funding [for facilities and services], while also adding clarity and predictability to existing [review] procedures” (*Portland's Plan*, 67).

Maybe more importantly, however, the proposed impact fee ordinance is also a means to achieving the vision of *Portland's Plan*. The transportation projects associated with the *Impact Fee Study* are about building multi-modal capacity in our nodes and on our corridors so that those targeted areas can continue to support sustainable growth. The expansion of our parks and facility capacity under an impact fee system is about providing access to these facilities and “connecting the chain” as our population increases. And the building of capacity in our wastewater system to accommodate growth will help ensure that we can meet the environmental goals contained in *Portland's Plan*.

6. PUBLIC COMMENT

It should be noted that, in addition to feedback received through the stakeholder group, staff has received four written public comments on the proposed impact fee ordinance (*Attachment 10*). These comments raise questions about how the ordinance would align with the City's smart growth goals, the treatment of parking garages, comparable communities with impact fees, how impact fees might hinder development, the stakeholder group, and how a fee system would be implemented. Similar questions were raised verbally in the Planning Board workshops and hearing. Answers to these questions are generally addressed above.

7. PLANNING BOARD and ECONOMIC DEVELOPMENT COMMITTEE RECOMMENDATIONS

On October 9, 2018, the Planning Board considered the proposed impact fee ordinance and associated amendments to Division 30 in a public hearing. At this hearing, the Planning Board voted 7-0 as follows:

On the basis of the application, plans, reports and other information submitted by the applicant, findings and recommendations contained in the Planning Board Report for the public hearing on October 9, 2018, and on the basis of the testimony presented at the public hearing, the Planning Board finds that the proposed Impact Fee Ordinance and amendment to Division 30 are consistent with Portland's Plan and therefore recommends adoption of these amendments to the City Council.

On October 16, 2018, the Economic Development Committee considered the proposed impact fee ordinance and associated amendments to Division 30 in a public hearing. At this hearing, the Economic Development Committee voted 3-0 to recommend the proposed ordinance to the City Council.

8. ATTACHMENTS

1. List of Stakeholder Group members
2. Impact Fee Study, TischlerBise, 10/3/18
3. Portland Impact Fee Analysis, Colliers International, 9/20/18
4. Proposed Impact Fee Ordinance
5. Proposed Amendments to Division 30
6. Memo from Jennifer Thompson, Associate Corporation Counsel, 10/4/18
7. Comparable Fee Study, TischlerBise
8. Impact Fee – Questions and Answers from Finance Director & Assessor, 8/12/18
9. Memo on Affordability Analysis, Jeff Levine, Director of Planning & Urban Development, 10/17/18
10. Public Comment

***IMPACT FEE STUDY* STAKEHOLDER GROUP MEMBERS**

Quincy Hentzel	Chamber of Commerce
Paul Peck	Chamber of Commerce
Tim Soley	East Brown Cow
Vin Veroneau	J.B. Brown
Brad Fries	Northland Enterprises
Erin Cooperrider	New Height Group
Jonathan Culley	Redfern Properties
Tyler Norod	AVESTA
Mike Barton	Congress Group
Sarah Michniewicz	Bayside Neighborhood Association
James Loeber	India Street Neighborhood Association
Tom Hambrick	Stroudwater Village Association
Sean Dundon	City of Portland Planning Board
Greg Mitchell	City of Portland Economic Development
Chris Hall	Greater Portland Council of Governments



2018 Impact Fee Study

Prepared for:

City of Portland, Maine

October 19, 2018

Prepared by:

TischlerBise

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October, 2018

IMPACT FEE STUDY

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EXECUTIVE SUMMARY

Impact fees are one-time payments for new development's proportionate share of the capital cost of infrastructure. The following study addresses the City of Portland's Parks & Recreation, Transportation, and Wastewater facilities. Impact fees do have limitations and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive funding strategy to ensure provision of adequate public facilities. Impact fees may only be used for capital improvements or debt service for growth-related infrastructure. They may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies.

State of Maine Impact Fee Enabling Legislation

In 1987, impact fee enabling legislation was approved into Maine law when the Legislature enacted the Comprehensive Planning and Land Use Regulations Act of 1987. The statutory requirements for impact fees can be found in Title 30-A MRSA, Section 4354.

Additional Legal Guidelines

Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is the protection of public health, safety, and welfare by ensuring development is not detrimental to the quality of essential public services. The means to this end are also important, requiring both procedural and substantive due process. The process followed to receive community input (i.e. stakeholder meetings, work sessions, and public hearings) provides opportunities for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an "essential nexus" between the exaction and the interest being protected (see *Nollan v. California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard*, OR, 1994), the Court ruled that an exaction also must be "roughly proportional" to the burden created by development.

There are three reasonable relationship requirements for impact fees that are closely related to "rational nexus" or "reasonable relationship" requirements enunciated by a number of state courts. Although the term "dual rational nexus" is often used to characterize the standard by which courts evaluate the validity of impact fees under the U.S. Constitution, TischlerBise prefers a more rigorous formulation that recognizes three elements: "need," "benefit," and "proportionality." The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the

U.S. Supreme Court in the Dolan case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to cover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The Nollan decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle likely applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the Dolan case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development (e.g. persons per household).

A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. The calculation of impact fees should also assume that they will be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the state enabling legislation requires that facilities funded with fee revenues be available exclusively to development paying the fees. In other words, benefit may extend to a general area including multiple real estate developments. Procedures for the earmarking and expenditure of fee revenues are discussed near the end of this study. All of these procedural as well as substantive issues are intended to ensure that new development benefits from the impact fees they are required to pay. The authority and procedures to implement impact fees is separate from and complementary to the authority to require improvements.

Proposed Maximum Defensible Impact Fee Methodologies

The impact fees are based on the actual level of service for Parks & Recreation, Transportation, and Wastewater facilities. The Parks & Recreation components includes parks, trails, and recreational facilities. The Parks Impact Fee is calculated for residential, nonresidential, and hotel development. It has been determined that along with residents, workers and visitors to Portland increase the demand on park & recreational facilities, thus the impact from nonresidential land uses and hotels needs to be offset. The Transportation and Wastewater fees are allocated to all residential and nonresidential development. A summary of methodologies used in the analysis is provided in Figure 1.

Figure 1. Summary of Impact Fee Methodologies

Fee Category	Service Area	Incremental Expasion	Plan-Based	Cost Recovery	Cost Allocation
Parks and Recreation	Citywide	Parks, Trails, Recreation Facilities	N/A	N/A	Population
Transportation	Citywide	N/A	Multimodal Facilities and Signals	N/A	Person Trips
Wastewater	Citywide	N/A	Wastewater Distribution and Treatment Facilities	N/A	Meter Size

Maximum Defensible Impact Fees

Figure 2 provides a schedule of the maximum defensible impact fee for Parks & Recreation, Transportation, and Wastewater. The fees represent the highest defensible amount for each type of residential and nonresidential unit, which represents new growth's fair share of the cost for capital facilities. To differentiate between housing units, two housing types are included: Single Family/Two-family and Multifamily. Housing types have varying household sizes and, consequently, a varying demand on City infrastructure and services. Thus, it is important to differentiate between housing types and size. A streamlined approach is used for nonresidential developments. This approach has no size thresholds. As a result, developments of the same type are evaluated the same.

The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 2. Maximum Defensible Impact Fee

Development Type	Parks & Rec	Transportation	Wastewater
Residential (per housing unit/per water meter)			
Single Family/Two-Family	\$1,126	\$2,159	\$1,886
Multifamily	\$752	\$1,023	\$1,886
Nonresidential (per 1,000 square feet/per water meter)			
Retail & Services	\$534	\$8,248	\$4,715
Office	\$677	\$2,800	\$4,715
Industrial	\$363	\$1,130	\$4,715
Institutional	\$645	\$3,082	\$4,715
Accommodation (per hotel room/per water meter)			
Hotel	\$875	\$2,404	\$4,715

Note: a 5/8 inch meter is shown for residential development and a 1 inch meter is shown for nonresidential development, however, the wastewater fee will be assessed based on the development's meter size.

GENERAL METHODS FOR IMPACT FEES

There are three general methods for calculating impact fees. The choice of a particular method depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each method has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss three basic methods for calculating impact fees and how those methods can be applied to City of Portland.

Cost Recovery Method (past improvements)

Although not used in City of Portland, the rationale for recoupment, or cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.

Incremental Expansion Method (concurrent improvements)

The City of Portland Park and Recreation Impact Fee uses the incremental expansion method to document current level-of-service (LOS) standards for the infrastructure types included in the study, using both quantitative and qualitative measures. This approach assumes there are no existing deficiencies or surplus in infrastructure capacity. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments to keep pace with development.

Plan-Based Method (future improvements)

The Transportation and Wastewater Impact Fees use the plan-based method to allocate costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two basic options for determining the cost per demand unit: 1) total cost of a public facility can be divided by total service units (average cost), or 2) the growth-share of the public facility cost can be divided by the net increase in service units over the planning timeframe (marginal cost).

Evaluation of Possible Credits

Regardless of the methodology, a consideration of “credits” is integral to the development of a legally defensible impact fee methodology. There are two types of “credits” with specific characteristics, both of which should be addressed in impact fee studies and ordinances. The first is a credit due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of

infrastructure covered by the impact fee. This type of credit is integrated into the impact fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for construction of system improvements. This type of credit is addressed in the administration and implementation of the impact fee program.

Please note, calculations throughout this report are based on an analysis conducted using MS Excel software. Results are discussed in the memo using one- and two-digit places (in most cases). Figures are typically either truncated or rounded. In some instances, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

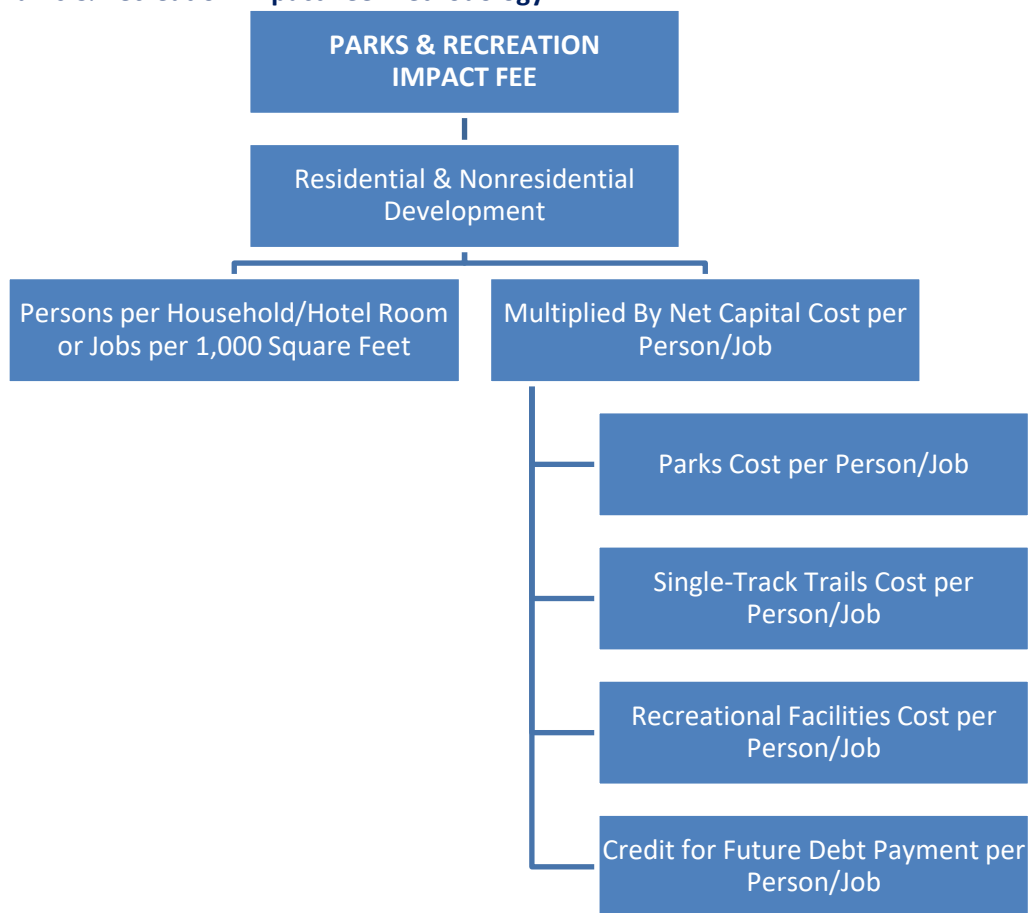
PARKS & RECREATION FACILITIES IMPACT FEE

The Parks & Recreation Impact Fee is based on the incremental expansion methodology. The impact fee methodology assumes the City will construct additional recreation improvements to serve future growth to maintain current levels of service incrementally over time. Parks and recreation capital improvements are allocated to residential, nonresidential, and hotel development. Furthermore, a credit is necessary to avoid double payments towards current debt obligations for park improvements. There are four components to the Parks & Recreation Impact Fee:

- Parks
- Single-Track Trails
- Recreational Facilities
- Credit for Future Debt Payments

Figure 3 diagrams the general methodology used to calculate the Parks & Recreation Impact Fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The Parks & Recreation Impact Fee for residential development is derived from the product of persons per housing unit (by type of unit) multiplied by the net capital cost per person. The fee for nonresidential development is derived from the product of jobs per 1,000 square feet multiplied by the net capital cost per job. The fee for hotel development is derived from the product of persons per hotel room multiplied by the net capital cost per person. The boxes in the next level down indicate detail on the components included in the fee.

Figure 3. Parks & Recreation Impact Fee Methodology



Parks & Recreation Level of Service and Cost Factors

The Parks & Recreation Impact Fee is based on an inventory of existing citywide parks and current values of recreation improvements and land in the City's park system. The use of existing standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure. Facilities and costs have been provided by the City of Portland staff.

An important aspect when determining the demand on City facilities is the additional demand from seasonal and visitor populations. From the Maine Office of Tourism, the Greater Portland and Casco Bay region saw 5.4 million visitors in 2016. As a result, it is not just permanent residents that are having an impact on facilities. In response, City infrastructure and operating service levels are sized to accommodate not just permanent residents, but seasonal residents and visitors as well. **In this analysis, peak population includes permanent residents, seasonal residents, and visitors (day and overnight visitors).** Further explain and calculations can be found in Appendix A.

To determine the demand on facilities from residential and nonresidential development, a days-of-impact proportionate share calculation is conducted. The proportionate share is based on cumulative impact days per year, with the peak population (residents and visitors) potentially impacting parks and recreation facilities 365 days per year and inflow commuters potentially impacting parks and recreation facilities 250 days per year (5 days per week multiplied by 50 weeks a year). Workers that live within the City are included in the peak population total.

Shown in Figure 4, residential and hotel development in the City accounts for 72 percent of the impact on park and recreational facilities. As a result of workers using park facilities, such as during break and lunch, nonresidential development accounts for 28 percent of the impact on facilities.

Figure 4. Impact Days Proportionate Share

Peak Population ¹	Inflow Commuters	Cumulative Impact Days per Year			Cost Allocation for Parks	
		Residential/Hotel ²	Nonresidential ³	Total	Residential/Hotel	Nonresidential
82,049	47,245	29,948,016	11,811,250	41,759,266	72%	28%

1. Includes permanent residents, seasonal residents, and visitors

2. Days per Year = 365

3. Days per Year = 250 (5 Days per Week x 50 Weeks per Year)

Source: U.S. Census Bureau, OnTheMap 6.1.1 Application and LEHD Origin-Destination Employment Statistics.

Current Inventory of Parkland and Improvements

Figure 5 lists the current inventory of parkland and park improvements in the City of Portland. There are 44.8 acres of neighborhood parks and 271.5 acres of destination parks. Every park is open to all the residents, workers, and seasonal and visitor populations. Included in the figure are average replacement costs for parkland and park improvements. This allows for a total replacement cost to be calculated.

Figure 5. Current Inventory of Parkland and Improvements

Park	Acres	Athletic Field	Baseball Field	Basketball Courts	Community Gardens	Dog Park Area	Multi-Purpose Field	Pickleball Courts	Picnic Tables	Playgrounds	Pools	Skate Park	Softball Fields	Splashpads	Tennis Courts	Volleyball
Neighborhood Parks																
Marada Adams Park	0.5									1.0						
Barrows Park/Sundial Park	0.5															
Bedford Park	0.5															
Belmeade Park	0.3								1.0							
Boyd Street Community Garden	1.8				1.0											
Clark Street Park	0.3									1.0						
Clark Street Community Garden	0.1				1.0											
City Acres Ballfield, Peaks Island	3.0		1.0													
Fessenden Park	0.5															
Fort Allen Park	5.0															
Fort Gorges	2.0															
Fort Sumner Park	1.3								3.0							
Fox Field	4.6	1.0		2.0					1.0	1.0						
Great Diamond Island Park	0.6									1.0						
Harbor View Memorial Park	4.8								1.0							
Heseltine Park	1.0								1.0	1.0						
Lincoln Park	2.0															
Longfellow Park	0.4															
Munjoy South	0.7			1.0						1.0						
Nason's Corner Park	2.6		1.0				1.0			1.0						
Oakleigh Park	1.3		1.0													
Peppermint Park	0.4									1.0				1.0		
Pleasant Street Park	0.7			1.0						1.0						
Post Office Park	0.2															
Quaker Park	0.8															
Stone Street Playground	0.2									1.0				1.0		
Stroudwater Park 1	0.8															
Stroudwater Park 2	1.0															
Stroudwater Playground	0.1									1.0						
Taylor Street Park	0.6			1.0						1.0						
Tommy's Park	0.2															
Trinity Park	0.1															
Trott Little John Park	4.5				1.0	1.0										
Tyng Tate Park	0.3			1.0						1.0						
Winslow Park	1.6															
Destination Parks																
Back Cove Park	34.0	1.0								1.0						
Deering Oaks Park	55.0		1.0	2.0			1.0	4.0	6.0	1.0				1.0	8.0	2.0
Dougherty Field	18.5	2.0	3.0		1.0					1.0	1.0	1.0	1.0	1.0		
Eastern Promenade Park	78.0		1.0	1.0	2.0				4.0	1.0			1.0		3.0	
Payson Park	48.0	1.0	2.0	1.0	1.0				3.0	1.0			2.0	1.0	4.0	
Riverton Trolley Park	19.0		1.0													
Western Promenade	19.0				1.0	1.0			2.0							
TOTAL	316.3	5.0	11.0	10.0	8.0	2.0	2.0	4.0	22.0	18.0	1.0	1.0	4.0	5.0	15.0	2.0
Average Replacement Cost	\$59,172	\$350,000	\$175,000	\$45,000	\$30,000	\$50,000	\$175,000	\$45,000	\$750	\$175,000	\$2,000,000	\$350,000	\$175,000	\$30,000	\$45,000	\$45,000
Total Replacement Cost	\$18,716,104	\$1,750,000	\$1,925,000	\$450,000	\$240,000	\$100,000	\$350,000	\$180,000	\$16,500	\$3,150,000	\$2,000,000	\$350,000	\$700,000	\$150,000	\$675,000	\$90,000

Source: City of Portland Parks and Recreation

Park Level of Service & Cost Analysis

To calculate the current level of service, the existing parkland acreage (316.3) is allocated to residential and nonresidential demand based on the percentage split of impact days. The residential park acres are divided by the current peak population of Portland (83,250) to calculate the level of service per person. The nonresidential park acres are divided by the current jobs in the City (67,270) to calculate the level of service per job. As a result, there are 2.74 parkland acres per 1,000 persons and 1.32 acres per 1,000 jobs.

Shown in Figure 6, the total value of park land is \$18,716,104 and park improvements are valued at \$12,126,500. The replacement costs are summed and divided by the acreage to find the cost per acre (\$97,511). The cost per person and cost per job factors are calculated by applying the level of service factors to the total replacement cost per acre (i.e. 2.74 acres per 1,000 persons x \$97,511 per acre = \$267 per person, rounded).

Figure 6. Parks Level of Service & Cost Analysis

Land Replacement Cost	\$18,716,104	Total Park Acres	316.3
Improvement Replacement Cost	\$12,126,500	Total Replacement Cost	\$30,842,604
Total Replacement Cost	\$30,842,604	Replacement Cost per Park Acre	\$97,511

Source: City of Portland Parks and Recreation; Assessor's Office

Residential Level-of-Service (LOS) Standard

Share of Impact Days	72%
Share of Park Acres	227.7
2018 Peak Population	83,250
LOS: Acre per 1,000 Persons	2.74

Nonresidential Level-of-Service (LOS) Standard

Share of Impact Days	28%
Share of Park Acres	88.6
2018 Jobs	67,270
LOS: Acre per 1,000 Jobs	1.32

Cost Analysis

Replacement Cost per Acre	\$97,511
LOS: Acre per 1,000 Persons	2.74
Replacement Cost Per Capita	\$267

Cost Analysis

Replacement Cost per Acre	\$97,511
LOS: Acre per 1,000 Jobs	1.32
Replacement Cost Per Job	\$129

Park Growth-Related Needs

To estimate the 10-year growth needs for parks, the current level of service (2.74 acres per 1,000 persons and 1.32 acres per 1,000 jobs) is applied to the population and job growth projected for the City of Portland. The City's peak population is projected to increase by 4,279 and the City's employment is projected to increase by 6,890 jobs over the next ten years (see Appendix A). Listed in Figure 7, there will need to be a total of 337.7 acres of parkland in the City to accommodate the growth, which results in a need of 20.8 new acres. By applying the average cost of improvements to parkland (\$97,511 per acre), the total expenditure for the growth is calculated (20.8 acres x \$97,511 = \$2,028,229).

Figure 7. 10-Year Parkland Needs to Accommodate Growth

Type of Infrastructure		Level of Service		Acres	Demand Unit		Unit Cost / Acre
Parks	Residential	2.74			per 1,000 persons		
	Nonresidential	1.32			per 1,000 jobs		\$97,511

Growth-Related Need for Park Improvements						
Year		Population	Jobs	Residential Acres	Nonresidential Acres	Total Acres
Base	2018	83,250	67,270	228.1	88.8	316.9
Year 1	2019	83,678	67,959	229.2	89.7	318.9
Year 2	2020	84,106	68,648	230.4	90.6	321.0
Year 3	2021	84,534	69,337	231.6	91.5	323.1
Year 4	2022	84,962	70,026	232.7	92.4	325.1
Year 5	2023	85,390	70,715	233.9	93.3	327.2
Year 6	2024	85,818	71,404	235.1	94.3	329.4
Year 7	2025	86,246	72,093	236.3	95.2	331.5
Year 8	2026	86,673	72,782	237.4	96.1	333.5
Year 9	2027	87,101	73,471	238.6	97.0	335.6
Year 10	2028	87,529	74,160	239.8	97.9	337.7
Ten-Year Increase		4,279	6,890	11.7	9.1	20.8
Projected Expenditure				\$1,140,879	\$887,350	\$2,028,229

Growth-Related Expenditure on Park Improvements						\$2,028,229
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Trail Inventory and Level of Service

There are two distinct trails in Portland: Multiuse and Single-track. Multiuse trails are wide, paved trails that allow for a variety of activities to occur simultaneously (i.e. walking, biking, skateboarding). Single-track trails are unpaved trails that are only used for walking. After consultation with City staff, multiuse trails are considered a multimodal transportation facility, so they are included in the Transportation Impact Fee and not the Parks and Recreation Fee.

To calculate the current level of service for single-track trails, the existing trail length (36.2 miles) is allocated to residential and nonresidential demand based on the percentage split of impact days. The residential trail miles are divided by the current peak population of Portland (83,250) to calculate the level of service per person. The nonresidential trail miles are divided by the current jobs in the City (67,270) to calculate the level of service per job. As a result, there are 0.31 trail miles per 1,000 persons and 0.15 miles per 1,000 jobs.

The average cost per mile (\$15,000) has been provided by the City of Portland Parks and Recreation staff. The replacement cost per person and replacement cost per job factors are calculated by applying the level of service factors to the average replacement cost per mile. For example, the cost per person is \$5 (0.31 miles per 1,000 persons x \$15,000 per mile = \$5 per person, rounded).

Figure 8. Trails Level of Service & Cost Analysis

Trail	Single-Track Trail (miles)
Citywide Passive Trails	36.2
Total	36.2

Source: City of Portland Parks and Recreation

Residential Level-of-Service (LOS) Standard

Share of Impact Days	72%
Share of Trail Miles	26.1
2018 Peak Population	83,250
LOS: Miles per 1,000 Persons	0.31

Nonresidential Level-of-Service (LOS) Standard

Share of Impact Days	28%
Share of Trail Miles	10.1
2018 Jobs	67,270
LOS: Miles per 1,000 Jobs	0.15

Cost Analysis

Costs per mile	\$15,000
LOS: Miles per 1,000 Persons	0.31
Replacement Cost per Person	\$5

Cost Analysis

Costs per mile	\$15,000
LOS: Miles per 1,000 Jobs	0.15
Replacement Cost per Job	\$2

Trail Growth-Related Needs

To estimate the 10-year growth needs for single-track trails, the current level of service (0.31 miles per 1,000 persons and 0.15 miles per 1,000 jobs) is applied to the population and employment growth projected for the City of Portland. The City's peak population is projected to increase by 4,279 and the City's employment is projected to increase by 6,890 jobs over the next ten years (see Appendix A). As shown Figure 9, an additional need of 2.3 miles of new single-track trails will be demanded by new development. By applying the average cost of trail improvements (\$15,000 per mile) the total expenditure for the growth is calculated (2.3 miles x \$15,000 per mile = \$34,500).

Figure 9. 10-Year Single-track Trail Needs to Accommodate Growth

Type of Infrastructure	Level of Service		Demand Unit	Unit Cost / Mile
Trails	Residential	0.31	per 1,000 persons	\$15,000
	Nonresidential	0.15	per 1,000 jobs	

Growth-Related Need for Trail Improvements						
Year		Population	Jobs	Residential Miles	Nonresidential Miles	Total Miles
Base	2018	83,250	67,270	25.8	10.1	35.9
Year 1	2019	83,678	67,959	25.9	10.2	36.1
Year 2	2020	84,106	68,648	26.0	10.3	36.3
Year 3	2021	84,534	69,337	26.2	10.4	36.6
Year 4	2022	84,962	70,026	26.3	10.5	36.8
Year 5	2023	85,390	70,715	26.4	10.6	37.0
Year 6	2024	85,818	71,404	26.6	10.7	37.3
Year 7	2025	86,246	72,093	26.7	10.8	37.5
Year 8	2026	86,673	72,782	26.8	10.9	37.7
Year 9	2027	87,101	73,471	27.0	11.0	38.0
Year 10	2028	87,529	74,160	27.1	11.1	38.2
Ten-Year Increase		4,279	6,890	1.3	1.0	2.3
Projected Expenditure				\$19,500	\$15,000	\$34,500

Growth-Related Expenditure on Trail Improvements	\$34,500
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Recreational Facilities Inventory and Level of Service

There are five recreational facilities in the City of Portland's Park and Recreation system included in the impact fee analysis. The facilities total 111,273 square feet.

To calculate the current level of service for recreational facilities, the existing floor area is allocated to residential and nonresidential demand based on the percentage split of impact days. The residential floor area is divided by the current peak population of Portland (83,250) to calculate the level of service per person. The nonresidential floor area is divided by the current jobs in the City (67,270) to calculate the level of service per job. As a result, there are 0.96 square feet per person and 0.46 square feet per jobs.

The average cost per square foot (\$272) is calculated by dividing the total replacement cost of improvements by the total square feet of recreational facilities. The replacement cost per person and replacement cost per job factors are calculated by applying the level of service factor to the average replacement cost of per square foot (i.e. 0.96 square feet per person x \$291 per square foot = \$261 per person, rounded).

Figure 10. Recreational Facilities Level of Service & Cost Analysis

Recreational Facilities	Square Feet	Replacement Cost
East End Community Center	23,500	\$5,875,000
Peaks Island Community Center	2,000	\$550,000
Portland Ice Arena	29,273	\$3,125,896
Reiche Community Center	25,000	\$8,750,000
Riverton Community Center	31,500	\$11,970,000
Total	111,273	\$30,270,896

Source: City of Portland Parks and Recreation

Residential Level-of-Service (LOS) Standard

Share of Impact Days	72%
Share of Rec. Square Feet	80,117
2018 Peak Population	83,250
LOS: Square Feet per Person	0.96

Nonresidential Level-of-Service (LOS) Standard

Share of Impact Days	28%
Share of Rec. Square Feet	31,156
2018 Jobs	67,270
LOS: Miles per 1,000 Jobs	0.46

Cost Analysis

Costs per Square Foot	\$272
LOS: Square Feet per Person	0.96
Replacement Cost per Person	\$261

Cost Analysis

Costs per Square Foot	\$272
LOS: Miles per 1,000 Jobs	0.46
Replacement Cost per Job	\$125

Recreational Facility Growth-Related Needs

To estimate the 10-year growth needs for recreational facilities, the current level of service (0.96 square feet per person and 0.46 square feet per job) is applied to the population and employment growth projected for the City of Portland. The City's peak population is projected to increase by 4,279 and the City's employment is projected to increase by 6,890 jobs over the next ten years (see Appendix A). Listed in Figure 11, there will need to be a total of 118,141 square feet of recreational facilities in the City to accommodate the growth, which results in a need of 7,277 new square feet. By applying the average replacement cost for recreation facilities (\$272 per square foot), the total expenditure for the growth is calculated (7,277 square feet x \$272 = \$1,979,344).

Figure 11. 10-Year Recreational Facilities Needs to Accommodate Growth

Type of Infrastructure		Level of Service		Demand Unit	Unit Cost / Sq. Ft.
Recreational Facilities	Residential	0.96	Square Feet	per person	\$272
	Nonresidential	0.46		per jobs	

Growth-Related Need for Recreational Facility Improvements						
Year		Population	Jobs	Residential Square Feet	Nonresidential Square Feet	Total Square Feet
Base	2018	83,250	67,270	79,920	30,944	110,864
Year 1	2019	83,678	67,959	80,331	31,261	111,592
Year 2	2020	84,106	68,648	80,741	31,578	112,319
Year 3	2021	84,534	69,337	81,152	31,895	113,047
Year 4	2022	84,962	70,026	81,563	32,212	113,775
Year 5	2023	85,390	70,715	81,974	32,529	114,503
Year 6	2024	85,818	71,404	82,384	32,846	115,230
Year 7	2025	86,246	72,093	82,795	33,163	115,958
Year 8	2026	86,673	72,782	83,206	33,480	116,686
Year 9	2027	87,101	73,471	83,617	33,797	117,414
Year 10	2028	87,529	74,160	84,027	34,114	118,141
Ten-Year Increase		4,279	6,890	4,107	3,170	7,277
Projected Expenditure				\$1,117,104	\$862,240	\$1,979,344

Growth-Related Expenditure on Recreational Facility Improvements					\$1,979,344
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Parks & Recreation Credit

Currently, the City of Portland has existing debt obligations from past Parks and Recreation projects. The City of Portland's Finance Department delineated the purposes for each of the City's General Obligation Bonds and summed the future principal and interest payments for Parks and Recreation projects. In Figure 12, the Parks and Recreation annual share of payments to all the existing bonds is listed through 2028.

The total annual payment schedule allocated to residential and nonresidential growth based on the impact days proportional share split. The payments are divided by the City's peak population and total employment to find the debt cost per person and job. To account for the time value of money, annual payments per capita are discounted using a net present value formula based on the applicable discount (interest) rate. This results in a credit of \$60 per person and \$28 per job, rounded.

Figure 12. Park and Recreation Debt per Person & per Job

Residential Credit

Fiscal Year	Payment	Projected Population	Payment/Person
Base Year	\$617,060	83,250	\$7.41
2019	\$715,720	83,678	\$8.55
2020	\$676,719	84,106	\$8.05
2021	\$628,339	84,534	\$7.43
2022	\$606,452	84,962	\$7.14
2023	\$554,947	85,390	\$6.50
2024	\$478,117	85,818	\$5.57
2025	\$461,771	86,246	\$5.35
2026	\$434,672	86,673	\$5.02
2027	\$386,672	87,101	\$4.44
2028	\$364,280	87,529	\$4.16
Total	\$5,924,749		\$69.62
	Discount Rate		3.00%
	Credit per Person		\$60

Source: City of Portland Finance Department

Nonresidential Credit

Fiscal Year	Payment	Projected Jobs	Payment/Job
Base Year	\$239,968	67,270	\$3.57
2019	\$278,336	67,959	\$4.10
2020	\$263,169	68,648	\$3.83
2021	\$244,354	69,337	\$3.52
2022	\$235,842	70,026	\$3.37
2023	\$215,813	70,715	\$3.05
2024	\$185,935	71,404	\$2.60
2025	\$179,578	72,093	\$2.49
2026	\$169,039	72,782	\$2.32
2027	\$150,372	73,471	\$2.05
2028	\$141,665	74,160	\$1.91
Total	\$2,304,071		\$32.81
	Discount Rate		3.00%
	Credit per Job		\$28

Source: City of Portland Finance Department

Parks & Recreation Impact Fee

Figure 13 shows the cost factors for each component of the City of Portland's Parks and Recreation Impact Fee. Impact fees for parks and recreation are based on household size for residential development (i.e., persons per housing unit), jobs per 1,000 square feet for nonresidential development, and persons per room for hotel development. The fee components are calculated per person and per job, so by multiplying the total cost per person by the household size, for example, calculates the maximum defensible fee for residential development.

The fees represent the highest amount defensible for residential and nonresidential development, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 13. Maximum Defensible Park & Recreation Impact Fee

Fee Component	Cost per Person	Cost per Job
Parks	\$267	\$129
Single-Track Trails	\$5	\$2
Rec. Facilities	\$261	\$125
Debt Service Credit	(\$60)	(\$28)
TOTAL	\$473	\$228

Residential (per housing unit)

Type of Unit	Persons per Household	Maximum Defensible Fee
Single Family/Two-Family	2.38	\$1,126
Multifamily	1.59	\$752

Nonresidential (per 1,000 square feet)

Type of Unit	Jobs per 1,000 Square Feet	Maximum Defensible Fee
Retail & Service	2.34	\$534
Office	2.97	\$677
Industrial	1.59	\$363
Institutional	2.83	\$645

Nonresidential (per room)

Type of Unit	Persons per Room	Maximum Defensible Fee
Hotel	1.85	\$875

Revenue from Parks & Recreation Impact Fee

Revenue from the City's Parks & Recreation Impact Fee is estimated in Figure 14. There is projected to be an increase of 4,279 in peak population and 6,890 jobs in Portland by 2028. By multiplying the growth by the capital cost per person and per job, the projected revenue is calculated. In total, the impact fee will generate \$3.6 million in revenue. The revenue covers 89 percent of the capital costs generated by projected growth in the City of Portland. Revenue from the fee is expected to not cover all growth-related costs since the credit lessens the fee by about 11 percent.

Figure 14. Estimated Revenue from Parks & Recreation Impact Fee

	Total Cost to Maintain LOS	Cost Attributable to Growth
Parks	\$2,028,229	\$2,028,229
Single-Track Trails	\$34,500	\$34,500
Rec Facilities	\$1,979,344	\$1,979,344
Total Expenditures	\$4,042,073	\$4,042,073

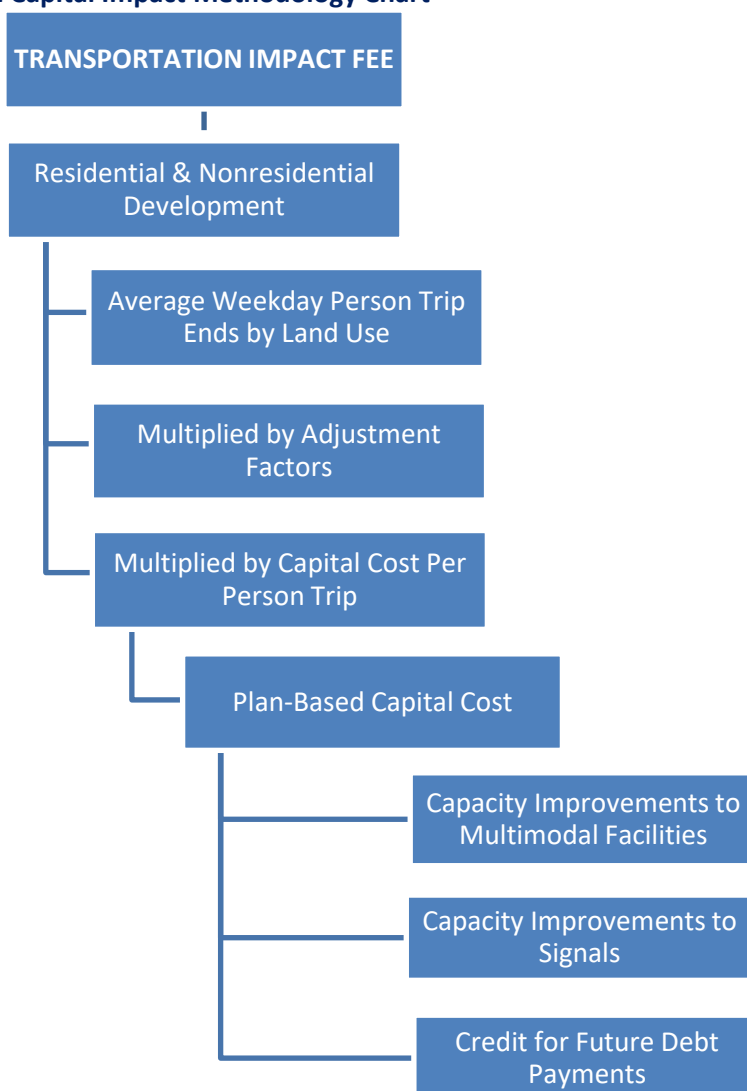
Projected Development Impact Fee Revenue

		Capital Cost per Person \$473	Capital Cost per Job \$228
Year		Population	Jobs
Base	2018	83,250	67,270
Year 1	2019	83,678	67,959
Year 2	2020	84,106	68,648
Year 3	2021	84,534	69,337
Year 4	2022	84,962	70,026
Year 5	2023	85,390	70,715
Year 6	2024	85,818	71,404
Year 7	2025	86,246	72,093
Year 8	2026	86,673	72,782
Year 9	2027	87,101	73,471
Year 10	2028	87,529	74,160
Ten-Year Increase		4,279	6,890
Projected Revenue =>		\$2,023,810	\$1,570,948
Projected Revenue =>		\$3,594,757	
Total Expenditures =>		\$4,042,073	
General Fund's Share =>		\$447,316	

TRANSPORTATION FACILITIES IMPACT FEE

To calculate the City of Portland's Transportation Impact Fee, a **plan-based methodology** is used. The methodology for is shown in Figure 15. To calculate the impact amounts for residential and nonresidential development, trip generation rates by type of development are multiplied by the capital cost per person trip. The methodology includes trip adjustment factors for pass-by trips. The diagram reads like an outline, with lower levels providing a more detailed breakdown of the capital impact components. The capital cost of road improvements is based on three components: capacity improvements to multimodal facilities, improvements to signals, and a credit for future debt payments. Growth's share of future transportation projects needed within the next 10 years are allocated to the increase in person trips at the end of the 10-year planning horizon.

Figure 15. Transportation Capital Impact Methodology Chart



Person Trips

Portland is a relatively dense, urban community with residents and workers using varying modes to travel. In general, an impact fee study calculates future developments' impact on the City's transportation infrastructure. In suburban, greenfield communities that concentrate on roadway expansion to accommodate new vehicles, a development's impact is best estimated by calculating the new vehicle trips or vehicle miles traveled (VMT) generated by the development. However, based on the urban environment and residents' travel behaviors, a multimodal approach is necessary for the City of Portland. This is also consistent with the capital improvements identified in the City's Capital Improvement Plan. As such, the multimodal approach will calculate the daily person trips generated by the varying development types in the study. To encompass the varying modes of travel used in Portland, the methodology includes persons per vehicle trip, transit trip, and non-motorized trips.

In the base year, residential land uses generate 223,734 person trips (30 percent) and nonresidential land uses generate 511,437 person trips (70 percent) in the City of Portland. Through 2028, there will be an increase of 47,721 daily person trips in Portland. The increase in daily person trips will be applied to growth's share of the capital cost for transportation facilities to calculate the capital cost per person trip factor. Further explanation and calculations can be found in Appendix A.

Transportation Level of Service and Cost Factors

Below, the City of Portland's capital cost per person trip for multimodal facilities and signals are calculated. Additionally, a credit for debt payments on past transportation projects is necessary.

Need for Multimodal Improvements and Facilities

The City of Portland has determined that additional growth-related improvements are necessary to accommodate future transportation demand. Listed in Figure 16, there are ten multimodal projects in the City's Capital Improvement Plan that have some element of growth-related costs. In the last two columns of the figure, future growth's percentage share and dollar amount of each project is shown. In total, new growth's share of multimodal capital improvements equals \$7,265,000.

Found at the bottom of Figure 16, growth's cost is divided by the 10-year increase in person trips. This results in a capital cost per person trip of \$152, rounded.

Figure 16. Growth-Related Multimodal Projects

Project	Readiness	Length of Project (linear feet)	Total City Cost	Growth's Share	Growth's Cost
W. Commercial Street Path	High	5,000	\$750,000	50%	\$375,000
Thames Street	High	1,200	\$1,450,000	25%	\$362,500
Franklin Street: I-295 to Somerset	High	700	\$4,050,000	75%	\$3,037,500
Congress Square Intersection Construction	High	650	\$1,300,000	25%	\$325,000
Marginal Way: Hanover to Plowman	High	5,600	\$1,000,000	25%	\$250,000
Kennebec Street Realignment at Forest Avenue	High	450	\$500,000	50%	\$250,000
Somerset Street	High	1,800	\$1,500,000	50%	\$750,000
Forest Avenue (Morrill's Corner Intersections)	High	1,600	\$2,280,000	50%	\$1,140,000
Brighton Avenue	High	13,000	\$1,100,000	25%	\$275,000
Washington Avenue Rehabilitation	High	1,500	\$2,000,000	25%	\$500,000
TOTAL		31,500	\$15,930,000		\$7,265,000

Growth's Cost of Transportation Projects	\$7,265,000
10-Year Increase in Average Daily Person Trips	47,721
Capital Cost per Trip	\$152

Need for Signal Improvements and Facilities

Listed in Figure 17, there are two signal projects in the City's Capital Improvement Plan that have some element of growth-related costs. In the last two columns of the figure, future growth's percentage share and dollar amount of each project is shown. In total, new growth's share of signal capital improvements equals \$8,031,250.

Found at the bottom of Figure 17, growth's cost is divided by the 10-year increase in person trips. This results in a capital cost per person trip of \$168, rounded.

Figure 17. Growth-Related Signal Projects

Project	Readiness	Total Cost	Growth's Share	Growth's Cost
Modernize Signal Systems	High	\$9,375,000	75%	\$7,031,250
Arterial Street Crossings	High	\$2,000,000	50%	\$1,000,000
TOTAL		\$11,375,000		\$8,031,250

Growth's Cost of Transportation Projects	\$8,031,250
10-Year Increase in Average Daily Person Trips	47,721
Capital Cost per Trip	\$168

Transportation Credit

Currently, the City of Portland has existing debt obligations from past transportation projects. In Figure 18, the City of Portland's Finance Department delineated the purposes for each of the City's General Obligation Bonds and summed the future principal and interest payments for transportation projects.

The total annual payment schedule is divided by the City's projected person trips to find the debt per person trip factor. To account for the time value of money, annual payments per trip are discounted using a net present value formula based on the applicable discount (interest) rate. This results in a credit of \$41.00 per person trip, rounded.

Figure 18. Transportation Debt per Person Trip

Fiscal Year	Payment	Projected Ave. Daily Person Trips	Payment/Person Trip
Base Year	\$3,751,763	735,171	\$5.10
2019	\$4,314,139	739,943	\$5.83
2020	\$4,060,134	744,715	\$5.45
2021	\$3,772,123	749,487	\$5.03
2022	\$3,633,359	754,260	\$4.82
2023	\$3,323,658	759,032	\$4.38
2024	\$2,916,044	763,804	\$3.82
2025	\$2,815,726	768,576	\$3.66
2026	\$2,591,944	773,348	\$3.35
2027	\$2,374,976	778,120	\$3.05
2028	\$2,147,023	782,892	\$2.74
Total	\$35,700,889		\$47.24
		Discount Rate	3.00%
	Total Credit per Person Trip		\$41.00

Transportation Impact Fee

Figure 19 shows the cost factors for each component of the City of Portland's Transportation Impact Fee. Impact fees for transportation projects are based on person trips per unit for residential development, person trips per 1,000 square feet for nonresidential development, and person trips per room for hotel development. The fee components are calculated per person trip, so by multiplying the total cost per person by the trip generation factor calculates the maximum defensible fee.

The fees represent the highest amount defensible for residential and nonresidential development, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 19. Maximum Defensible Transportation Impact Fee

Input Variables	Cost per Trip for Multimodal Projects =>		\$152
	Cost per Trip for Signals =>		\$168
	Debt Service Credit per Trip =>		(\$41)
	Capital Cost per Person Trip		\$279
Development Type	Avg Wkdy Person Trip Ends	Trip Rate Adjustment	Maximum Defensible Fee
Residential (per housing unit)			
Single Family/Two-Family	13.34	58%	\$2,159
Multifamily	6.32	58%	\$1,023
Nonresidential (per 1,000 square feet of floor area)			
Retail & Service	77.80	38%	\$8,248
Office	20.07	50%	\$2,800
Industrial	8.10	50%	\$1,130
Institutional	22.09	50%	\$3,082
Nonresidential (per room)			
Hotel/Motel	17.23	50%	\$2,404

Revenue from Transportation Impact Fee

Revenue from the City's Transportation Impact Fee is estimated in Figure 20. There is projected to be 2,870 new housing units and 2,773,000 square feet of nonresidential development in Portland by 2028. To find the revenue generated by residential and nonresidential development, the growth is multiplied by the corresponding impact fee. For example, future single family/two-family residential development is projected to generate \$716,788 in revenue from the transportation impact fees (332 new housing units x \$2,159 = \$716,788). The revenue covers 87 percent of the capital costs generated by projected growth in the City of Portland. The revenue is expected to not cover all of growth's costs since the credit for future debt payments lessens the net capital cost per person trip by about 13 percent.

Note: revenue from hotel development is not estimated because of the difficulty of projecting new hotel rooms.

Figure 20. Estimated Revenue from Transportation Impact Fee

	Total Cost	Cost Attributable to Growth
Multimodal Projects	\$15,930,000	\$7,265,000
Signals	\$11,375,000	\$8,031,250
Total Expenditures	\$27,305,000	\$15,296,250

Projected Transportation Impact Fee Revenue

		Single Family/ Two-Family	Multifamily	Retail & Service	Office	Industrial	Institutional
Year		Housing Units	Housing Units	1,000 Sq. Ft.	1,000 Sq. Ft.	1,000 Sq. Ft.	1,000 Sq. Ft.
Base	2018	21,047	16,575	9,817	9,318	7,225	8,909
Year 1	2019	21,080	16,829	9,874	9,403	7,289	8,980
Year 2	2020	21,113	17,083	9,931	9,489	7,353	9,050
Year 3	2021	21,147	17,336	9,988	9,574	7,418	9,121
Year 4	2022	21,180	17,590	10,045	9,660	7,482	9,191
Year 5	2023	21,213	17,844	10,102	9,745	7,546	9,262
Year 6	2024	21,246	18,098	10,159	9,830	7,611	9,332
Year 7	2025	21,279	18,352	10,216	9,916	7,675	9,402
Year 8	2026	21,313	18,605	10,273	10,001	7,739	9,473
Year 9	2027	21,346	18,859	10,330	10,087	7,804	9,543
Year 10	2028	21,379	19,113	10,387	10,172	7,868	9,614
Ten-Year Increase		332	2,538	571	854	643	704
Transportation Impact Fee		\$2,159	\$1,023	\$8,248	\$2,800	\$1,130	\$3,082
Revenue Subtotal		\$716,788	\$2,596,374	\$4,709,608	\$2,391,200	\$726,590	\$2,169,728

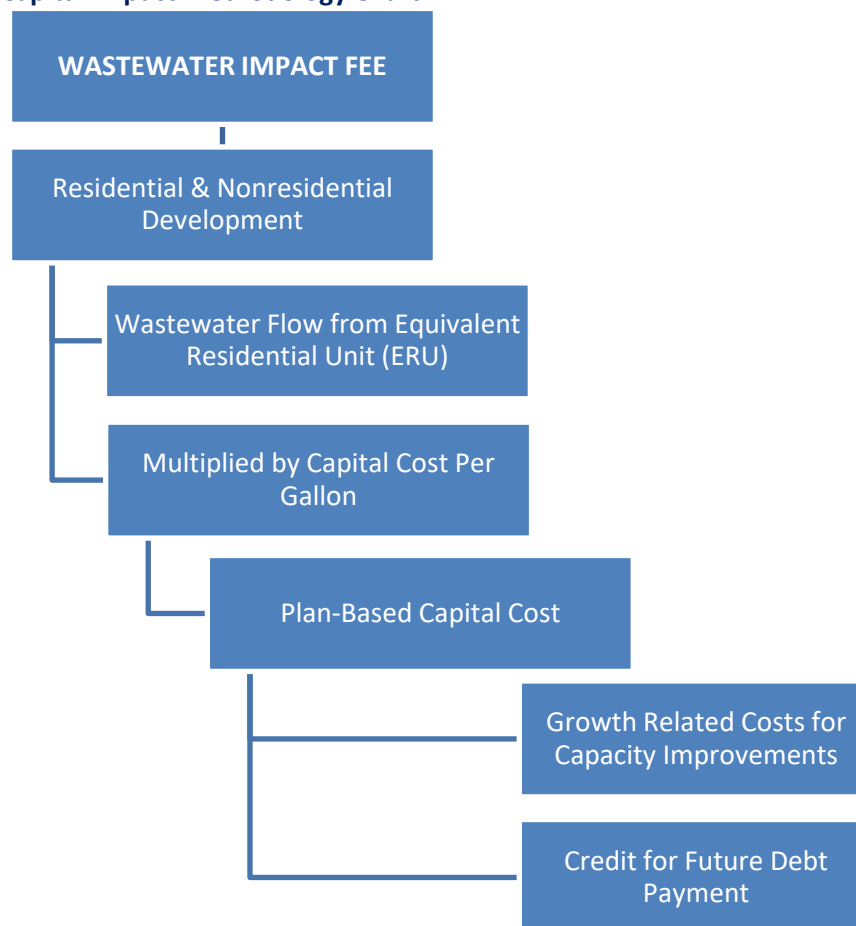
Source: TischlerBise analysis

Projected Revenue => \$13,310,288
 Total Expenditures => \$15,296,250
 General Fund's Share => \$1,985,962

WASTEWATER FACILITIES IMPACT FEE

To calculate the City of Portland's Wastewater Impact Fee, a **plan-based methodology** is used. The methodology for the fee is shown in Figure 21. To calculate the impact amounts for residential and nonresidential development, the wastewater flow for an Equivalent Residential Unit (ERU) is calculated. The ERU is set to the average flow of a wastewater account with a water meter of 5/8 inches. The diagram reads like an outline, with lower levels providing a more detailed breakdown of the fee impact components. The capital cost of wastewater improvements is based future growth's share of capital projects in the City of Portland's Capital Improvement Plan (CIP). Growth's share of future wastewater projects needed within the next 10 years are allocated to the increase in wastewater flow at the end of the 10-year planning horizon.

Figure 21. Wastewater Capital Impact Methodology Chart



Wastewater Level of Service and Cost Factors

Water and sewer account data has been provided by the Portland Water District and the City's Public Works Department. With the database, residential, commercial, industrial, and institutional wastewater usage is calculated. Additionally, with account data, the wastewater usage of an Equivalent Residential Unit (ERU) is calculated as well. The ERU is the estimate of the daily average wastewater usage from a household with a water meter that is 5/8 inches. In the impact fee calculation, a capacity ratio factor is applied when calculating the wastewater usage and resulting impact fee for developments with larger meters.

Current Wastewater Usage

Shown in Figure 22, on average there is a total of 5.7 million gallons per day of wastewater flowing through the City's sewer system from these four development types. The majority of the wastewater flows from residential development, but commercial development creates a significant demand as well.

Figure 22. City of Portland's Daily Wastewater Usage

Development Type	Base Year (gals/day)	%
Residential	2,933,364	52%
Commercial	1,998,656	35%
Industrial	542,244	10%
Institutional	187,205	3%
Total	5,661,470	100%

Source: City of Portland Public Works
Department

Equivalent Residential Unit (ERU)

The wastewater component of the impact fee study will use the average daily wastewater flow for residential units that have a 5/8-inch water meter to represent the Equivalent Residential Unit (ERU). To calculate the ERU, the wastewater account database is filtered by active residential accounts that use the City's sewer system. Additionally, the database is further limited by only year-round accounts. These accounts are occupied households that reside in Portland permanently. Year-round accounts are approximated by accounts that have activity every month. Illustrated in Figure 23, there is an average of 61 hundred cubic feet (HCF) of wastewater per year from a year-round, active residential account flowing into the City's sewer system. That equates to an average of 126 gallons per day, rounded.

Figure 23. Equivalent Residential Unit

Meter Size (inches)	Total Water (HCF)	Active Accounts	Annual Average per Account (HCF)	Annual Average (gallons)	Daily Average (gallons)
5/8	866,230	14,134	61	45,846	126

Source: City of Portland Public Works Department; TischlerBise analysis

Note: Provided data measured wastewater totals in hundred cubic feet (HCF), equal to 748.05 gallons

Need for Wastewater Improvements and Facilities

The City of Portland has determined that additional growth-related improvements are necessary to accommodate future wastewater flow. Listed in Figure 24, there are eight wastewater projects in the City's Capital Improvement Plan that have some element of growth-related costs. In the last two columns of the figure future growth's percentage share and dollar amount of each project is shown. In total, new growth's share of wastewater capital improvements and facilities equals \$8,944,750.

Found at the bottom of Figure 24, growth's cost is divided by the 10-year increase in wastewater flow. This results in a capital cost per gallon of \$22.19, rounded. Further explanation and calculations of the projected increase in wastewater flow can be found in Appendix A.

Figure 24. Growth-Related Wastewater Projects

Project Title	Total	Growth's Share	Growth's Cost
CSO - Close CSO #42	\$2,000,000	10%	\$200,000
CSO - Mackworth Street and Ocean Avenue Sewer Separation Project	\$6,850,000	10%	\$685,000
CSO - Dartmouth Street Sewer Separation Project	\$2,520,000	10%	\$252,000
CMOM - Inflow and Infiltration Program	\$4,050,000	50%	\$2,025,000
CMOM - Pump Station Rehabilitation	\$3,350,000	25%	\$837,500
Eastern Waterfront Sewer / Stormwater Extension & Outfall (Thames St)	\$1,025,000	85%	\$871,250
Franklin Street Storm Drain	\$5,300,000	75%	\$3,975,000
Warren Ave Storm Drain - 517 Warren Ave to 659 Warren Ave	\$990,000	10%	\$99,000
TOTAL	\$26,085,000		\$8,944,750

Growth's Cost of Wastewater Projects	\$8,944,750
10-Year Increase in Wastewater Flow (gallons)	403,049
Capital Cost per Gallon	\$22.19

Wastewater Credit

Currently, the City of Portland has existing debt obligations from past wastewater projects. In Figure 25, the City of Portland's Finance Department delineated the purposes for each of the City's General Obligation Bonds and summed the future principal and interest payments for wastewater projects.

The total annual payment schedule is divided by the City's projected wastewater flow to find the debt payment per gallon. To account for the time value of money, annual payments per gallon are discounted using a net present value formula based on the applicable discount (interest) rate. This results in a credit of \$7.22 per gallon, rounded.

Figure 25. Wastewater Debt Payment per Gallon

Fiscal Year	Payment	Projected Wastewater Flow (gals)	Payment/Gallon
Base Year	\$4,984,702	5,661,470	\$0.88
2019	\$5,301,355	5,701,775	\$0.93
2020	\$5,185,898	5,742,080	\$0.90
2021	\$5,039,052	5,782,385	\$0.87
2022	\$4,943,283	5,822,690	\$0.85
2023	\$4,435,393	5,862,995	\$0.76
2024	\$4,084,329	5,903,299	\$0.69
2025	\$4,023,542	5,943,604	\$0.68
2026	\$3,924,669	5,983,909	\$0.66
2027	\$3,833,159	6,024,214	\$0.64
2028	\$3,671,719	6,064,519	\$0.61
Total	\$49,427,101		\$8.47
		Discount Rate	3.00%
		Total Credit per Gallon	\$7.22

Wastewater Impact Fee

Figure 26 shows the cost factors for each component of the Wastewater Impact Fee. The impact fee for wastewater is based on the total capital cost per gallon and the Equivalent Residential Unit (ERU). For meters that are larger than 5/8 inches, a capacity ratio is applied. The water capacity for each meter size is provided by the American Water Works Association, see Appendix C. The maximum defensible fee for a 5/8-inch meter is \$1,886 (\$14.97 per gallon x 126 gallons per day = \$1,886, rounded).

The fees represent the highest amount defensible for each meter size, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 26. Maximum Defensible Wastewater Impact Fee

Growth Capital Cost per Gallon =>		\$22.19
Debt Service Credit per Gallon =>		(\$7.22)
Capital Cost per Gallon of Capacity =>		\$14.97
Max Daily Gallons per ERU =>		126
Meter Size (inches)	Capacity Ratio	Maximum Defensible Fee
All Development (per meter)		
5/8	1.00	\$1,886
3/4	1.50	\$2,829
1	2.50	\$4,715
1.5	5.00	\$9,430
2	8.00	\$15,088
3	16.00	\$30,176
6	50.00	\$94,300
8	80.00	\$150,880

Source: American Water Works Association, Principles of Water Rates, Fees, and Charges, M1, 7th ed., 2017; TischlerBise analysis

Revenue from Wastewater Impact Fee

Revenue from the City's Wastewater Impact Fee is estimated in Figure 27. There is projected to be 4,279 new residents and 6,890 new jobs in Portland by 2028. To find the revenue generated by residential and nonresidential development, the growth is multiplied by the average daily wastewater flow per person or job and the capital cost per gallon. For example, future residential development is projected to generate \$2,254,793 in wastewater impact fees (4,279 new residents x 35.2 wastewater gallons x \$14.97 = \$2,254,793). The revenue covers 72 percent of the capital costs generated by projected growth in the City of Portland. The revenue is not expected to cover all growth-related costs since the credit for future debt payments lessens the net capital cost per gallon by about 30 percent.

Figure 27. Estimated Revenue from Wastewater Impact Fee

		Total Cost	Cost Attributable to Growth
Wastewater Facilities		\$26,085,000	\$8,944,750
Total Expenditures		\$26,085,000	\$8,944,750

Projected Wastewater Impact Fee Revenue			
		Residential	Nonresidential
Year		Population	Jobs
Base	2018	83,250	67,270
Year 1	2019	83,678	67,959
Year 2	2020	84,106	68,648
Year 3	2021	84,534	69,337
Year 4	2022	84,962	70,026
Year 5	2023	85,390	70,715
Year 6	2024	85,818	71,404
Year 7	2025	86,246	72,093
Year 8	2026	86,673	72,782
Year 9	2027	87,101	73,471
Year 10	2028	87,529	74,160
Ten-Year Increase		4,279	6,890
Water Demand, per Pop./Job		35.2	40.6
Cost per Gallon		\$14.97	\$14.97
Revenue Subtotal		\$2,254,793	\$4,187,618

Source: TischlerBise analysis

Projected Revenue =>	\$6,442,411
Total Expenditures =>	\$8,944,750
General Fund's Share =>	\$2,502,339

IMPLEMENTATION AND ADMINISTRATION

Impact fees should be periodically evaluated and updated to reflect recent data. City of Portland will continue to adjust for inflation. If cost estimates or demand indicators change significantly, the City should redo the fee calculations.

Credits and Reimbursements

A general requirement that is common to impact fee methodologies is the evaluation of credits. A credit has been included in this fee study to avoid potential double payment situations arising from one-time impact fees plus on-going payment of other revenues that may also fund growth-related capital improvements.

Policies and procedures related to site-specific credits should be addressed in the resolution or ordinance that establishes the impact fees. The impact fee calculations are based on the systemwide impact of growth. As such, project-level improvements, required as part of the development approval process, are not eligible for credits against impact fees. However, if a developer constructs a systemwide improvement that is included in the fee calculations, it will be necessary to either reimburse the developer or provide a credit against the fees due from that particular development.

Service Area

An impact fee service area is a region in which a defined set of improvements provide benefit to an identifiable amount of new development. Within a service area, all new development of a type (single family, commercial, etc.) is assessed at the same impact fee rate. Land use assumptions and impact fees are each defined in terms of this geography, so that capital facility demand, projects needed to meet that demand, and capital facility cost are all quantified in the same terms. Impact fee revenue collected within a service area is required to be spent within that service area.

Implementation of a large number of small service areas is problematic. Administration is complicated and, because funds collected within the service area must be spent within that area multiple service areas, may make it impossible to accumulate sufficient revenue to fund any projects within the time allowed.

As part of our analysis of the City of Portland and the type of facilities and improvements included in the impact fee calculation, TischlerBise has determined that a citywide service area is appropriate.

APPENDIX A: LAND USE ASSUMPTIONS

Population and Housing Characteristics

Impact fees often use per capita standards and persons per housing unit or persons per household to derive proportionate share fee amounts. Housing types have varying household sizes and, consequently, a varying demand on City infrastructure and services. Thus, it is important to differentiate between housing types and size.

When persons per housing unit (PPHU) is used in the fee calculations, infrastructure standards are derived using year-round population. In contrast, when persons per household (PPHH) is used in the fee calculations, the fee methodology assumes all housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. From the Maine Office of Tourism, the Greater Portland and Casco Bay region saw 5.4 million visitors in 2016. As a result, it is not just permanent residents occupying housing units in Portland. In response, City infrastructure and operating service levels are sized to accommodate not just permanent residents, but seasonal residents, seasonal workers, and visitors as well. Thus, TischlerBise recommends that fees for residential development in the City of Portland be imposed according to the persons per household (PPHH).

Persons per household (PPHH) will be held constant over the projection period since the study represents a “snapshot approach” of current levels of service and costs. Based on household characteristics, TischlerBise recommends using two housing unit categories for the impact fee study: (1) Single Family and (2) Multifamily. “Single family/Two-family” units include single family detached, single family attached, two-family, and mobile homes, as defined in the City’s land use code. Multifamily units include structures with more than 2 units. Figure 28 shows the US Census, American Community Survey 2016 5-Year Estimates data for the City of Portland. Single family/two-family units have a household size of 2.38 persons per unit and multifamily units have a household size of 1.59 persons per unit.

Additionally, single family/two-family units have a vacancy rate of 9.8 percent and are 70 percent of the housing stock in Portland. Multifamily units have a vacancy rate of 9.4 percent and are 30 percent of the housing stock in Portland.

Figure 28. Persons per Household

Type of Structure	Persons	House-holds	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single Family/Two-Family Unit ¹	50,010	21,052	2.38	23,338	2.14	69.8%	9.8%
Multifamily Unit ²	14,542	9,149	1.59	10,098	1.44	30.2%	9.4%
Total	64,552	30,201	2.14	33,436	1.93		9.7%

Source: TischlerBise analysis; U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates

[1] Includes detached, attached, two-family, and mobile home units.

[2] Includes structures with more than 2 units.

Base Year Population and Housing Units

Permanent Residents

Along with the population estimate for residents in single family/two-family and multifamily units, the American Community Survey provides population estimates for those residing in group quarters (i.e. student housing and military residents). Found in Figure 29, the household population and group quarters are considered the City's permanent population. In 2016 it is estimated that the permanent population was 66,627.

Figure 29. Permanent Population, 2016

Type of Structure	Persons	%
Single Family/Two-Family Unit	50,010	75.1%
Multifamily Unit	14,542	21.8%
Group Quarters	2,075	3.1%
Total	66,627	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates

In the recently published *Portland's Plan 2030*, several population growth scenarios, modeled by the Greater Portland Council of Governments (GPCOG), are played out. The comprehensive plan shows that a medium-level growth scenario would result in a 2030 population of 71,374. Using this projection for the impact fee study, by 2030 the City of Portland is forecasted to have a permanent population of 71,374. To estimate the City's population in the interim years, a straight-line approach is used. Figure 30 illustrates the growth in permanent population. In the base year, 2018, there is estimated to be 67,305 permanent residents in Portland.

Figure 30. Base Year Permanent Population

	2016	2017	Base Year 2018	2019	2020	2025	2030	Total Increase
Permanent Population	66,627	66,966	67,305	67,644	67,983	69,679	71,374	4,747
Percent Increase		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	7.1%

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates; City of Portland Planning Department; TischlerBise analysis

Seasonal Residents

As mentioned, the impact fee study will be using a peak population of Portland because of the large tourism industry. It is assumed that City infrastructure and services are sized to serve a peak population not just the permanent population. In this case, two additional populations need to be calculated: seasonal and visitor. The seasonal population includes residents who have second homes in Portland and

the seasonal labor influx during peak tourism months. The visitor population includes overnight and day visitors.

To calculate the seasonal population, the study assumes full occupancy of the housing units in the city. From the US Census data, in 2016, there were 2,286 vacant single family/two-family homes and 949 vacant multifamily homes. The seasonal population is calculated by multiplying the units by the corresponding the persons per household factor (PPHH). In 2016, there was a seasonal population of 6,950.

Figure 31. Seasonal Population, 2016

Type of Structure	Vacant Units	Persons per Household	Seasonal Population
Single Family/Two-Family Unit ¹	2,286	2.38	5,441
Multifamily Unit ²	949	1.59	1,509
Total	3,235	2.15	6,950

Source: TischlerBise analysis; U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates

[1] Includes detached, attached, two-family, and mobile home units.

[2] Includes structures with more than 2 units.

Seasonal Visitors

The visitor population for Portland is found by first analyzing the state and regional totals. In 2016, there were 41.2 million visitors to Maine. The majority of the visitors came in the summer, resulting in the average daily number of visitors in the summer being 185 percent of the annual average.

Figure 32. State of Maine Visitor Totals, 2016

Season	Total Visitors	Average Daily Visitors	Percent of Annual Ave.
Winter	5,615,670	46,156	41%
Summer	25,328,066	208,176	185%
Fall	10,230,660	84,088	75%
Total	41,174,396	112,807	100%

Source: Maine Office of Tourism, 2016 Calendar Year Annual Report

According to the Maine Office of Tourism (MOT), there were 5,360,000 visitors (overnight and day visitors) to the Greater Portland and Casco Bay Region in 2016. Results of the MOT's visitor survey indicate that the Portland's Waterfront was the top attraction for 33 percent of overnight visitors and for 30 percent of day visitors. The study will use a conservative method and use these percentages to allocate the regional visitor total to the City of Portland.

In Figure 33 the City of Portland's daily peak visitor population is calculated. The estimated total of overnight visitors to Portland is 745,800. The estimated total of day visitors to Portland is 930,000. As a result, the total annual visitors to the City of Portland is 1,675,800, or an average of 4,591 per day. Found above, during the summer statewide, the visitor population spikes to 185 percent of the annual average. This factor is applied to the City's average to calculate the daily peak season visitor total. As a result, in 2016, it is estimated that the City of Portland's daily peak season visitor population was 8,473.

Figure 33. City of Portland Peak Season Visitor Population, 2016

Overnight Visitors to Region	2,260,000
City's Proportion of Region	33%
Overnight Visitors to Portland	745,800
Day Visitors to Region	3,100,000
City's Proportion of Region	30%
Day Visitors to Portland	930,000
Total Annual Visitors to Portland	1,675,800
Average Daily Visitors	4,591
Peak Season Multiplier	185%
Daily Peak Season Visitor Total	8,473

Source: Maine Office of Tourism, 2016;
TischlerBise Analysis

The study assumes that the visitor population will have a positive relationship and follow the permanent population's growth. From 2016 to 2018 there is a 1.02 percent increase in permanent population in Portland; this is applied to the visitor population to calculate the base year total. It is assumed that during the peak seasonal period the City's seasonal population (seasonal residents and workers) occupies the vacant housing units. As a result, the seasonal population is calculated based on housing growth, described in the next section of the report. In 2018, it is estimated that the peak population for the City of Portland is 83,250.

Figure 34. Base Year Peak Population

	2016	2017	Base Year 2018
Peak Population			
Permanent	66,627	66,966	67,305
Seasonal	6,950	7,168	7,386
Visitor	8,473	8,516	8,559
Total	82,049	82,650	83,250

Source: TischlerBise analysis

Base Year Housing Stock

To understand the housing growth in the City of Portland, the building permit data from the last five years is collected in Figure 35. Over the past 5 years there has been an increase of 1,435 housing units in Portland and, on average, there have been 33 single family/two-family and 254 multifamily housing units constructed annually. It is assumed this trend will continue and the averages are used to project housing development in the City of Portland.

Figure 35. Permitted Housing Units

Housing Type	2013	2014	2015	2016	2017	Total	Average
Single Family/Two-Family	26	53	23	38	26	166	33
Multifamily	168	97	187	611	206	1,269	254
Total	194	150	210	649	232	1,435	287

Source: City of Portland Planning Department

By examining parcel data provided by the City with a GIS (Geographic Information System) software, the base year housing stock is estimated in Figure 36. In total, 56 percent of the housing in the City of Portland is single family/two-family and 44 percent multifamily. Consistent with the City's land use code, single family units include single family detached, single family attached, two-families, and mobile homes. Multifamily units include structures with 3 or more units.

Figure 36. Base Year Housing Stock (Housing Units)

Housing Type	Base Year 2018	%
Single Family/Two-Family	21,047	56%
Multifamily	16,575	44%
Total	37,622	100%

Source: City of Portland GIS Data

Population and Housing Unit Projections

Illustrated in Figure 37, by using the projections from *Portland's Plan 2030* for permanent population, a growth of 3,391 residents is projected by 2028. The seasonal population is assumed to grow with housing development. The vacancy rates found in Figure 28 are assumed to hold through the projection period and the seasonal population is found by combining the estimated vacant units with the corresponding PPHH factor. Lastly, to project the daily peak visitor population growth, the annual percent increase in permanent population is applied. Overall, there is a peak population increase of 4,279. Of the total population in 2028, 81 percent is permanent, 9 percent is seasonal, and 10 percent is visitor population.

To project the housing unit growth in Portland, the five-year annual average of building permits is used (see Figure 35). Over the ten-year projection period, the housing stock in the city is estimated to increase by 2,870 units (88 percent multifamily units).

Figure 37. City of Portland Annual Residential Development Projections

	Base Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total Increase
Peak Population														
Permanent	67,305	67,644	67,983	68,322	68,661	69,001	69,340	69,679	70,018	70,357	70,696	71,035	71,374	3,391
Seasonal	7,386	7,432	7,478	7,523	7,569	7,615	7,660	7,706	7,752	7,797	7,843	7,889	7,934	457
Visitor	8,559	8,602	8,645	8,688	8,731	8,775	8,818	8,861	8,904	8,947	8,990	9,033	9,076	431
Total	83,250	83,678	84,106	84,534	84,962	85,390	85,818	86,246	86,673	87,101	87,529	87,957	88,385	4,279
Housing Unit														
Single Family/Two-Family	21,047	21,080	21,113	21,147	21,180	21,213	21,246	21,279	21,313	21,346	21,379	21,412	21,445	332
Multifamily	16,575	16,829	17,083	17,336	17,590	17,844	18,098	18,352	18,605	18,859	19,113	19,367	19,621	2,538
Total	37,622	37,909	38,196	38,483	38,770	39,057	39,344	39,631	39,918	40,205	40,492	40,779	41,066	2,870

Source: Portland's Plan 2030; TischlerBise analysis

Current Employment and Nonresidential Floor Area

The impact fee study will include nonresidential development as well. According to the U.S. Census Bureau's web application, OnTheMap, there were 65,203 jobs in Portland in 2015. The education, health care, and social assistance services accounted for the largest percentage of the total (26.2 percent).

Figure 38. Employment by Industry Sector, 2015

Industry Sector	Employment	%
Agriculture, forestry, fishing and hunting, and mining	18	0.0%
Utilities	395	0.6%
Construction	2,015	3.1%
Manufacturing	2,714	4.2%
Wholesale trade	2,478	3.8%
Retail trade	5,302	8.1%
Transportation and warehousing, and utilities	2,065	3.2%
Information	1,529	2.3%
Finance and insurance, and real estate and rental and leasing	8,114	12.4%
Professional, scientific, mgmt. , admin., and waste mgmt. services	11,893	18.2%
Educational services, and health care and social assistance	17,057	26.2%
Arts, entertainment, recreation, accommodation, and food services	7,354	11.3%
Other services, except public administration	2,475	3.8%
Public administration	1,794	2.8%
Total	65,203	100.0%

Source: U.S. Census Bureau, OnTheMap 2015

The fourteen industry sectors in Figure 38 have been compiled into four industries: retail, office, industrial, and institutional. The City of Portland's employment is pretty well dispersed between the industries, with the institutional and office industries accounting for the highest percentages of employment, Figure 39.

Figure 39. Employment by Industry, 2015

Industry	Jobs	%
Retail	12,656	19%
Office	24,011	37%
Industrial	9,685	15%
Institutional	18,851	29%
Total	65,203	100%

Source: U.S. Census Bureau, OnTheMap 2015

Since the breakdown is for 2015, a projection is necessary to estimate the job totals for the base year. To estimate the current employment in the City of Portland, employment projections from Portland Area Comprehensive Transportation System (PACTS) are used. Based on employment projections at the Traffic Analysis Zone (TAZ) level, PACTS forecast an employment increase of 27.5 percent from 2014 to 2040. The annual percent increase of the PACTS projection is used to calculate the employment growth in Figure 40.

The breakdown by industry in Figure 39 is then applied to total increase to calculate the growth in each industry. In the base year, it is estimated that there are 67,270 jobs in Portland.

Figure 40. Base Year Employment

	2015	2016	2017	Base Year 2018
Employment				
Retail	12,656	12,790	12,923	13,057
Office	24,011	24,265	24,518	24,772
Industrial	9,685	9,787	9,890	9,992
Institutional	18,851	19,050	19,249	19,449
Total	65,203	65,892	66,581	67,270

Source: Portland Area Comprehensive Transportation System (PACTS); TischlerBise analysis

Base year nonresidential floor area for the retail, office, industrial, and institutional industry sectors are calculated with GIS parcel data provided by City staff. In Figure 41, there is a total of 35.3 million square feet of nonresidential floor area in Portland in 2018, with all sectors accounting for at least 20 percent. Additionally, the figure lists the City's land use categories used to determine the floor area of each industry.

Figure 41. Base Year Nonresidential Floor Area

Industry	Nonresidential Sq. Ft.	%	Land Use Categories
Retail	9,816,540	28%	Multiuse Commercial, Retail & Personal Services
Office	9,317,766	26%	Office & Business Services, Communications, Commercial Condos
Industrial	7,224,665	20%	Manufacturing & Constr., Multiuse Ind., Transport., Warehouse, Wholesale
Institutional	8,909,498	25%	Charitable, Government, Scientific Inst., Religious, Other Exempt by Law
Total	35,268,468	100%	

Source: Portland Area Comprehensive Transportation System (PACTS); City of Portland GIS data

Employment and Nonresidential Floor Area Projections

To project nonresidential floor area, square feet per employee factors from the Institute for Transportation Engineer's Trip Generation (2017) are used. To estimate the factor for retail, the shopping center factor is used, for office the general office factor is used, for industrial the manufacturing factor is used, and for institutional the hospital factor is used (Figure 42).

Figure 42. Institute of Transportation Engineers Nonresidential Land Use Factors

ITE Code	Land Use	Demand Unit	Emp Per Dmd Unit	Sq Ft Per Emp
110	Light Industrial	1,000 Sq Ft	1.63	615
130	Industrial Park	1,000 Sq Ft	1.16	864
140	Manufacturing	1,000 Sq Ft	1.59	628
150	Warehousing	1,000 Sq Ft	0.34	2,902
254	Assisted Living	bed	0.61	na
320	Motel	room	0.13	na
520	Elementary School	1,000 Sq Ft	0.93	1,076
530	High School	1,000 Sq Ft	0.63	1,581
540	Community College	student	0.08	na
550	University/College	student	0.18	na
565	Day Care	student	0.19	na
610	Hospital	1,000 Sq Ft	2.83	354
620	Nursing Home	1,000 Sq Ft	2.28	438
710	General Office (avg size)	1,000 Sq Ft	2.97	337
760	Research & Dev Center	1,000 Sq Ft	3.42	292
770	Business Park	1,000 Sq Ft	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	2.34	427

Source: Trip Generation, Institute of Transportation Engineers, 10th Edition (2017)

Found in Figure 43, job growth over the next ten years is projected to follow PACTS' annual percentage increase forecast. In total, 6,890 new jobs are projected by 2028. Each industry sector is projected to have an increase over 1,000 jobs, with office topping the four with an increase of 2,537 jobs.

To project floor area, the square foot per job factors are applied to the corresponding job totals. Over the next ten years, it is projected that there will be a growth of 2.8 million nonresidential square feet in the City of Portland. The office and institutional industries are projected to have the largest increases in floor area, both over 700,000 square feet.

Figure 43. Employment and Nonresidential Floor Area Projections

Industry	Base Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Increase
Employment												
Retail	13,057	13,191	13,325	13,458	13,592	13,726	13,860	13,993	14,127	14,261	14,395	1,337
Office	24,772	25,026	25,280	25,533	25,787	26,041	26,295	26,548	26,802	27,056	27,309	2,537
Industrial	9,992	10,094	10,197	10,299	10,401	10,504	10,606	10,708	10,811	10,913	11,015	1,023
Institutional	19,449	19,648	19,847	20,046	20,245	20,445	20,644	20,843	21,042	21,241	21,441	1,992
Total	67,270	67,959	68,648	69,337	70,026	70,715	71,404	72,093	72,782	73,471	74,160	6,890
Nonresidential Floor Area (1,000 sq. ft.)												
Retail	9,817	9,874	9,931	9,988	10,045	10,102	10,159	10,216	10,273	10,330	10,387	571
Office	9,318	9,403	9,489	9,574	9,660	9,745	9,830	9,916	10,001	10,087	10,172	854
Industrial	7,225	7,289	7,353	7,418	7,482	7,546	7,611	7,675	7,739	7,804	7,868	643
Institutional	8,909	8,980	9,050	9,121	9,191	9,262	9,332	9,402	9,473	9,543	9,614	704
Total	35,268	35,546	35,823	36,100	36,378	36,655	36,932	37,209	37,487	37,764	38,041	2,773

Source: Portland Area Comprehensive Transportation System (PACTS); City of Portland; TischlerBise analysis

Person Trip Generation

Portland is a unique community with residents and workers using varying modes to travel. In general, an impact fee study calculates future developments' impact on the City's transportation infrastructure. In suburban, greenfield communities that concentrate on roadway expansion to accommodate new vehicles, a development's impact is best estimated by calculating the new vehicle trips or vehicle miles traveled (VMT) generated by the development. However, based on the urban environment and residents' travel behaviors, a multimodal approach is necessary for the City of Portland. This is also consistent with the capital improvements identified in the City's Capital Improvement Plan. As such, the multimodal approach will calculate the daily person trips generated by the varying development types in the study. To encompass the varying modes of travel used in Portland, the methodology includes persons per vehicle trip, transit trip, and non-motorized trips.

Person Trip Methodology

According to the Institute of Transportation Engineers (ITE), there are several elements necessary to calculate person trips. The following equation is provided in the ITE's Trip Generation Handbook (2017):

$$\text{Person trips} = [(\text{vehicle occupancy}) \times (\text{vehicle trips})] + \text{transit trips} + \text{walk trips} + \text{bike trips}$$

To create a more streamlined approach, this study uses "non-motorized trips" as the sum of walk trip and bike trips. The Trip Generation Handbook outlines the general approach to calculating person trips (further detail of methodology used is described in following sections):

1. **Estimate vehicle trips generated by development type.**
 - a. This study uses the vehicle trip rates found in ITE's Trip Generation Manual (2017).
2. **Determine mode share and vehicle occupancy.**
 - a. Trip survey data from the National Household Transportation Survey (2017) is used to calculate needed factors.
3. **Convert vehicle trips to person trips.**
 - a. This conversion calculates the total person trips by combining the vehicle trip mode share and vehicle occupancy.
4. **Calculate the estimated person trips by mode.**
 - a. The mode share split is applied to the total person trip rate to calculate the specific person trip rate for vehicle, transit, and non-motorized trips per land use.

Residential Vehicle Trips

A customized vehicle trip rate is calculated for the single family and multifamily units in the City of Portland. In Figure 44, the most recent data from the American Community Survey is inputted into equations provided by the ITE to calculate the vehicle trip ends per housing unit factor. A single family/two-family unit is estimated to generate 7.6 trip ends on an average weekday and a multifamily unit is estimated to generate 3.6 trip ends on an average weekday.

Figure 44. Customized Residential Vehicle Trip End Rates

	Vehicles Available (1)	Households (2)			Vehicles per Household by Tenure
		Single Family/Two-Family	Multifamily Units	Total HHs	
Owner-occupied	23,000	12,312	680	12,992	1.77
Renter-occupied	17,976	8,740	8,469	17,209	1.04
TOTAL	40,976	21,052	9,149	30,201	1.36
Housing Units (6) =>		23,338	10,098	33,436	
Persons per Housing Unit =>		2.14	1.44	1.93	

	Persons (3)	Trip Ends (4)	Vehicles by Type of Housing	Trip Ends (5)	Average Trip Ends	Trip Ends per Housing Unit
Single Family/Two-Family	50,010	154,055	30,926	202,330	178,192	7.60
Multifamily	14,542	33,220	10,050	39,892	36,556	3.60
TOTAL	64,552	187,275	40,976	242,222	214,748	6.40

(1) Vehicles available by tenure from Table B25046, 2012-2016 American Community Survey 5-Year Estimates.

(2) Households by tenure and units in structure from Table B25032, American Community Survey, 2012-2016.

(3) Persons by units in structure from Table B25033, American Community Survey, 2012-2016.

(4) Vehicle trips ends based on persons using formulas from [Trip Generation](#) (ITE 2017). For single family housing (ITE 210), the fitted curve equation is $EXP(0.89 \cdot \ln(\text{persons}) + 1.72)$. To approximate the average population of the ITE studies, persons were divided by 286 and the equation result multiplied by 286. For multifamily housing (ITE 221), the fitted curve equation is $(2.29 \cdot \text{persons}) - 81.02$.

(5) Vehicle trip ends based on vehicles available using formulas from [Trip Generation](#) (ITE 2017). For single family housing (ITE 210), the fitted curve equation is $EXP(0.99 \cdot \ln(\text{vehicles}) + 1.93)$. To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 485 and the equation result multiplied by 485. For multifamily housing (ITE 220), the fitted curve equation is $(3.94 \cdot \text{vehicles}) + 293.58$ (ITE 2012).

(6) Housing units from Table B25024, American Community Survey, 2012-2016.

Nonresidential Vehicle Trips

Vehicle trip generation for nonresidential land uses are calculated by using ITE's average daily trip end rates found in their recently published 10th edition of Trip Generation. To estimate the trip generation in Portland, the weekday trip end per 1,000 square feet factors highlighted in Figure 45 are used. To estimate the trip generation for retail the shopping center factor is used, for office the general office factor is used, for industrial the manufacturing factor is used, and for institutional the hospital factor is used.

Figure 45. Institute of Transportation Engineers Nonresidential Land Use Factors

ITE Code	Land Use	Demand Unit	Wkdy Trip Ends Per Dmd Unit	Wkdy Trip Ends Per Employee
110	Light Industrial	1,000 Sq Ft	4.96	3.05
130	Industrial Park	1,000 Sq Ft	3.37	2.91
140	Manufacturing	1,000 Sq Ft	3.93	2.47
150	Warehousing	1,000 Sq Ft	1.74	5.05
254	Assisted Living	bed	2.60	4.24
320	Motel	room	3.35	25.17
520	Elementary School	1,000 Sq Ft	19.52	21.00
530	High School	1,000 Sq Ft	14.07	22.25
540	Community College	student	1.15	14.61
550	University/College	student	1.56	8.89
565	Day Care	student	4.09	21.38
610	Hospital	1,000 Sq Ft	10.72	3.79
620	Nursing Home	1,000 Sq Ft	6.64	2.91
710	General Office (avg size)	1,000 Sq Ft	9.74	3.28
760	Research & Dev Center	1,000 Sq Ft	11.26	3.29
770	Business Park	1,000 Sq Ft	12.44	4.04
820	Shopping Center (avg size)	1,000 Sq Ft	37.75	16.11

Source: [Trip Generation](#), Institute of Transportation Engineers, 10th Edition (2017)

Mode Share and Vehicle Occupancy

Data from the National Household Travel Survey (NHTS) is used to approximate the percentage split of total person trips by transportation modes in the City of Portland. NHTS has been conducting stratified, random surveys for nearly 50 years with the aim to understand the modes and purposes of travel in the US. For this study, the most recent survey, 2017, is refined to create a database of survey responses that is both from similar cities to Portland and statistically significant. Initially, the national database of responses is refined by location and population, the results are limited to New England metropolitan statistical areas (ME, NH, VT, CT, MA, RI) with less than 1 million residents. The City of Portland is within the Portland-South Portland-Biddeford, Maine metropolitan statistical area that had a population of 523,874 in 2016 (US Census American Community Survey, 2016). The database is further filtered to only include responses from urban areas and urban clusters. Lastly, only responses for trips on weekdays are included. As a result, there are 2,656 NHTS responses in the database that are used to approximate the mode splits and vehicle occupancy.

Data from NHTS indicates the purpose of a trip which allows for the mode share and vehicle occupancy to be calculated for residential and nonresidential land uses separately. It is assumed that trips for residential and nonresidential purposes have different characteristics, so by calculating separately the analysis results in more accurate trip factors. There are 1,447 survey responses that are attributed to

residential and 1,209 responses attributed to nonresidential land uses. Both databases are well within a 95 percent confidence level with a confidence interval (margin of error) of less than 3.¹

The transportation mode split for residential purpose trips is listed in Figure 46. Of the 1,447 total trips, 86 percent are by vehicle, 1 percent transit, and 13 percent non-motorized. Additionally, during the vehicle trips there were 1,877 passengers, resulting in an average vehicle occupancy of 1.51 passengers per vehicle trip.

Figure 46. Residential Purpose Person Trips by Mode

Mode	Trips	%
Vehicle	1,246	86%
Transit	18	1%
Non-Motorized	183	13%
Total	1,447	100%

Source: National Household Travel Survey, 2017; TischlerBise analysis

The transportation mode split for nonresidential purpose trips is listed in Figure 47. Of the 1,209 total trips, 82 percent are by vehicle, 2 percent transit, and 16 percent non-motorized. Additionally, during the vehicle trips there were 1,669 passengers, resulting in an average vehicle occupancy of 1.69 passengers per vehicle trip.

Figure 47. Nonresidential Purpose Person Trips by Mode

Mode	Trips	%
Vehicle	989	82%
Transit	22	2%
Non-Motorized	198	16%
Total	1,209	100%

Source: National Household Travel Survey, 2017; TischlerBise analysis

¹ A confidence level expresses the certainty that the true mean of the population falls within the confidence interval, the margin of error of the results.

Vehicle Trip Ends to Find Total Person Trip Ends

The total person trip end rate for each land use can be calculated using the vehicle trip end rate, vehicle occupancy rate, and vehicle mode share. The following formula to calculate vehicle trip ends is provided in the ITE's Trip Generation Handbook (2017):

$$\text{Vehicle trip ends} = [(\text{person trip ends} \times (\text{vehicle mode share})) / (\text{vehicle occupancy})]$$

This is rearranged to calculate total person trips:

$$\text{Person trip ends} = [(\text{vehicle trip ends} \times (\text{vehicle occupancy})) / (\text{vehicle mode share})]$$

By inputting the vehicle trip rate, vehicle occupancy, and vehicle mode share factors found in earlier sections, the daily person trip rate for each land use is found. For example, the daily vehicle trip rate for a single family/two-family housing unit is 7.60 (Figure 44), the vehicle occupancy is 1.51, and the vehicle mode share is 86 percent (Figure 46). By inputting these factors into the formula, a daily person trip end rate of 13.34 is calculated $([7.60 \text{ vehicle trips} \times 1.51 \text{ occupancy rate}] / [86\% \text{ vehicle mode share}] = 13.34)$. Figure 48 lists the calculated daily person trip end rate for each land use.

Figure 48. Daily Person Trip End Rate by Land Use

Development Type	Daily Vehicle Trip Ends	Vehicle Occupancy Rate	Vehicle Mode Share	Daily Person Trip Ends
Single Family/Two-Family	7.60	1.51	86%	13.34
Multifamily	3.60	1.51	86%	6.32
Retail	37.75	1.69	82%	77.80
Office	9.74	1.69	82%	20.07
Industrial	3.93	1.69	82%	8.10
Institutional	10.72	1.69	82%	22.09

Source: Trip Generation, Institute of Transportation Engineers, 10th Edition (2017); National Household Travel Survey data, 2017; TischlerBise analysis

Residential Trips Adjustment Factors

A person trip end is the out-bound or in-bound leg of a trip. As a result, so to not double count trips, a standard 50 percent adjustment is applied to trip ends to calculate a person trip. For example, the out-bound trip from a person's home to work is attributed to the housing unit and the trip from work back home is attributed to the employer.

However, an additional adjustment is necessary to capture residents' work bound trips that are outside of the City. The trip adjustment factor includes two components. According to the NHTS (2009), home-based work trips are typically 31 percent of out-bound trips (which are 50 percent of all trip ends). Also, utilizing the most recent data from the Census Bureau's web application "OnTheMap", 49 percent of the City of Portland's workers travel outside the city for work. In combination, these factors account for 8 percent of additional production trips ($0.50 \times .31 \times 0.49 = 0.08$). Shown in Figure 49, the total adjustment factor for residential housing units includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (8 percent of production trips) for a total of 58 percent.

Figure 49. Trip Adjustment Factor for Commuters out of the City

Employed Portland Residents (2015)	35,405
Portland Residents Working in the City (2015)	17,958
Portland Residents Commuting Outside of the City for Work	17,447
Percent Commuting out of the City	49%
Additional Production Trips	8%
Standard Trip Adjustment Factor	50%
Residential Trip Adjustment Factor	58%

Source: U.S. Census, OnTheMap Application, 2015

To calculate nonresidential trips, the standard 50 percent adjustment is applied to office, industrial, and institutional. A lower trip adjustment factor is used for retail uses because this type of development attracts person trips while they pass-by. Pass-by trips do not generate further traffic as it is only a stop on a trip for ultimately a different purpose. For example, when someone stops at a convenience store on their way home from work, the convenience store is not their primary destination.

Person Trips by Mode

In Figure 50, the trip adjustment factor and mode share are applied to the person trip end rate of each land use to calculate the person trips. For example, for single family/two-family housing units the trip adjustment factor is 58 percent and the vehicle mode share is 86 percent, resulting in a daily person trip rate of 6.66 for the vehicle mode ($13.34 \text{ person trip ends} \times 0.58 \text{ trip adjustment factor} \times 0.86 \text{ vehicle mode share} = 6.66 \text{ person trips}$).

Figure 50. Person Trips by Mode

Development Type	Person Trip Ends	Trip Adjustment Factor	Person Trips/Unit			
			Total	Vehicle	Transit	Non-motorized
Single Family/Two-Family	13.34	58%	7.74	6.66	0.08	1.01
Multifamily	6.32	58%	3.67	3.16	0.04	0.48
Retail	77.80	38%	29.56	24.24	0.59	4.73
Office	20.07	50%	10.04	8.23	0.20	1.61
Industrial	8.10	50%	4.05	3.32	0.08	0.65
Institutional	22.09	50%	11.05	9.06	0.23	1.76

Source: Trip Generation, Institute of Transportation Engineers, 10th Edition (2017); National Household Travel Survey data, 2017; TischlerBise analysis

Note: Trip rates are shown per housing unit for residential land uses and per 1,000 square feet of floor area for nonresidential land uses, except Hotel is shown per hotel room.

Person Trip Projections

The base year person trip totals and trip projections are calculated by combining the person trip factors and the residential and nonresidential assumptions for housing stock and floor area. Found in Figure 51, in the base year, residential land uses generate 223,734 person trips (30 percent) and nonresidential land uses generate 511,437 person trips (70 percent) in the City of Portland. Through 2028, there will be an increase of 47,721 daily person trips in Portland with retail, multifamily, and office development being the three largest contributors to the increase.

In the base year, 83 percent of the person trips are by vehicle, 2 percent is by transit, and 15 percent is by non-motorized modes. The majority of the person trip increase over the 10-year projection period is from vehicles as well.

Figure 51. Total Daily Person Trip Projections

	Base Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Increase
Residential Person Trips												
Single Family/Two-Family	162,904	163,161	163,418	163,675	163,932	164,189	164,446	164,703	164,960	165,216	165,473	2,570
Multifamily	60,830	61,762	62,693	63,625	64,556	65,487	66,419	67,350	68,282	69,213	70,145	9,314
Subtotal	223,734	224,922	226,111	227,299	228,488	229,676	230,865	232,053	233,241	234,430	235,618	11,884
Nonresidential Person Trips												
Retail	290,177	291,864	293,551	295,238	296,925	298,612	300,299	301,987	303,674	305,361	307,048	16,871
Office	93,550	94,408	95,266	96,124	96,982	97,840	98,698	99,555	100,413	101,271	102,129	8,579
Industrial	29,260	29,520	29,781	30,041	30,302	30,562	30,823	31,083	31,344	31,604	31,865	2,605
Institutional	98,450	99,228	100,006	100,785	101,563	102,341	103,119	103,897	104,676	105,454	106,232	7,782
Subtotal	511,437	515,021	518,604	522,188	525,772	529,356	532,939	536,523	540,107	543,690	547,274	35,837
Grand Total Person Trips	735,171	739,943	744,715	749,487	754,260	759,032	763,804	768,576	773,348	778,120	782,892	47,721
Person Trips by Transportation Mode												
Total Vehicle Person Trips	611,790	615,750	619,711	623,672	627,632	631,593	635,554	639,514	643,475	647,436	651,396	39,607
Total Transit Person Trips	12,466	12,550	12,633	12,717	12,800	12,884	12,967	13,051	13,135	13,218	13,302	836
Total Non-Motorized Trips	110,915	111,643	112,371	113,099	113,827	114,555	115,283	116,011	116,738	117,466	118,194	7,279
Grand Total Person Trips	735,171	739,943	744,715	749,487	754,260	759,032	763,804	768,576	773,348	778,120	782,892	47,721

Source: Trip Generation, Institute of Transportation Engineers, 10th Edition (2017); National Household Travel Survey data, 2017; TischlerBise analysis

Base Year Wastewater Usage

Water and sewer account data has been provided by the Portland Water District (PWD) and the City's Department of Public Works. Within the database, residential, commercial, industrial, and institutional wastewater usage is calculated. Additionally, with account data, the wastewater usage of an Equivalent Residential Unit (ERU) is calculated as well. The ERU is the estimate of the daily average wastewater usage from a household with a water meter that is 5/8 inches. In the impact fee calculation, a capacity ratio factor is applied when calculating the wastewater usage and resulting impact fee for developments with larger meters.

Base Year Estimates

Shown in Figure 52, on average there is a total of 5.7 million gallons per day of wastewater flowing through the City's sewer system from these four development types. The majority of the wastewater flows from residential development, but commercial development creates a significant demand as well.

Figure 52. City of Portland Daily Wastewater Usage, 2018

Development Type	Base Year (gals/day)	%
Residential	2,933,364	52%
Commercial	1,998,656	35%
Industrial	542,244	10%
Institutional	187,205	3%
Total	5,661,470	100%

Source: City of Portland Public Works
Department

Equivalent Residential Unit

The wastewater component of the impact fee study will use the wastewater flow calculated for residential units that have a water meter of 5/8 inches to represent the Equivalent Residential Unit (ERU). To calculate the ERU, the wastewater account database is filtered by active residential accounts that use the City's sewer system. Additionally, the database is further limited by only year-round accounts. These accounts are occupied households that reside in Portland permanently. Year-round accounts are approximated by accounts that have activity every month. Illustrated in Figure 53, there is an average of 61 hundred cubic feet (HCF) of wastewater per year from a year-round active residential account flowing into the City's sewer system. That equates to an average of 126 gallons per day, rounded.

Figure 53. Equivalent Residential Unit

Meter Size (inches)	Total Water (HCF)	Active Accounts	Annual Average per Account (HCF)	Annual Average (gallons)	Daily Average (gallons)
5/8	866,230	14,134	61	45,846	126

Source: City of Portland Public Works Department; TischlerBise analysis

Note: Provided data measured wastewater totals in hundred cubic feet (HCF), equal to 748.05 gallons

Wastewater Projections

To project wastewater flows, it is assumed that the average consumptions will stay constant. As a result, the wastewater from residential accounts will increase at the same rate as the projected housing units and wastewater from nonresidential accounts will increase at the same rate as the projected growth in floor area for the respective industry. Over the next ten years, a total increase of 400,000 gallons per day is projected. Residential and commercial land uses account for the majority of the projected increase.

Figure 54. Wastewater Projections, Million Gallons Per Day (MGD)

Development Type	Base Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Increase
Residential	2.93	2.96	2.98	3.00	3.02	3.05	3.07	3.09	3.11	3.13	3.16	0.22
Commercial	2.00	2.01	2.02	2.03	2.05	2.06	2.07	2.08	2.09	2.10	2.11	0.12
Industrial	0.54	0.55	0.55	0.56	0.56	0.57	0.57	0.58	0.58	0.59	0.59	0.05
Institutional	0.19	0.19	0.19	0.19	0.19	0.19	0.20	0.20	0.20	0.20	0.20	0.01
Total	5.66	5.70	5.74	5.78	5.82	5.86	5.90	5.94	5.98	6.02	6.06	0.40

Source: City of Portland Public Works Department; TischlerBise analysis

APPENDIX B: AFFORDABLE HOUSING ANALYSIS

This chapter estimates the effects of imposing the proposed impact fees on the affordability of housing in the City of Portland. The analysis will examine the current household income and housing expenses that burden an average household in the City. Next, the maximum defensible impact fees will be included in the cost burden analysis to identify the effect the fees will have on affordable housing in the City.

For this analysis, affordable housing is defined in as housing to families whose incomes do not exceed 80 percent of the median income of the City. The analysis uses the US Housing and Urban Development's (HUD) criteria that housing should be 30 percent or less of a household's income. The cost of housing is "moderately burdensome" if its cost burden is over 30 percent and "severely burdensome" if the ratio is over 50 percent.

Proposed Impact Fees

The impact fees found in Figure 55 are new development's fair share of the cost to provide additional parks & recreation, transportation, and wastewater facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service. The housing affordability analysis will assume a conservative condition for assessing the effect of the impact fee on affordable housing in the City of Portland (i.e. the maximum defensible impact fee amount). If the City were to choose a lower impact fee amount, the results presented in this report would improve.

Figure 55. Maximum Defensible Impact Fees

Development Type	Parks & Rec	Transportation	Wastewater	Total
Residential (per housing unit/per water meter)				
Single Family/Two-Family	\$1,126	\$2,159	\$1,886	\$5,171
Multifamily	\$752	\$1,023	\$1,886	\$3,661

Note: a 5/8 inch meter is shown for residential development, however, the wastewater fee will be assessed based on the development's meter size.

Housing Stock

Listed in Figure 56, there are a total of 33,436 housing units in the City of Portland. Of the total, 90 percent are occupied. Additionally, the majority (70 percent) of the housing in the City is single family/two-family units.

Figure 56. Housing Stock Characteristics

Type of Structure	Persons	House-holds	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single Family/Two-Family Unit ¹	50,010	21,052	2.38	23,338	2.14	69.8%	9.8%
Multifamily Unit ²	14,542	9,149	1.59	10,098	1.44	30.2%	9.4%
Total	64,552	30,201	2.14	33,436	1.93		9.7%

Source: TischlerBise analysis; U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates

[1] Includes detached, attached, two-family, and mobile home units.

[2] Includes structures with more than 2 units.

Household Income

The purchasing power of Portland residents to secure housing is represented by personal income. Personal income includes all wages, tips, and bonuses from employment, as well as retirement income earned from a pension plan or retirement account. In the analysis, household income represents all residents living in the housing unit, no matter relationship. From the US Census Bureau American Community Survey, in 2016 the median annual household income for the City was \$65,571. By using the US Bureau of Labor Statistics' CPI Calculator, the current household income is estimated at \$68,560. The annual income for a household making 80 percent of the City's median is \$54,848, or \$4,571 per month.

Figure 57. Median Household Income

Median Annual Household Income (2016)	Median Annual Household Income (2018)	Household Income Factor	80% of Median Annual Income	Monthly Income
\$65,571	\$68,560	80%	\$54,848	\$4,571

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

Cost of Homeownership

The analysis uses ten categories to calculate the baseline cost of homeownership in the City: purchase price; mortgage payment; property tax; stormwater management fee; water; sewer; gas; electricity; telephone, cable and internet; and homeowners insurance. The following section details the costs included.

Purchase Price

The median home value is used to estimate the purchase price of a home. The American Community Survey estimates that the median value of a home in the City in 2016 was \$248,000 (US Census Bureau, 2012-2016 American Community Survey 5-Year Estimates). With the US Bureau of Labor Statistics' CPI Calculator, the current home value is estimated to be \$259,306.

Mortgage Payment

A conventional, fixed-rate 30-year mortgage is assumed to estimate monthly costs of principle and interest on a home loan. The down payment for a loan is assumed to be 20 percent of the purchase price ($\$259,306 \times 20\% = \$51,861$). The loan amount for the mortgage is determined by subtracting the down payment from the purchase price ($\$251,617 - \$51,861 = \$207,445$). An interest rate of 4.35 percent is assumed for the home purchase based on a survey of competitive interest rates in Portland (www.bankrate.com). The monthly mortgage payment is \$1,033.

Property Tax

To calculate annual property tax, homes in the City that are assessed a property tax millage rate of 0.0225. The assessed value of a home in Portland is found by reducing the market rate (purchase price) by the Local Declared Ratio (89%) and the Maine Homestead Exemption Program (\$17,800). Thus, in this analysis the assessed value of an average home in Portland is \$212,982 ($\$259,306 \times 89\% - \$17,800 = \$212,982$). As a result, the annual property tax for the average valued home is \$4,788 ($\$212,982 \times 0.0225 = \$4,788$).

Stormwater Service Charge

In the City of Portland, the stormwater service charge to operate and maintain the stormwater management system is \$12.60 per month for a housing unit. It is assumed that the average single family unit has between 1,800 and 2,880 square feet of impervious area.

Water Utility

By using data provided by the City of Portland and the Portland Water District, the average household uses 126 gallons of water per day or 512 cubic feet per month. Based on the water rates for a residential unit, the average water usage results in a monthly charge of \$19.09.

Wastewater Utility

By using data provided by the City of Portland and the Portland Water District, the average household generates 126 gallons of wastewater per day or 512 cubic feet per month. Based on the wastewater rates for a residential unit, the average wastewater generation results in a monthly charge of \$21.98.

Electricity Utility

By using data from the Central Maine Power company, the average household generates 552 kilowatts of electricity per month. Based on the electricity rates for a residential unit, the average electricity usage results in a monthly charge of \$45.30.

Gas Utility

By using data from the Governor's Energy Office and Unitil company, the average household uses 62.5 therms of gas per month (annualized average). Based on the gas rates for a residential unit, the average usage results in a monthly charge of \$54.43.

Telephone, Cable, and Internet Utilities

Comcast Xfinity is a provider of telephone, cable, and internet in the City of Portland. From their website, the three services costs \$80.00 per month (www.xfinity.com).

Homeowner's Insurance

Homeowner's insurance provides protection for the home and is generally required when a home has a mortgage. The average cost for homeowner's insurance in the City is estimated to be \$820 per year (www.insurance.com).

Monthly Payment

By compiling the month obligations, it is estimated that the monthly cost for homeownership is \$1,733. At the end of this chapter the monthly costs are listed in Figure A6.

Cost of Renting

The cost of renting a home in the City of Portland is estimated with data provided by the US Census Bureau. In 2016, the median gross rent (including all utilities and rental insurance) in the City was estimated to be \$969. With the US Bureau of Labor Statistics' CPI Calculator, the current cost of renting is estimated to be \$1,013.

Cost Burden Analysis

The cost burden for affordable housing is measured as the ratio between monthly payments for housing (including property tax, fee, utilities, and insurance) and monthly gross household income. An analysis was conducted for residents that purchase a home and residents that rent a home. A cost burden ratio of 30 percent is used as the threshold to determine housing affordability in the City of Portland.

Scenario 1: Baseline Conditions

Figure 58 summarizes the cost burden analysis for residents purchasing or renting a median valued home without the maximum defensible impact fees included. Based on the results, the cost burden for owner-occupied housing is above the threshold to be considered affordable for households whose income is 80 percent of the City's median income. The renter-occupied housing cost burden is below the limit of affordability for households whose income is 80 percent of the median income.

Figure 58. Scenario 1: Cost Burden Analysis without Proposed Impact Fee

Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,571	\$1,733	37.9%
Renter-Occupied	\$4,571	\$1,013	22.2%

Scenario 2: Baseline Condition + Proposed Impact Fee

In the second scenario, the maximum defensible impact fees are included into the cost burden analysis to identify the effects the fee has on housing affordability. Since the impact fees are based on housing type, the owner-occupied housing unit will be assessed the fee for single family/two-family units (\$5,171) and the renter-occupied housing unit will be assessed the fee for multifamily units (\$3,661).

The analysis takes a conservative approach and assumes the purchase price of the median home is raised by the increase in the impact fee. This ultimately increases the household's mortgage payment and property tax, see Figure 60. For renter-occupied housing units, the analysis assumes that the impact fee increase will be recouped by the landlord through an increase in monthly rent. The fee will be recouped over 30 years, thus increasing the monthly rent by \$10.

Figure 59 lists the monthly costs with the impact fees for owners and renters. The cost burden ratio for owner-occupied homes increases by 0.7 percentage points and for renter-occupied homes the cost burden ratio increases by 0.2 percentage points. Even with the increase, the cost burden for renter-occupied homes is still considered affordable for households who earn 80 percent of the median income.

Figure 59. Scenario 2: Cost Burden Analysis with Proposed Impact Fee

Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,571	\$1,763	38.6%
Renter-Occupied	\$4,571	\$1,023	22.4%

Impact Fee Effect on Affordable Housing

Condition	Change
Owner-Occupied	0.7%
Renter-Occupied	0.2%

Conclusion

This chapter estimates the effect on affordability of housing from imposing the maximum defensible impact fees. To calculate the effect, a household that earns 80 percent of the median income should have a cost burden ratio of 30 percent or less for housing. Currently, the cost burden of an owner-occupied home (single family/two-family) is above the threshold, thus considered moderately burdensome. The cost burden of a renter-occupied home (multifamily) is below the threshold, thus considered affordable. **This analysis has concluded that the maximum defensible impact fees would only have a marginal effect on housing affordability in Portland. Additionally, with the impact fees, renter-occupied units are still well below the 30 percent threshold.**

As noted, this analysis takes a conservative approach by assuming that the impact fees are absorbed entirely by the home occupants. However, in some cases, impact fees result in land values to decrease placing the burden on land owners and not on the future home owners or renters.

Figure 60. Cost of Homeownership

Cost of Living Components	Monthly Payment Calculation	
	Scenario 1	Scenario 2
	Baseline Condition	Baseline Condition + Impact Fee
Purchase Price	\$259,306	\$264,477
Down Payment	\$51,861	\$52,895
Loan Amount	\$207,445	\$211,582
Loan Length (Years)	30	30
Loan Length (Months)	360	360
Yearly Interest Rate	4.35%	4.35%
Monthly Interest Rate	0.36%	0.36%
Monthly Payment	\$1,033	\$1,053
Property Tax - City (per month)	\$399	\$408
Stormwater Fee	\$13	\$13
Water, Sewer, Gas & Electric Utilities	\$141	\$141
Telephone, Cable & Internet Utilities	\$80	\$80
Homeowners Insurance	\$68	\$68
Monthly Cost	\$1,733	\$1,763

APPENDIX C: LAND USE ASSUMPTIONS

In determining the Wastewater Impact Fee for meters that are larger than the standard meter size for a single family home, 5/8 inches, a capacity ratio is calculated and then applied to the impact fee of a single family home. For example, the water flow capacity for the standard meter size serving a single family home is 20 gallons per minute (gpm). The water flow capacity for a 1.5-inch meter is 100 gpm. The capacity ratio is calculated by dividing the larger meter's capacity by the standard meter's capacity ($100/20 = 5.00$). To calculate the corresponding fee, the ratio is applied to the proposed impact fee for the 5/8 meter. The meter capacities shown in Figure 61 are from the American Water Works Association.

Figure 61. Water Meter Capacity Ratios

Meter Size (inches)	Meter Capacity	Capacity Ratio
5/8	20	1.00
3/4	30	1.50
1	50	2.50
1 1/2	100	5.00
2	160	8.00
3	320	16.00
6	1,000	50.00
8	1,600	80.00

Capacity ratios are based on meter capacity standards published by American Water Works Association, *Principles of Water Rates, Fees, and Charges, M1*, 7th ed., 2017



PORTLAND IMPACT FEE STUDY

CITY OF PORTLAND PLANNING DIVISION

September 18, 2018

I. Study Objectives & Assumptions



DRAFT

- The City of Portland engaged Colliers to evaluate the impact of the proposed schedule of impact fees (“Fees”) upon development in Portland
- Colliers prepared financials for several typical projects types: Multifamily, office, hotel, industrial, and retail
- Colliers analyzed each projects’ return with and without the proposed impact fees
- Colliers applied the Maximum Supportable Fee as determined by TischlerBise

II. Executive Summary

- The proposed fees will have minimal impact upon financial returns across a range of product types, reducing them (IRR and ROI) by less than 1%
- The fees are less than 2.5 percent of total development costs
- The proposed impact fees may be less than or greater than the actual, ad-hoc fees paid by some developments in the past
- Formalizing the fee schedule adds predictability, certainty, and may possibly shorten the permitting time for projects reducing costs
 - For example: One month of escalation of construction costs on a \$15m project is \$62,500/month
- This analysis does NOT account for costs incurred by developers related to design review, compliance with other City of Portland ordinances and/or policies (other than inclusionary zoning), or delays in the permitting process

II. Executive Summary

PORTLAND IMPACT FEE ANALYSIS

SUMMARY

9/20/2018

DRAFT



	Multifamily Rental	Multifamily Condominium	Downtown Hotel	Suburban Airport Hotel	Office + Retail	Industrial	Shopping Center
# of Residential Units	75 Units	50 Units					
# of Hotel Room Keys			150 Keys	200 Keys			
Office GSF					50,000 GSF		
Retail GSF					7,500 GSF		105,000 GSF
Industrial GSF						50,000 GSF	
Surface Parking GSF	24,375 GSF			65,000 GSF		16,250 GSF	325,000 GSF
Structured Parking GSF		16,250 GSF					
Development GSF (ex. Parking)	67,500 GSF	55,000 GSF	52,500 GSF	70,000 GSF	57,500 GSF	50,000 GSF	105,000 GSF

Total Development Cost (Without Impact Fee)	\$21,133,704	\$21,703,206	\$22,765,606	\$27,256,344	\$20,132,086	\$10,171,438	\$39,873,038
\$/Unit/Key/GFA (Without Impact Fee)	\$281,782.72/ Unit	\$434,064.12/ Unit	\$151,770.71/ Key	\$136,281.72/ Key	\$354.55/GSF	\$205.22/GSF	\$388.81/GSF

Estimated Impact Fee to Developer	\$163,301	\$118,926	\$522,026	\$685,976	\$254,803	\$89,738	\$952,286
Percent of TDC	0.77%	0.55%	2.29%	2.52%	1.27%	0.88%	2.39%

IRR (Without Impact Fee)	9.55%	11.60%	10.19%	10.95%	15.31%	9.04%	10.38%
IRR (With Impact Fee)	9.38%	11.39%	9.63%	10.33%	14.91%	8.84%	9.83%
Difference in IRR	0.17%	0.21%	0.56%	0.62%	0.40%	0.20%	0.55%

ROI (Without Impact Fee)	4.18%	33.17%	5.85%	6.46%	9.72%	5.38%	6.27%
ROI (With Impact Fee)	4.11%	32.43%	5.50%	6.01%	9.26%	5.26%	5.86%
Difference in ROI	0.07%	0.74%	0.35%	0.45%	0.47%	0.12%	0.41%

9/20/2018

A detailed development pro forma was prepared with the following assumptions

- 75 units with 75 surface parking spaces.
- 50,000 SF land area
- 900 GFA/unit
- 10% affordable at 100% AMI
- Wood frame construction
- \$282,000 TDC/unit
- Studio rent: \$1,500
- One BR rent: \$1,850
- Two BR rent: \$2,500

Multi-family (condo)



DRAFT

A detailed development pro forma was prepared with the following assumptions

- 50 units with 75 structured/covered parking spaces.
- 50,000 SF land area
- 1,100 GFA/unit
- 10% affordable at 120% AMI
- Wood frame construction over steel podium
- \$434,000 TDC/unit
- Average sale price: \$450/SF

A detailed development pro forma was prepared with the following assumptions

- 150 keys with no on-site parking.
- 20,000 SF land area
- 350 GFA/key
- Wood frame construction over steel podium
- \$152,000 TDC/key
- RevPAR \$135.00

A detailed development pro forma was prepared with the following assumptions

- 200 keys with 200 surface parking spaces
- 125,000 SF land area
- 350 GFA/key
- Wood frame construction over steel podium
- \$136,000 TDC/key
- RevPAR \$120.00

A detailed development pro forma was prepared with the following assumptions

- 50,000 GFA office
- 7,500 GFA retail
- No on-site parking
- 20,000 SF land area
- Steel/concrete construction
- \$355/SF TDC
- \$25.00/SF NNN Rent

A detailed development pro forma was prepared with the following assumptions

- 50,000 GFA industrial
- One surface parking space per 1,000 SF
- 125,000 SF land area
- Steel/concrete construction
- 205/SF TDC
- \$10.00/SF NNN Rent

Retail/Shopping Center



DRAFT

A detailed development pro forma was prepared with the following assumptions

- 60,000 GFA Grocery/Anchor
- 45,000 GFA other retail
- Three surface parking spaces per 1,000 SF
- 500,000 SF land area
- Steel/concrete construction
- \$389/SF TDC
- \$35.00/SF NNN Rent

Questions and Answers & Thank You

13 IMPACT FEES

13.1 AUTHORITY

This ordinance is enacted pursuant to the authority of 30-A M.R.S.A. § 4354 and 30-A M.R.S.A. § 3001.

13.2 PURPOSE

The purpose of these impact fee provisions is to ensure that new development in the City of Portland bears a proportional or reasonably-related share of the cost of new, expanded, or replacement infrastructure necessary to service that development through:

1. The payment of impact fees dedicated to funding improvements made necessary by development, or
2. The construction of improvements as provided for herein.

13.3 APPLICABILITY

The following shall be subject to impact fees:

1. Any new building or addition to existing buildings which results in net new residential dwelling units, non-residential building square footage, or water/wastewater meters, and
2. Any change of use which results in a net increase in impact fee per *Section 13.4.6*,

with the exception of municipal buildings, which shall be considered exempt.

13.4 CALCULATION OF IMPACT FEE

13.4.1 In General

Impact fees shall be calculated based on the impact fee schedule in effect at the time of submittal of a complete application for a building permit.

13.4.2 Determination of Use

The determination of the applicable land use category in the impact fee schedule shall be made by the Department of Permitting and Inspections with reference to the City of Portland's most recent *Impact Fee Study*. If the proposed development is of a type not listed in the impact fee schedule, then the impact fees applicable to the most nearly comparable type of land use listed in the impact fee schedule shall be used.

13.4.3 Mixed Use Development

In the event that there is more than one use within a building, impact fees shall be calculated separately for each use.

13.4.4 Redevelopment

In calculating the impact fee for a new building that involves the full or partial demolition of a building housing an existing, legally established use or uses, such new building shall be credited with an amount equal to the fee that would have been charged to the use or uses which occupied the structure at the time of demolition permit. If the impact fee calculation for the post-development condition is greater than the credit, the applicant shall pay the difference. If the impact fee calculation for the post-development condition is less than the credit, then the applicant shall not be required to pay an impact fee. The City shall not grant credits for demolitions for which a permit was issued more than 12 months prior to the complete application for a building permit.

13.4.5 Building Additions

In calculating the impact fee for building additions, each developed property shall be credited with an amount equal to the fee that would have been charged to the existing use at the time of the addition of floor area. If the impact fee calculation for the post-development condition is greater than the credit, the applicant shall pay the difference. If the impact fee calculation for the post-development condition is less than the credit, then the applicant shall not be required to pay an impact fee.

13.4.6 Changes of Use

In calculating the impact fee for changes of use, each developed property shall be credited with an amount equal to the fee that would have been charged to the existing use at the time of application for building permit. If the impact fee calculation for the proposed use is greater than the credit, the applicant shall pay the difference. If the impact fee calculation for the proposed use is less than the credit, then the applicant shall not be required to pay an impact fee. The City shall not grant credits for uses which have been discontinued for a period of 12 months or more prior to the complete application for a building permit.

TABLE 13-1: PARKS & RECREATION AND TRANSPORTATION IMPACT FEE SCHEDULE¹

Land Use Type	Unit of Measure	Parks/Recreation Impact Fee	Transportation Impact Fee
Single-family/Two-family	per unit	\$1,126	\$2,159
Multi-family (3+ units)	per unit	\$752	\$1,023
Retail/Service	per 1,000 SF GFA	\$534	\$8,248
Office	per 1,000 SF GFA	\$677	\$2,800
Industrial	per 1,000 SF GFA	\$363	\$1,130
Institutional	per 1,000 SF GFA	\$645	\$3,082
Hotel/Motel	per room	\$875	\$2,404

¹ Land use types included in the impact fee schedule correspond to those in the City's most recent *Impact Fee Study*.

TABLE 13-2: WASTEWATER IMPACT FEE SCHEDULE

Meter Size	Capacity Ratio	Impact Fee
5/8 inch	1.00	\$1,886
3/4 inch	1.50	\$2,829
1 inch	2.50	\$4,715
1 1/2 inches	5.00	\$9,430
2 inches	8.00	\$15,088
3 inches	16.00	\$30,176
6 inches	50.00	\$94,300
8 inches	80.00	\$150,880



13.5 ANNUAL ADJUSTMENT OF IMPACT FEE

To account for inflation, there shall be an automatic annual increase in the impact fee schedule reflected in this ordinance every January 1 based on the change in the construction cost index as published by *Engineering News Record*. The fee adjustment shall be calculated by dividing the index amount published on January 1 of the current year by the index amount published on January 1, 2018 and multiplying the resulting ratio by each fee amount. Annual adjustments shall be made available for public reference.

13.6 MODIFICATION OF IMPACT FEES

- A. A required impact fee may be modified, in whole or in part, by formal vote of the Planning Board in cases when an applicant is otherwise before the Planning Board, or by the Planning Authority in all other cases, if the reviewing authority finds that:
1. The developer or property owner who would otherwise be responsible for the payment of the impact fee voluntarily agrees to make infrastructure improvements for which the impact fee would be collected or an equivalent improvement approved by the reviewing authority, or
 2. The developer or property owner is required, as part of a development approval by the City or a state or federal agency, to make or to pay for infrastructure improvements for which the impact fee would be collected or an equivalent improvement.

Credit amounts shall be determined based on plans, details, and cost estimates for the proposed infrastructure improvements for which the credit is requested. Such plans, details, and cost estimates shall be prepared by a licensed professional engineer and submitted at the time of site plan, subdivision, or building permit application. The applicant shall pay for any third-party review of plans, details, or cost estimates. On-site or immediately adjacent improvements providing direct service to a site as required under subdivision or site plan regulations shall not be considered eligible under this section.

- B. The Planning Board may by formal vote modify the payment of a required impact fee, in whole or in part, if it finds that documentation is provided to demonstrate that a proposed use will impose no or substantially-reduced demands on capital facilities for which impact fees have been adopted. Such documentation shall be prepared by a licensed professional engineer and include a written analysis of the demand for capital facilities generated by the proposed use based on industry standards and the most recent *Impact Fee Study*. Documentation shall be submitted at the time of site plan, subdivision, or building permit application. The applicant shall pay for any third-party review of plans, details, or cost estimates.

13.7 REDUCTION IN FEES FOR AFFORDABLE HOUSING

Any residential development including low-income or workforce housing units and qualifying as an eligible project under Division 30 shall receive a reduction of fees in accordance with *Section 14-486*.

13.8 COLLECTION OF IMPACT FEE

The City of Portland shall not issue any certificate of occupancy required under the Land Use Code until the applicant has paid any impact fees required by this ordinance.

13.9 SEGREGATION OF IMPACT FEES FROM GENERAL REVENUES

Impact fees collected pursuant to this ordinance shall be maintained in separate, non-lapsing impact fee accounts for each of the facilities for which impact fees are assessed, and shall be segregated from the City's general revenues. These accounts shall be dedicated for funding of the improvements for which the fee is collected, as determined through the City's most recent *Impact Fee Study*. Funds from these accounts shall be distributed to City departments solely for the purpose of capital projects identified in the City of Portland's most recent *Impact Fee Study*.

13.10 USE OF IMPACT FEES

Impact fees collected by the City pursuant to this ordinance may be used only for financing facility improvements which the City Council, through the City of Portland's most recent *Impact Fee Study*, has determined are made necessary by new development. The City Council has determined that fees imposed by schedules in this ordinance are reasonably related to the demands created by new

development. Impact fees collected pursuant to this ordinance shall be used exclusively for capital improvements, and the City of Portland shall expend funds collected from impact fees solely for the purposes for which they were collected.

13.11 REFUND OF UNUSED IMPACT FEES

Impact fees collected pursuant to this ordinance shall be used by the City according to the schedules for the completion of specific capital improvements as specified in the City of Portland's most recent *Impact Fee Study*, but in no event later than ten years after the date upon which the impact fee was collected. Any impact fees which are not so used and any impact fees collected which exceed the City's actual costs of implementing the infrastructure improvements for which such fees were collected shall be refunded. Refunds shall be paid to the owner of record of the property for which the impact fee was collected, determined as of the date the refund is made.

13.12 REVIEW AND REVISION

The impact fees established in this ordinance are based upon the best estimates of the costs of the construction of the facilities for which the fees are collected as determined through the City's most recent *Impact Fee Study*. The Council may, by amendments to this ordinance, change the amounts of the impact fees from time to time as warranted by new information or changed circumstances.

13.13 ADMINISTRATIVE RULES AND REGULATIONS

The Planning Board is hereby authorized to develop rules and regulations governing the administration of impact fees collected pursuant to this ordinance.

13.14 EFFECTIVE DATE

The provisions of this ordinance shall apply to all building permit applications submitted following the effective date of this ordinance, with the exception that any development for whom site plan approval has been granted at the time of the effective date of this ordinance shall be considered exempt. Master Development Plan approval prior to the effective date shall not confer exempt status.

DIVISION 30. AFFORDABLE HOUSING

Sec. 14-485. Definitions.

...

Development fees means:

(a) The following fees, as described in this chapter: site plan review and inspection fees; subdivision review and inspection fees; impact fees; and administrative fees; and

(b) Construction and permit fees as described in Chapter 6. "Development fees" does not include any fees charged for reviews conducted by a party other than the city.



Helen Donaldson <hcd@portlandmaine.gov>

Impact Fee Ordinance

Jennifer Thompson <jlt@portlandmaine.gov>
To: Helen Donaldson <hcd@portlandmaine.gov>

Thu, Oct 4, 2018 at 11:16 AM

Hi Nell -

I understand that, in connection with their consideration of a proposed impact fee ordinance, the Planning Board and City Council have raised questions about applicability and the extent to which excepting particular uses from the fees may be possible and/or advisable. Pasted below are excerpts from a white paper on impact fees issued by the former Maine State Planning Office, addressing those questions. That paper is available here: <https://www1.maine.gov/dacf/municipalplanning/docs/impactfeemanual.pdf>

As you'll see from these excerpts, however, the best practice, at least under Maine's statute, is to take care in crafting exceptions to impact fees. The focus in an impact fee ordinance should be on accurately assessing the true impacts of development on capital facilities and assessing fees that are directly tied to that impact. When fees are preferentially imposed on particular kinds of development are excepted from fees based on other policy goals rather than on the impact of those uses on infrastructure, a municipality runs the risk of undermining the "nexus" that is established to justify the fee. Further, and as with all fees imposed by government, where similar uses have similar impacts it's important to take care that fees and regulations are being applied equally. If distinctions in applicability are going to be made, it is important that the reasons for treating one group differently than another are well-articulated and sound.

All types of development that directly contribute to the demand for the improvements that the fee will be financing must pay an impact fee. The fee should be assessed to all of those developments, regardless of the level or review required or regardless of the status of the applicant, developer or occupant of the development. If the impact fee is paying for improvements to a facility that will be directly used by residential, commercial, and industrial uses, such as highway improvements, sewer facilities or public safety facilities, then the fee should be assessed on all three types of uses. On the other hand, if the fee will be used to finance a facility that will only be used by residents of the town, such as a recreation facility or school, then the fee should be collected from new residences only, and not commercial and industrial developments. If a fee is being collected from new residential structures, then all new residences that contribute to the demand for increased service or expansion of facilities should be assessed the fee. New homes on individual lots create the same amount of traffic or supply as many public school students as do homes in a subdivision. Therefore, a municipality should not be assessing impact fees solely on new subdivisions and not homes built on individual lots. Similarly, if a current resident wanted to build a new house, it would be impermissible to exempt the house from the fee based solely on residency.

*...
If impact fees are of concern regarding the price of housing, local ordinances should not waive those fees for moderately priced housing or housing reserved for low- and moderate-income families. Impact fees must be assessed on new development based on the impact the new development will have on the facility being improved. Unless there is a clear connection between the income of the occupant and the demand for service from the facility, then the impact fee should be assessed similarly on all similar housing units. In communities that are truly concerned about price of low- and moderate-income housing, an acceptable solution would be for the municipality to appropriate funds as part of the annual budget process to pay the impact fee for qualifying units. In this manner, the fee is paid into the special account regardless of the income of the residents, and all housing units are treated fairly.*

In addition to taking care to protect the "nexus" by making the fee applicable based on actual impact rather than on other policy objectives, it is important to be mindful of equal protection concerns. MMA says this about ensuring that fees imposed by a municipality comply with equal protection requirements: "A municipality may distinguish between different classes of users when setting fees by ordinance. It is not an automatic constitutional violation of equal protection if one class is required to pay more than another for the same privilege or if municipal services are provided to some, but not others. However, there must be a rational basis for the difference in treatment- the distinction must be reasonably related to a government interest (Ace Tire Co., Inc. v. Municipal Officers of City of Waterville, 302 A.2d 90 (Me. 1973); McNicholas v. York Beach Village Corp., 394 A.2d 264 (Me. 1978); Hefflefinger, Inc. v. City of Portland, 1999 ME 153, 739 A.2d 844).

I hope this is helpful. If you, the Board or the Council have any further questions, please do not hesitate to be in touch.

Best,

10/5/2018

City of Portland Mail - Impact Fee Ordinance

Jen

Jennifer L. Thompson
Associate Corporation Counsel
City of Portland
207.874.8915

Comparables

- o Impact fees from comparable communities nationwide compared to Portland's Maximum Defensible Fee

Development Type	Maximum Defensible Fee	Burlington, VT	Concord, NH	Freeport, ME	Bozeman, MT	Boulder, CO	Eugene, OR	National Averages (2015)*
Parks and Recreation (per housing unit/hotel room/1,000 square feet)								
Single Family/Duplex	\$1,126	\$1,486	\$1,094	-	-	\$5,603	\$4,246	\$2,812
Multifamily	\$752	\$743	\$664	-	-	\$3,936	\$2,686	\$2,099
Retail	\$534	\$418	-	-	-	-	\$413	n/a
Office	\$677	\$418	-	-	-	-	\$1,134	n/a
Industrial	\$363	\$422	-	-	-	-	\$694	n/a
Institutional	\$645	\$418	-	-	-	-	\$1,134	n/a
Hotel	\$875	\$418	-	-	-	-	\$1,697	n/a
Transportation (per housing unit/hotel room/1,000 square feet)								
Single Family/Duplex	\$2,159	\$386	\$2,110	\$1,500 for the first	\$4,497	\$216	\$2,113	\$3,256
Multifamily	\$1,023	\$196	\$1,450	2,500 GFA plus	\$3,053	\$149	\$1,226	\$2,201
Retail	\$8,248	\$736	\$3,330	\$300 for each	\$10,476	\$540	\$5,093	\$5,605
Office	\$2,800	\$676	\$1,700	additional 250	\$4,535	\$220	\$3,212	\$3,403
Industrial	\$1,130	\$262	\$1,090	GFA. Not	\$2,866	\$140	\$2,050	\$2,063
Institutional	\$3,082	\$676	\$2,207	exceeding	\$5,435	\$180	\$1,965	n/a
Hotel	\$2,404	\$676	\$1,817	\$30,000.	\$2,315	\$168	\$1,268	n/a
Wastewater (per meter)								
Single Family/Duplex	\$1,886	-	-	-	\$775	-	\$2,396	\$3,694
Multifamily	\$2,829	-	-	-	\$1,545	-	\$2,040	\$1,777
Retail	\$4,715	-	-	-	\$3,556	-	\$683	\$663
Office	\$4,715	-	-	-	\$3,556	-	\$1,036	\$640
Industrial	\$4,715	-	-	-	\$3,556	-	\$687	\$642
Institutional	\$4,715	-	-	-	\$3,556	-	\$2,163	n/a
Hotel	\$4,715	-	-	-	\$3,556	-	\$2,817	n/a

*Source: National Impact Fee Survey: 2015, Duncan Associates, November, 2015

Note: Single family units are assumed to be 2,000 square feet and multifamily units to be 1,000 square feet. A 5/8 inch meter is shown for single family development, 3/4 inch for multifamily development, and a 1 inch meter is shown for nonresidential development, however, the wastewater fee will be assessed based on the development's meter size. To estimate general transportation fees for Scarborough, ME the PM peak hour trip generation rates from Trip Generation, Institute of Transportation Engineers, 10th Edition (2017) are used.

Not shown in the figure are the additional impact fees the comparable communities assess including school, fire, and police.

Comparables

- o Impact fees from surrounding communities compared to Portland's Maximum Defensible Fee

Development Type	Maximum Defensible Fee	Brunswick ¹	Gorham ²	Saco ³	North Berwick	Berwick ⁴	Scarborough	Freeport	Sanford	York	Lewiston
Parks and Recreation (per housing unit/hotel room/1,000 square feet)											
Single Family/Duplex	\$1,126	\$197 (avg.)	\$1,715	\$1,700	\$500/bedro	\$1,988	-	-	-	-	-
Multifamily	\$752	\$142 (avg.)	\$1,108	-	\$500/bedro	\$1,317	-	-	-	-	-
Retail & Services	\$534	-	-	-	-	-	-	-	-	-	-
Office	\$677	-	-	-	-	-	-	-	-	-	-
Industrial	\$363	-	-	-	-	-	-	-	-	-	-
Institutional	\$645	-	-	-	-	-	-	-	-	-	-
Hotel	\$875	-	-	-	-	-	-	-	-	-	-
Transportation (per housing unit/hotel room/1,000 square feet)											
Single Family/Duplex	\$2,159	-	-	-	-	-	\$1,042/PM peak hour trip ends (Dunstan), \$990/PM peak hour trip ends (Haigis Pkwy).	\$1,500 for the first 2,500 GFA plus \$300 for each additional 250 GFA. Not to exceed \$30,000.	\$261 - \$1,013/PM peak hour trip, depending on location.	-	In certain areas based on traffic study
Multifamily	\$1,023	-	-	-	-	-					
Retail	\$8,248	-	-	-	-	-					
Office	\$2,800	-	-	-	-	-					
Industrial	\$1,130	-	-	-	-	-					
Institutional	\$3,082	-	-	-	-	-					
Hotel	\$2,404	-	-	-	-	-					
Wastewater (meter size, inches)											
5/8	\$1,886	-	-	\$2,700/185 gpd	-	-	Specialized sewer assessment for certain areas	-	-	\$2,500/unit or EDU	\$790
3/4	\$2,829	-	-		-	-		-	\$1,140		
1	\$4,715	-	-		-	-		-	\$2,020		
1.5	\$9,430	-	-		-	-		-	-		
2	\$15,088	-	-		-	-		-	\$8,075		
3	\$30,176	-	-		-	-		-	\$18,165		
6	\$94,300	-	-		-	-		-	\$72,650		
8	\$150,880	-	-		-	-		-	\$129,150		

[1] Brunswick has a graduated park impact fee based on size of unit. For purposes of comparison, single family and multifamily fees have been averaged.

[2] Gorham has a graduated park impact fee for multifamily units based on size of unit. For purposes of comparison, multi-family fees have been averaged.

[3] Saco charges separate recreation and open space fees, which have been combined here.

[4] Berwick has a graduated park and recreation impact fee for singlefamily and multifamily units based on number of bedrooms. Fees have been averaged.



MEMORANDUM

DISTRIBUTE TO: Members of the Economic Development Committee

FROM: Brendan T. O'Connell - Finance Director
Chris Huff - Assessor

DATE: August 12, 2018

SUBJECT: **Impact Fee - Questions and Answers from Finance Director & Assessor**

Several questions have been passed along from the Planning and Urban Development Department on behalf of residents and businesses in regards to impact fees, the existing tax levy and City budget, property valuation growth and the upcoming revaluation, and building permit fees and stormwater service charges. This memo is intended to summarize responses to many of the frequently asked questions ("FAQ").

Frequently Asked Impact Fee Questions for Finance and Assessors

1. I read the FY19 budget includes \$100M of new estimated valuation and I know property values continue to grow. Why are my impact fees necessary during a time when there is so much new value in the City of Portland? Isn't the existing growth enough to cover all City needs?
2. Will the upcoming revaluation help alleviate budget pressure and provide more tax dollars for City needs?
3. Building permit fees were increased recently. Wasn't this increase intended to fund some of the same things impact fees are intended to fund (i.e. growth related infrastructure)?
4. What about the Stormwater Service Charge? Was that created in response to growth-related infrastructure needs?

Question 1: I read the FY19 budget includes \$100M of new estimated valuation and I know property values continue to grow. Why are my impact fees necessary during a time when there is so much new value in the City of Portland? Isn't the existing growth enough to cover all City needs?

Property valuation has grown by \$100 million in the current year due to significant new projects breaking ground and continues our upward trajectory in overall valuation. This \$100 million of new property valuation creates an additional approximately \$1,133,000 in tax revenue for municipal use. While this may seem like a significant amount, it represents only a 0.128% overall increase to our FY18 valuation of approximately \$7.8 billion, and can only fund a fraction of the cost increases and budget challenges we face in FY19, many of which are outside of City control. These include the increases in Cumberland County tax (\$381k), increases in pension obligation bond debt service (\$872k and increasing by around \$1M annually through 2026), contractually obligated union compensation increases (approximately \$3.2M) and health insurance cost increases (\$2M). As you can see, the increase in valuation can only fund a fraction of the cost increases that are outside of City control.

Question 2: Will the upcoming revaluation help alleviate budget pressure and provide more tax dollars for the City needs?

Staff Response: No – the revaluation has no impact on total funds collected for the budget. Each year the City Manager will recommend a budget, calling for the required amount of tax dollars to be levied on property owners. The revaluation will have no impact on the dollar amount levied – the total amount of tax dollars required for City / School operations will be the same both before and after the revaluation. The revaluation will only impact how the dollars levied are split between City taxpayers. In general about 1/3 of the residents will pay more after the revaluation, 1/3 of the residents will pay the same amount, and 1/3 of the residents will pay less, but in total the amount of tax dollars collected will remain the same. When property values rise overall as a result of the revaluation, the mil rate will see a corresponding drop. For example, if total City property value increased 25% during the revaluation from \$8B to \$10B as a result of the revaluation (i.e. adjusting property values to their just values) the mil rate would then see a corresponding 25% percentage decrease.

EXAMPLE:

Pre-City Revaluation:

Total City Valuation: \$8,000,000,000

Mil Rate: \$20.00

*Total Tax Levy Needed for City/School Operations: \$160,000,000 (\$8,000,000,000 / 1000 * \$20.00)*

Post-City Revaluation:

Total City Valuation: \$10,000,000,000

Mil Rate: \$16.00 (drops because we still only need a tax levy of \$160,000,000)

*Total Tax Levy Needed for City/School Operations: \$160,000,000 (\$10,000,000,000 / 1000 * \$16.00)*

Question 3: Building permit fees were increased recently. Wasn't this increase intended to fund some of the same things impact fees are intended to fund (i.e. growth related infrastructure)?

Staff Response: In 2017 a separate Permitting & Inspections Department was created. The new Department was created in direct response to the 2016 City Council goal to create a more efficient permitting process, including online functionality. This new Department including significant levels new staff and a new Department Head, a new software system (EnerGov) and new policies and procedures, was funded by an increase in Building Permit fees. No part of the previous increase in building permit fees was intended to fund growth-related infrastructure. Additionally, there are no excess building permit revenues available to address growth-related infrastructure.

Question 4: What about the [Stormwater Service Charge](#)? Was that created in response to growth-related infrastructure needs?

Staff Response: No. The Stormwater Service Charge was created to fund and implement projects related to the Department of Environmental Protection ("DEP") mandate for combined sewer overflow requirements. Instituting a stormwater charge more fairly and equitably distributes costs among the users of the sewer and stormwater systems rather than putting the burden entirely on sewer users. Stormwater service charges will raise approximately \$7M towards the DEP mandate in FY19. The City estimates between \$20M and \$30M will be spent annually over the next 5-10 years to address the DEP mandate (revenues from both sewer fees and stormwater service charges will support this effort). There will be no excess of either Stormwater Service Charges or Sewer Fees to address growth related infrastructure needs.



MEMORANDUM

PLANNING AND URBAN DEVELOPMENT DEPARTMENT PLANNING DIVISION

To: City Council
From: Jeff Levine, Director, Department of Planning & Urban Development
Date: October 17, 2018
Re: Proposed Impact Fee Ordinance – Housing Affordability Analysis

This memo summarizes materials elsewhere in the packet related to the relationship of the proposed impact fee system and the housing market. It also provides additional thoughts about how the proposed impact fee system considers impacts to affordable housing developments seeking Low Income Housing Tax Credits.

How will impact fees as proposed affect housing affordability?

Over the course of the *Impact Fee Study*, staff has fielded numerous questions about how impact fees as proposed may affect property values, development costs, and costs to the end consumer of commercial or residential development projects. It is generally accepted that the effect of impact fees can be realized anywhere along this development pipeline, depending on market conditions.

In their analysis of the City's proposed impact fee schedule, Colliers International has shown that residential impact fees as proposed can generally be absorbed within the total development cost for a market rate multi-family residential project without affecting market rents (*Attachment 3*). Colliers' analysis of a 75-unit multi-family rental project projects a very small marginal impact on return on investment (from 9.55% to 9.38%) and a similarly small impact on internal rate of return (4.18% to 4.11%). In short, Colliers felt the fee was not significant for the multi-family market.

In order to understand likely effects on the single-family market in Portland, TischlerBise, the City's *Impact Fee Study* consultant, conducted an analysis of the effect of the proposed single-family/two-family impact fee on the cost of housing for both owner-occupied and renter-occupied units, based on median household incomes and home prices (*Attachment 2*). This analysis conservatively assumed that the entire cost of the single-family/two-family fee would be realized in the price of a single-family home. The analysis showed that the fees as proposed would have a marginal impact on housing affordability, increasing monthly costs for owner-occupied units by .7% and for renter-occupied units by .2%.

How will impact fees as proposed affect the development of affordable housing?

During the *Impact Fee Study*, staff also heard related concerns about the effects of the proposed fees on affordable housing development in particular. Affordable housing developments do have infrastructure impacts, and under the current system, these projects are required to address mitigation. However, the level of mitigation is often smaller for affordable housing developments in light of the public benefit of the housing production.

For tax credit projects, there is a concern about the Total Development Cost (TDC) used by MaineHousing as part of their scoring system. MaineHousing gives points for projects with lower development costs, and

Portland projects are always at a natural disadvantage on that scoring item. There are concerns that, in addition to the direct costs, impact fees might increase TDCs and therefore hurt projects' chances for tax credits.

The impact fee ordinance is drafted to take this issue into account and allow for the City to take on part of the responsibility for mitigating impacts for affordable housing projects. First, it allows a fee reduction for housing developments that include affordable workforce or low-income units. This fee reduction is consistent with other fee reductions permitted through Division 30 of the land use code. (It should be noted that any fee reduction granted through this provision would have to be 'made whole' using funds from another source.) Second, the ordinance includes a clause permitting a credit on fees in cases when an applicant can provide evidence that a development will impose no or substantially reduced demand on the infrastructure for which the fees are being collected. It is anticipated that this may be a credible option for some affordable housing developments, as they often have smaller total impacts due to the nature of their resident populations.

For these reasons, staff does not expect impact fees to have a negative impact on either the feasibility of affordable housing projects, or on their competitiveness for tax credits.



Helen Donaldson <hcd@portlandmaine.gov>

Impact fees for parking garages?

Christian MilNeil <c.neal.milneil@gmail.com>

Wed, Sep 19, 2018 at 3:55 PM

To: hcd@portlandmaine.gov

Cc: Jeff Levine <jlevine@portlandmaine.gov>, planningboard@portlandmaine.gov

Thanks Nell, I understand where you are coming from w/r/t not charging impact fees to new parking garages, but I don't agree with the reasoning.

Parking garages are a land use and they are almost always subsidized – and subsidies for automobile use naturally generate more automobile trips.

We know intuitively and by observation that a 7-11 surrounded by a big, free parking lot generates more car traffic than a Rosemont Market, even though the square footages are roughly the same and the buildings' uses, from a zoning standpoint, are identical. The Bangor Savings Bank branch on Middle Street is the same land use as the Bangor Savings Bank branch on outer Brighton Avenue, but the Old Port location has virtually no impact to traffic because there is no parking there and it's been designed for walk-in traffic; the Brighton location does have a traffic impact because it's designed to privilege access for motorists. We drive to the Maine Mall because it's surrounded by parking lots, and we walk to Reny's because parking is scarce on Congress Street and the pedestrian and transit connections are excellent.

The planning department needs to bear in mind that impact fees have an important function beyond financing infrastructure projects: ideally, they could also offer a financial incentive for developers to reduce the impact of their projects; to build fewer parking lots and more transit-oriented, walkable neighborhoods where cars don't get used as much.

In its current form, the proposed ordinance will make smart growth even more expensive, and more development will go out to Westbrook and Scarborough instead, and we'll end up back at square one, with increasing traffic and none of the money we need to deal with it.

So, instead of assuming that every housing development is going to generate car traffic with a one-size-fits-all approach we have here, we could have a tiered system of impact fees such that a car-oriented development with lots of parking pays more, and a transit-oriented development that gives its tenants bus passes pays less (or not at all), and thus give developers a financial incentive to build more of the latter.

The city already acknowledges, through its transportation demand management policies, that developers can and do reduce their traffic impacts with project design and property management strategies; the prior use of TDM plans undermines the city's argument that traffic impacts are a blind function of land use multiplied by the dreary transportation mode shares of our status quo. In fact, developers' TDM plans themselves could be used as a better proxy for a development's traffic impacts, since the TDM plans explicitly set a developer's expectations for how their tenants will travel, and how much they will subsidize parking.

From a political point of view, a lot of Portlanders are upset about how much parking garage construction is happening right now downtown. It's a clear, visible demonstration of how the city and landlords are willing to spend lots of money to subsidize private parking, even as the city's public streets strain under increasing traffic congestion. This is a clear "tragedy of the commons" situation – every new parking space makes driving slightly more convenient for one motorist but incrementally increases congestion for everyone else – that demands a stronger public policy response. Impact fees would be a good place to start: a financial nudge to encourage developers to internalize the broader traffic impacts of their parking management decisions.

I'd appreciate it if you could share this message with the planning board as public comment tomorrow; I may try to attend the meeting in person as well.

A couple of other more technical points:

- Figure 24 in the memo seems to assume that the mode share for transit, walking and biking will remain constant (and miserably low) through 2028. Don't we have city goals that say we want more transit market share, and less motor vehicle use over time? Isn't shifting mode share the point of many of these infrastructure projects we want to fund? It's discouraging to see a city planning document assume failure in those ambitions, which some of us

consider pretty important!

- Mode share estimates in Table 19 seem to come from the FHWA's Household Travel Survey (<https://nhts.ornl.gov/>). We should be skeptical of those figures; that survey has a very small sample size (only 250 respondents from the entire state of Maine – [source](#)) that likely discounts Portland's uniquely high transit service and walkability relative to other small cities.

The U.S. Census Bureau's American Community Survey, by contrast, surveyed 15,423 households in Maine in its 2017 survey, so it's much, much more robust. The ACS estimates that Portland's citywide transit mode share for commuting trips is 3.2% – twice as high as TischlerBise's assumed mode share, and transit ridership is growing.

- Furthermore, we know from Census tract-level estimates that mode share also varies by neighborhood, significantly. Bayside (in Census Tract 6) has a transit mode share of 9.9% and a walk/bike share of 40% for commuting trips. By the logic of this memo, a project located in Bayside should pay a significantly lower impact fee than a project located in Riverton if we use the more reliable, more statistically robust ACS data.

Christian MilNeil

double u double u double u dot christianmilneil dot com

[Quoted text hidden]

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Notice: Under Maine law, documents - including e-mails - in the possession of public officials or city employees about government business may be classified as public records. There are very few exceptions. As a result, please be advised that what is written in an e-mail could be released to the public and/or the media if requested.



Helen Donaldson <hcd@portlandmaine.gov>

Questions on Impact Fee Presentation from 9/20/2018 Planning Board Workshop

Karen Snyder <karsny@yahoo.com>

Fri, Sep 21, 2018 at 10:18 AM

To: Helen Donaldson <hcd@portlandmaine.gov>, Planning Board <planningboard@portlandmaine.gov>, Planning and Urban Development <planning@portlandmaine.gov>

Cc: Jon Jennings <jpj@portlandmaine.gov>

Hi Nell,

I applaud the City's efforts in finally implementing something to offset some of the future development CIP (Capital Investment Project) growth funding instead of thinking that the property owners are suppose to fund via their property taxes this future CIP growth when all this new development is the direct cause for the reduction of their quality of life in this city especially on the Peninsula.

Based on the Planning Board workshop and the Economic Development Council meetings held this week regarding the new impact fee ordinance that is hopefully effective enough to offset around 50% of future CIPs related to current and future development growth, I do have additional questions regarding impact fee ordinance.

9/18/2018- Economic Development Council Meeting on Impact fees

https://www.portlandmaine.gov/AgendaCenter/ViewFile/Agenda/_09182018-2563

9/20/2018 - Planning Board Workshop on Impact Fees

[Agenda - 09/20/2018](#)

Question #1: How was this "stakeholder" group selected since it was made up of developers, residents, non-residents, Representatives from Bayside, India St, and Stroudwater, and Portland Trails? Who were the developers, residents and non-residents in this stakeholder group? The original hotel room impact fee was dramatically reduced by around 50% from the first presentation of impact fees, with single family resident impact fee reduction coming in second in reduction.

Question #2: I still don't understand why parking garages and parking lots are NOT included in this impact fee. The reason you gave last night is that wastewater is not applicable because parking lots don't have sewers even though there is stormwater runoff.

However, my understanding is that the 3 components for justifying charging impact fees are: Wastewater, Parks and Recreation, and Transportation.

Even though wastewater component may not be applicable but the transportation component I would have thought would be applicable. Parking garages and parking lots create more traffic congestions and transportation trips so how can parking garages and parking surface lots be excluded from the transportation impact fee equation, hence the impact fee all together?

Question #3: Tuck indicated last night that future developments would be applied impact fees if the site plans have not been approved yet, Maine Med will be excluded. Knowing how many site plans still slipped through during the Munjoy Hill moratorium, does this mean the following projects are NOT applicable to the impact fees as well? Please indicate yes or no for each project listed below.

Projects in question: Maine Med-NO, 58 [Fore St](#), 86 Newbury, [100 Fore St.](#), 383 Congress, 0 Hancock -Wex?

Question #4: Most of the large projects such as the large hotels (Marriot-130 rooms, Hyatt-132 rooms, Press-110 rooms, and AC Hotel-178 rooms) which equate to 550 hotel rooms will NOT be charged an impact fee. Therefore, what are the list of projects in site plan review but not approved will be applicable to this impact fee ordinance?

Question #5: Nell indicated that other Maine towns all ready have impact fee ordinances. Can I have a list of these towns and the links used to review the other impact fee ordinances?

Question #6 Since the Planning Dept website has not updated for 1.5 years regarding the projects under construction status on it's home page, can the Planning Dept website please be updated to show the current projects under construction? The public has no transparency to Planning Dept's project currently under construction for the last 1.5 years.

<http://portlandmaine.gov/314/Planning-Urban-Development>

Project Name/Address	Size	Estimated Construction Cost
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
1000 Commercial Avenue (Portland, Maine)	1,100,000	\$1,100,000
TOTAL	8,000,000	\$1,149,894

In conclusion, it does seem like the largest projects such as all the hotels and the waterfront projects will be excluded from this impact fee. So, I am wondering how effective will this impact fee ordinance really be if most of the largest development growth currently happening will not be charged this impact fee and the developers appear to have a heavy influence in what is being charged for these impact fees?

It is concerning how the developers continue to have such a heavy influence in setting policies instead of the overall implications to the local residents.

I would appreciate responses to the above six questions.

Regards,
Karen Snyder
Mujoy Hill Property Owner



Helen Donaldson <hcd@portlandmaine.gov>

Impact fee ordinance concerns

Christian MilNeil <c.neal.milneil@gmail.com>

Mon, Sep 24, 2018 at 3:17 PM

To: Ethan Strimling <estrimling@portlandmaine.gov>, Belinda Ray <bsr@portlandmaine.gov>, sthibodeau@portlandmaine.gov, Brian Batson <bbatson@portlandmaine.gov>, jcosta@portlandmaine.gov, Kim Cook <kcook@portlandmaine.gov>, Pious Ali <pali@portlandmaine.gov>, Nick Mavodones <nmm@portlandmaine.gov>, Jill Duson <jduson@portlandmaine.gov>
Cc: "PBPAC@googlegroups.com" <pbpac@googlegroups.com>, HCD@portlandmaine.gov, Stuart O'Brien <sgo@portlandmaine.gov>

Mayor Strimling and honorable city councilors,

A lot of Portlanders are distressed about how much parking garage construction is happening right now downtown (with thousands of additional parking spaces in the planning pipeline).

These new garages are a concrete demonstration of how the city is failing in its transportation and climate goals. Landlords are willing to spend lots of money to subsidize private parking, even as the city's public streets strain under increasing congestion. It's a classic "tragedy of the commons" situation – every new parking space makes driving slightly more convenient for one motorist but incrementally increases congestion for everyone else – and it demands a stronger public policy response from the city.

Transportation impact fees could be an excellent way to tackle this issue: a financial nudge to encourage developers to internalize the broader traffic impacts of their parking management decisions.

However, in the current proposal drafted by the city's planning department, new parking garages will get a free ride.

We know intuitively and by observation that a 7-11 surrounded by a big, free parking lot generates more car traffic, while a new Rosemont Market makes more walking trips possible – even though the square footages are roughly the same and the buildings' uses, from a zoning standpoint, are identical. We drive to the Maine Mall because it's surrounded by free parking lots, and we walk to Reny's because parking is scarce on Congress Street and the pedestrian and transit connections are excellent.

These examples demonstrate that, if we want to manage the impacts of traffic from new development, we need to incentivize useful infill development that makes car trips less necessary, and we need to discourage subsidized parking.

The current draft impact fee ordinance does the opposite.

There's also a real financial risk to the city in giving parking garages a free pass. Under state law, by adopting the ordinance, the city is committing to build these capital projects whether or not the anticipated growth occurs.

In its current form, the proposed ordinance will make smart infill growth even more expensive, and thus even more development will sprawl out to cheaper suburbs like Westbrook and Scarborough instead. **If Portland builds more parking garages downtown and spends millions of dollars to increase road network capacity through these capital projects, we run the risk of getting all of the traffic from new suburban development, but not having sufficient new revenue from new in-town housing and offices to pay for it.**

By expanding the proposed fees to cover parking garages as well, smarter infill growth becomes more financially attractive and the city can mitigate this financial risk. Future developers will have a financial incentive to build lower ratios of parking to usable space, and encourage more of their tenants to walk, ride bikes or patronize our underutilized buses. In short, there's an opportunity here for the city to collect fees from a broader base of new development, while also establishing financial incentives that are aligned with the city's goals.

I also want to stress that I'm very glad the city is looking into the impact fees generally – I think it's an important tool for us to have in place. I'm just particularly concerned about the unintended effects of a parking garage loophole.

Thanks for your attention and your work on this.

9/27/2018

City of Portland Mail - Impact fee ordinance concerns

Christian MilNeil
45 Smith Street

[double u double u double u dot christianmilneil dot com](mailto:doubleudoubleu@christianmilneil.com)



Helen Donaldson <hcd@portlandmaine.gov>

Impact fee ordinance concerns

Zack Barowitz <zbarowitz@gmail.com>

Mon, Sep 24, 2018 at 3:30 PM

To: Portland Bicycle-Pedestrian Advisory Committee <PBPAAC@googlegroups.com>

Cc: Mayor <estrimling@portlandmaine.gov>, Belinda Ray <bsr@portlandmaine.gov>, Spencer Thibodeau <sthibodeau@portlandmaine.gov>, Brian Batson <bbatson@portlandmaine.gov>, Justin Costa <jcosta@portlandmaine.gov>, Kim Cook <kcook@portlandmaine.gov>, Pious Ali At Large <pali@portlandmaine.gov>, Nicholas Mavodones <nmm@portlandmaine.gov>, Jill Duson <jduson@portlandmaine.gov>, Helen Donaldson <HCD@portlandmaine.gov>, Stuart O'Brien <sgo@portlandmaine.gov>

Pursuant to Christian's large point (e.g., "These examples demonstrate that, if we want to manage the impacts of traffic from new development, we need to incentivize useful infill development that makes car trips less necessary, and we need to discourage subsidized parking.")

Urban density makes Land values and tax revenue are *far* greater in downtown Portland than in surrounding suburbs even if annual square foot rents are roughly equal. See [this](#) for example.

Thanks,
Zack

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MEMORANDUM
City Council Agenda Item

FROM:

DATE: October 26, 2018

SUBJECT: **Order 99-18/19 Amendment to Portland City Code Chapter 6 Re: Short Term Rental Registration and Regulation - Sponsored by the Housing Committee, Councilor Jill D. Duson, Chair.**

SPONSOR: Housing Committee, Councilor Jill C. Duson, Chair.

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/05/2018

Final Action 11/19/2018

Can action be taken at a later date: No

PRESENTATION: Staff will be available to answer questions.

I. ONE SENTENCE SUMMARY

Proposal to change Short Term Rental Registration Ordinance.

II. AGENDA DESCRIPTION

On October 24, 2018, the Housing Committee voted unanimously (3-0) to forward this item to the City Council with a recommendation for passage. This item is the result of several meetings of the Housing Committee, extensive public comment, and substantial deliberation.

The proposed amendment would make significant changes to the short term rental ordinance, including limiting the number of short term rental units that a property manager can manage; requiring additional documentation from owners and tenants who are registering their primary residence; requiring certification that renting a unit as a short term rental is not prohibited by any condo or homeowners' association; requiring that owners disclose the number of nights rented on a short-term basis in the previous year; changing the fee structure for short term rental registrations; specifying certain violations; and providing that violations are grounds for denial of a new or renewal application.

Similar to the order already pending before the Council, this amendment would also include in the 300-unit cap found in Sec. 6-153(b) all units that are not the owner's primary residence, even if the owner lives in the building. However, the amendment would not be passed as an emergency and would not be retroactive, unlike Order 87-18/19.

Finally, the proposed amendment would limit individuals to registering only one short term rental unit in the future. All currently registered units would be allowed to renew, regardless of the changes (grandfathered).

This item must be read on two separate days. This item was given a first reading on November 5, 2018. Five affirmative votes are required for passage after public comment.

III. BACKGROUND

Section 6-150 Purpose statement is proposed for amendment to include the statements "non-owner occupied

short term rental units remove housing units from the long term rental market and may contribute to the increase in the cost of rental housing in the City”, and “to ensure that housing units remain available for rent to those who reside or seek to reside within the City, to ensure that residential areas are not unduly impacted by the operation of short term rentals”.

Section 6-150.1 Definitions. The definition of Owner-Occupied is proposed for amendment to include the sentence “Accessory dwelling units as defined in Chapter 14 of this Code, are not considered owner-occupied units for purposes of short term rental registration and regulation.”

Section 6-150.1. Definitions. The definition of Short Term Rental Property Manager is proposed to be added to “mean the manager of the Short Term Rental Unit or the person or persons responsible for its regular maintenance or repair”.

Section 6-151.2. Registration required is proposed for amendment to include long-term rental units. The amended sentence would be “if a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rental”.

Section 6-151.3. Registration required is proposed for amendment to include the language “New owners or tenants applying to register an existing short term rental unit are considered new applicants and shall be subject to all limitations and regulations in effect at the time of the application.

Section 6-151. (b) 4. (a) Registration required is proposed for amendment to amend the phrase “each individual person” to “the name of each individual person”.

Section 6-151. (c) 2. (a) The paragraph pertaining to owner-occupied short term rentals is proposed for amendment to change the term registrant to owner, and to add the sentence “The owner must also produce for review one of the following demonstrating residency at the owner-occupied unit: valid driver’s license or other state-issued identification; valid motor vehicle registration; proof of homestead exemption; or other documentation proving primary residence to the satisfaction of the City’s Permitting and Inspections Department.”

Section 6-151 (c) 2. (b) The paragraph pertaining to short term rentals that are tenant-occupied is proposed for amendment to amend the phrase “registrant” to “tenant”, and to add “ The tenant must also produce for review one of the following demonstrating residency at the tenant-occupied unit: valid driver’s license or other state-issued identification; valid motor vehicle registration; or other documentation proving primary residence to the satisfaction of the City’s Permitting and Inspections Department.”

Section 6-151 (c) 4. Proposed amendment to add an item 4 “For short term rental units that are within a condominium or homeowner’s association, an attestation that use of the unit as a short term rental is allowed under the relevant documents; and”

Section 6-151 (c) 5. Proposed amendment to add an item 5 “If the application is for renewal, the number of nights the unit was rented on a short-term basis in the previous reporting year. For purposes of reporting this information, November 1 through October 31 is the reporting period for a renewal of January 1.”

Section 6-152. (c) Proposed amendment to add “owner occupied, tenant occupied, and/or island rentals first,

and then fees will be attributed at the higher rate for any non-owner occupied mainland units” to the phrase “fee total will accumulate first by counting any”. And add “owners may register more than one owner occupied unit (bedrooms, separate spaces, etc.) within their primary residence. Tenants may not register more than one short term rental unit.” One fee schedule will pertain to the categories; owner-occupied units, tenant occupied units, and Island short term rentals. A second fee schedule will include non-owner occupied mainland units.

Section 6-152. Proposed amendment to remove the language “the minimum annual fee for registration or renewal shall be \$15.00 per night.”

Section 6-153. Proposed amendment to change the title of the section from “Violations” to “Limitations on Short Term Rental Units”.

Section 6-153. Proposed amendment to add, “as of December 1, 2018, a mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.”

Section 6-153 (b). Proposed amendment to amend section (b) Limitation on Total Number of Short Term Rentals. “No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.” will be amended to add the sentence, “as of December 1, 2018, a mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.”

Section 6-153 (c) Proposed amendment to add “as of December 1, 2018, an individual or entity may only register one (1) short term rental unit in the City, including owner occupied, non-owner occupied, and Island short term rental units, in any one (1) calendar year.”

Section 6-153 (d). Proposed amendment to add section (d), “Limitations on number of Short Term Rentals for which an Individual or Entity may be the Short Term Rental Property Manager. No individual or entity may be the Short Term Rental Property Manager for more than five (5) mainland short term rental units in the City.

Section 6-153 (f) Proposed amendment to delete the column “Owner Occupied”, and remove the column heading “Non-Owner Occupied”. The number of short term rental units that may be operated in a multi-unit building will be the same for owner occupied and non-owner occupied building.

Section 6-153 (f) 1. Proposed amendment to remove the word not from the sentence. The sentence will now be “Tenant-occupied units, where the tenant is the registrant, shall be counted towards these limits.

Section 6-153 (f) 2. Proposed amendment to add, “Owner-occupied units shall be counted towards these limits.”

Section 6-153 (g). Proposed amendment to add, “Notwithstanding the requirements of subsections (c) and (f), owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence.”

Section 6-154 (a). Proposed amendment to item (a) to “Non-owner occupied mainland short term rental units,

which are limited by section 6-153 (b), shall be allocated on a first come, first registered basis. Once the total number of units identified in section 6-153 (b) has been reached, a waitlist will be formed to help gauge market demand.”

Section 6-154 (b) Proposed amendment to add item (b) “ Notwithstanding the limitations in section 6-153(b) and (c), current registrations of short term rentals may be renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year.

(1) However, if the number of registered non-owner occupied mainland units exceeds the limitations in section 6-153(b), then no new non-owner occupied mainland units shall be registered until the number of units falls below that limitation. The City Manager or his or her designee may implement staggered application deadlines for new applications, as necessary to implement this requirement.

(2) Failure to renew by January 1 shall result in the forfeiture of the right to renew the registration, and any subsequent application shall be treated as a new application for registration.

(3) The renewal date for 2019 only shall be February 1, 2019.”

Section 6-155. Proposed amendment to add the following violations; (b) Any person, business entity, or other organization failing to timely file any required update to the registration; and (c) any person, business entity, or other organization failing to acquire and/or display the required short term rental registration number;

Section 6-155. Proposal to remove items (f) and (g) and renumber the items.

Section 6-156. (e). Proposal to add item (e) Violations of the provisions of this article shall be grounds to deny an application or renewal application for a short term rental registration.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The proposed amendments intend to address the concern the proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential long term rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. Non-owner occupied short term rental units remove housing units from the long term rental market and may contribute to the increase in the cost of rental housing in the City.

Additionally, the proposed amendments intend to require the disclosure of the ownership of rental property, and to regulate the renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, to ensure that housing units remain available for rent to those who reside or seek to reside within the City, to ensure that residential areas are not unduly impacted by the operation of short term rentals, and to ensure that owners and tenants comply with chapters 6 and 10 of the City Code.

The proposed amendment would make significant changes to the short term rental ordinance, including limiting the number of short term rental units that a property manager can manage; requiring additional documentation from owners and tenants who are registering their primary residence; requiring certification that

renting a unit as a short term rental is not prohibited by any condo or homeowner's association; requiring that owners disclose the number of nights rented on a short-term basis in the previous year; changing the fee structure for short term rentals; specifying certain violation; and providing that violations are grounds for denial of a new or renewal application.

Similar to the order already pending before the Council, this amendment would also include in the 300-unit cap found in Sec. 6-153(b) all units that are not the owner's primary residence, even if the owner lives in the building. However, the amendment would not be passed as an emergency and would not be retroactive, unlike the currently pending proposal.

Finally, the proposed amendment would limit individuals to registering only one short term rental unit in the future. All currently registered units would be allowed to renew, regardless of the changes (grandfathered).

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

VII. RECOMMENDATION

On October 24, 2108, the Housing Committee voted unanimously (3-0) to forward this item to the City Council with a recommendation for passage.

VIII. LIST ATTACHMENTS

1. Short Term Rental Committee Amendment 11.5.2018
2. Councilor Duson Amendment 1 to Order 99-FY19 11.5.2018
3. Councilor Duson Amendment 2 to Order 99-FY19 11.5.2018
4. Councilor Thibodeau Amendment 3 to Order 99-FY19 11.5.2018
5. 2018-10-26 STR Matrix

Prepared by: Nancy English, Corporation Counsel

Date: 10/26/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE CHAPTER 6
RE: SHORT TERM RENTAL REGISTRATION AND REGULATION**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

1. That Chapter 6, Article VI., of the Portland City Code is hereby amended to read as follows:

ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS

Sec. 6-150. Purpose.

The proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential long term rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. Non-owner occupied short term rental units remove housing units from the long term rental market and may contribute to the increase in the cost of rental housing in the City.

This article is intended to require the disclosure of the ownership of such property, and to regulate the renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, to ensure that housing units remain available for rent to those who reside or seek to reside within the City, to ensure that residential areas are not unduly impacted by the operation of short term rentals, and to ensure that owners and tenants comply with chapters 6 and 10 of the City Code.

Sec. 6-150.1. Definitions.

The definitions in 6-106 apply to this Article. The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

Island Short Term Rental shall mean a short term rental located on one of the following islands in the City of Portland: Peaks Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island, and/or Cliff Island.

Long Term Rental shall mean the letting of a rental unit in whole or in part for thirty (30) days or more.

Mainland Short Term Rental shall mean a short term rental located within the limits of the City of Portland, but not on Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island and/or Cliff Island.

Multi-Unit shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting and Inspections Department.

Owner-Occupied shall mean a rental unit owned and occupied by the registrant as his or her primary residence. Accessory dwelling units as defined in Chapter 14 of this Code, are not considered owner-occupied units for purposes of short term rental registration and regulation.

Owner shall mean each individual person or entity including, without limitation, all partners, officers, or trustees of any real estate trust; all members or managers of a limited liability company; and all officers and directors of a corporation, ~~+~~ that is the record owner of a building or property.

Primary Residence shall mean the dwelling in which a person resides as his or her legal residence for more than one half of a year and registers as his or her address for tax and government identification purposes.

Registrant shall mean the owner of a rental unit, or a tenant, with permission from the owner, seeking to register a rental unit.

Rental unit is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. Any portion of a Single-Family Home, Condominium, or Apartment that is rented or available to be rented to an individual or individuals who are not the owner or owners shall be considered a *rental unit*. *Dwelling units* and

rooming units as defined in §6-106 are, without limitation, rental units. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a rental unit.

Short Term Rental is the letting of a rental unit, in whole or in part, for less than thirty (30) days.

Short Term Rental Property Manager shall mean the manager of the Short Term Rental Unit or the person or persons responsible for its regular maintenance or repair.

Single Family Home shall mean a detached residential dwelling or a single condominium unit containing one dwelling unit.

Tenant-Occupied shall mean a rental unit in which the registrant is not the record owner of the rental unit, but lawfully occupies the rental unit as his or her primary residence.

Sec. 6-151. Registration required.

(a) Registration of Ownership.

1. Rental units must be registered in accordance with this article by January 1st of each year. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information.
2. If a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rental.
3. Each owner, manager, ~~and~~ person/entity otherwise responsible for the rental unit, such as a property manager, shall be obligated under this article. Any new owner, manager, or responsible person/entity must apply to register within thirty (30) days of purchase of the rental unit or transfer of management or responsibility. New owners or tenants applying to register an existing short term rental unit are considered new applicants and shall be subject to all limitations and regulations in effect at the time of the application.

4. A rental unit shall not be considered registered until all information and fees are provided to the satisfaction of the City's Permitting and Inspections Department or its designee.
5. As a condition of registration, all owners must allow onsite inspections of their property including, without limitation, all rental units.

(b) *Information/Documentation Required.* Registration must be completed on forms supplied by the City's Permitting and Inspections Department or their designee and must provide, at a minimum, the following information:

1. The street address of the building;
2. The unit number of the rental unit;
3. The tax assessor's chart, block and lot of the property on which the building is located;
4. The owner of the property, including the owners' name, address, telephone number, and email address. If the owner is anything other than a natural person, the following information must also be included:
 - a. The name of Each individual person that has an ownership interest in any entity that is the record owner. This includes, without limitation, all partners, officers, or trustees of any real estate trusts; any members or managers of a limited liability company; and all officers and directors of a corporation; and
 - b. The residential street address, e-mail address and home phone number of at least one (1) such individual person;
5. The manager of the property or the person or persons responsible for its regular maintenance or repair, as well as a name, address, telephone number, and email address for that person or entity; and-
6. The person designated as the agent of the owner or owners for the service of notices and civil process by the city, as well as their name, address, telephone number, and e-mail address. Service of notice and

process upon the person so designated shall be deemed conclusive service upon the owner or owners.

(c) *Additional Information Required for Short Term Rentals.* A short term rental shall not be considered registered unless and until the registrant has submitted a complete application together with all information required by this article, paid the fee required by Sec. 6-152, and a registration number has been issued.

In addition to the information required in Section 6-151(b), a Short Term Rental registrant must provide at a minimum the following information and any other information requested by the City's Permitting and Inspections Department or their designee:

1. A short term rental application;
2. Whether the rental unit is owner-occupied, tenant-occupied, or non-owner occupied;

a. For Short Term Rental units that are owner-occupied, the ~~registrant~~ owner must provide a notarized primary residence affidavit, on forms provided by the City. The owner must also produce for review one of the following demonstrating residency at the owner-occupied unit:

i. Valid driver's license or other state-issued identification;

II. Valid motor vehicle registration;

iii. Proof of homestead exemption; or

iv. Other documentation proving primary residence to the satisfaction of the City's Permitting and Inspections Department.

b. For Short Term Rental units that are tenant-occupied, the ~~registrant~~ tenant must provide a notarized primary residence affidavit, and a notarized statement of permission by his/her landlord, both on forms supplied by the City. The tenant must also produce for review one of the following demonstrating residency at the tenant-

occupied unit:

- i. Valid driver's license or other state-issued identification;
- ii. Valid motor vehicle registration; or
- iii. Other documentation proving primary residence to the satisfaction of the City's Permitting and Inspections Department.

3. The address and tax assessor's chart, block, and lot number of all other short term rentals in the City in which the registrant has an ownership interest;

4. For short term rental units that are within a condominium or homeowner's association, an attestation that use of the unit as a short term rental is allowed under the relevant documents; and

5. If the application is for renewal, the number of nights the unit was rented on a short-term basis in the previous reporting year. For purposes of reporting this information, November 1 through October 31 is the reporting period for a renewal of January 1.

(d) *Display of Short Term Rental Registration Number Required.* Once registration is approved by the City, each short term rental shall be given a registration number, which must be displayed in the rental unit and in any and all advertisements for the rental unit.

(e) Upon request by the City, at any time, all registrants and/or agents of short term rental units must provide the City with their registration information, rental history, and upcoming reservation information. Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City within a forty-eight (48) hour period shall be considered a violation under this ordinance.

Sec. 6-152. Registration Fees.

(a) *Annual Registration Fee.* Upon initial registration and by January 1st of each year, registrants shall pay the City a registration fee for each rental unit, in the amounts set forth below. A rental unit shall not be considered registered unless and until this fee is paid in full.

(b) *Long Term Rental Registration Fee.* The registrant of a long term rental shall pay thirty five dollars (\$35.00) to the City by January 1st of each year.

(c) *Short Term Rental Registration Fee Structure.* The registrant of a short term rental shall pay the fee specified in the chart below. All fees will be cumulative and will increase based on the number of total units registered by the owner. The fee total will accumulate first by counting any ~~short term rental units operating in a single family home or owner occupied multi-family buildings~~ and then fees will be attributed at the higher rate for any units located in non-owner occupied buildings. ~~If an owner registers units in both owner occupied and non-owner occupied buildings then the owner occupied fees will be considered the first unit under the fee structure starting with the 1st unit fee as described in the chart below regardless of the order in which the units are registered.~~ owner occupied, tenant occupied, and/or island rentals first, and then fees will be attributed at the higher rate for any non-owner occupied mainland units.

Owners may register more than one owner occupied unit (bedrooms, separate spaces, etc.) within their primary residence. Tenants may not register more than one short term rental unit.

Owner Occupied Single Family Home , or Tenant Occupied	\$100
Multi-Unit Owner Occupied <u>Units Building, Tenant Occupied</u> <u>Units,</u> _Island Short Term Rentals	1 st Unit - \$100 2 nd Unit - \$250 3 rd Unit - \$500 4 th Unit - \$1,000 5 th Unit - \$2,000
Multi-Unit Non-Owner Occupied <u>Mainland Units Building</u>	1 st Unit - \$200 2 nd Unit - \$500 3 rd Unit - \$1,000 4 th Unit - \$2,000 5 th Unit - \$4,000

(d) *Registration and Renewal Fee Discounts.* The following discounts shall apply to the registration and renewal fees:

- (1) \$10 discount for each rental unit within a fully-sprinkled building as verified by a testing report, maintenance report or a maintenance contract, which shall be provided at the time of registration and upon each registration renewal;
- (2) \$7.50 discount for each rental unit within a building with a centrally-monitored fire alarm as verified by Fire Department logs or an alarm contract, which shall be provided at the time of registration and upon each registration renewal;
- (3) \$5.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Housing Quality Standard (HQS) inspection within the preceding year as verified by the HQS inspection report, which shall be provided at the time of registration and upon each registration renewal;
- (4) \$10.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Uniform Physical Condition Standard (UPCS) inspection within the preceding year as verified by the UPCS inspection report, which shall be provided at the time of registration and upon each registration renewal;
- (5) \$2.50 for a rental unit that is subject to a signed lease which prohibits smoking by tenants as verified by a copy of the current lease, which shall be provided at the time of registration and upon each registration renewal. The existence of and enforcement of this provision may be verified through an inspections of each rental unit.

The total amount of discounts from the annual registration or renewal fee as described above shall not exceed \$20.00 per unit, ~~and the minimum annual fee for registration or renewal shall be \$15.00 per unit.~~

Sec. 6-153. ~~Violations~~Limitations on Short Term Rental Units.

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 300 non-owner occupied mainland short term rental

units shall be registered in any one calendar year.

A mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.

(c) Limitations on number of Short Term Rentals an Individual or Entity May Register. An individual or entity may only register ~~up to five~~ one (1) short term rental ~~s~~ unit in the City, including owner occupied, non-owner occupied, and island short term rental units ~~the Islands~~, in any one (1) calendar year. For purposes of this section, short term rental ~~units~~ units registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) Limitations on number of Short Term Rentals for which an Individual or Entity may be the Short Term Rental Property Manager. No individual or entity may be the Short Term Rental Property Manager for more than five (5) mainland short term rental units in the City.

~~(b)~~ (e) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

~~(f)~~ (e) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building	
	Owner Occupied	Non-Owner Occupied
2	2	1
3	3	2
4	4	2
5	5	2
6-9	5	4
10+	5	5

(1) Tenant-occupied units, where the tenant is the registrant, shall ~~not~~ be counted towards these limits.

(2) Owner-occupied units shall be counted towards these limits.

(g) Notwithstanding the requirements of subsections (c)

and (f), owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence.

Sec. 6-154. Allocation of Short Term Rentals.

(a) ~~_____ The limitations on the allocation of Non-owner occupied mainland~~ short term rental units, ~~identified in which are limited by~~ section 6-153(b), shall be allocated ~~each year~~ on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand. ~~The City Manager or his or her designee, may institute a lottery process at his or her discretion.~~

(b) Notwithstanding the limitations in section 6-153(b) and (c), current registrations of short term rentals may be renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year.

1. However, if the number of registered non-owner occupied mainland units exceeds the limitations in section 6-153(b), then no new non-owner occupied mainland units shall be registered until the number of units falls below that limitation. The City Manager or his or her designee may implement staggered application deadlines for new applications, as necessary to implement this requirement.

2. Failure to renew by January 1 shall result in the forfeiture of the right to renew the registration, and any subsequent application shall be treated as a new application for registration.

3. The renewal date for 2019 only shall be February 1, 2019.

Sec. 6-155. Violations.

Specific violations of this article, subject to the provisions of section 6-1, include, but are not limited to:

- (a) Any person, business entity, or other organization failing to timely register a rental unit, including providing all required information and paying the required registration fee;

(b) Any person, business entity, or other organization failing to timely file any required update to the registration;

(c) Any person, business entity, or other organization failing to acquire and/or display the required short term rental registration number;

~~(e)~~ (d) Any person, business entity, or other organization providing false information with respect to registration. Notwithstanding the provisions of § 6-1, the penalty for such violation shall be \$1,000.00;

~~(d)~~ (e) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permitting the occupancy of such premises without registration;

~~(e)~~ (f) Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City pursuant to 6-152(e) within a forty-eight (48) hour period;

~~(f) Any person business entity or other organization failing to timely file the required registration or failing to timely pay, in full, the registration fee or annual renewal fee, or failing to timely file any required update to the registration shall be in violation of this Article for which a fine of \$100.00 per day each day the violation continues shall be assessed;~~

~~(g) Any person providing false information with respect to registration shall be in violation of this article for which a fine of \$1,000.00 shall be assessed;~~

Sec. 6-156. Enforcement.

(a) The building authority as defined in section 6-1 or his or her designee is authorized to institute or cause to be instituted by and through the office of the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(b) No certificate of occupancy shall be issued for property that is subject to the registration requirements of this article, but is not registered in accordance with this article.

(c) Any short term rental at a property that is designated by the City as a disorderly house and fails to remedy the disorderly house as required by section 6-202, shall, at the discretion of the City Manager or his or her designee, have its registration revoked and be ineligible for registration for a period of twelve (12) months. Any registration after revocation shall be considered a new registration and not a renewal. Upon the second designation of the short term rental property as a disorderly house, the City shall, at the discretion of the City Manager or his or her designee, prohibit the registered owner from operating the property as a short term rental or post the property against occupancy pursuant to section 6-201.

(d) Fines may be attributed to Property Management firms found operating short term rental units in violation of this article. These fines may be in addition to fines levied against owners of property.

(e) Violations of the provisions of this article shall be grounds to deny an application or renewal application for a short term rental registration.

Sec. 6-157. Revenue Allocation.

Notwithstanding section 6-1(b), all revenue generated from short term rental registration fees and penalties shall be used to first fund short term rental related administrative costs. Any remaining revenue shall be deposited in the Housing Trust Fund, as defined in Section 14-489.

AMENDMENT 1

TO ORDER 99-18/19

PREPARED BY CORPORATION COUNSEL FOR COUNCILOR DUSON

RE: ALLOWING FIVE SHORT TERM RENTAL REGISTRATIONS

PER INDIVIDUAL OR ENTITY

ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS

...

Sec. 6-153. Limitations on Short Term Rental Units.

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

A mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register ~~one-five~~ (5) short term rental unit in the City, including owner occupied, non-owner occupied, and island short term rental units, in any one (1) calendar year. For purposes of this section, short term rental units registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) *Limitations on number of Short Term Rentals for which an Individual or Entity may be the Short Term Rental Property Manager.* No individual or entity may be the Short Term Rental Property Manager for more than five (5) mainland short term rental units in the City.

(e) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(f) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building
2	1
3	2
4	2
5	2
6-9	4
10+	5

(1) Tenant-occupied units, where the tenant is the registrant, shall be counted towards these limits.

(2) Owner-occupied units shall be counted towards these limits.

(g) Notwithstanding the requirements of subsections (c) and (f), owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence.

Sec. 6-154. Allocation of Short Term Rentals.

(a) Non-owner occupied mainland short term rental units, which are limited by section 6-153(b), shall be allocated on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand.

(b) Notwithstanding the limitations in section 6-153(b) ~~and (c)~~, current registrations of short term rentals may be renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year.

(1) However, if the number of registered non-owner occupied mainland units exceeds the limitations in section 6-153(b), then no new non-owner occupied mainland units shall be registered until the number of units falls below that limitation. The City Manager or his or her designee may implement staggered application deadlines for new applications, as necessary to implement this requirement.

(2) Failure to renew by January 1 shall result in the forfeiture of the right to renew the registration, and

any subsequent application shall be treated as a new application for registration.

- (3) The renewal date for 2019 only shall be February 1, 2019.

AMENDMENT 2

TO ORDER 99-18/19

PREPARED BY CORPORATION COUNSEL FOR COUNCILOR DUSON
RE: ALLOWING THREE SHORT TERM RENTAL REGISTRATIONS
PER INDIVIDUAL OR ENTITY

ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS

...

Sec. 6-153. Limitations on Short Term Rental Units.

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

As of December 1, 2018, a mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* As of December 1, 2018, An individual or entity may only register ~~one-three~~ (3~~1~~) short term rental unit in the City, including owner occupied, non-owner occupied, and island short term rental units, in any one (1) calendar year. For purposes of this section, short term rental units registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) *Limitations on number of Short Term Rentals for which an Individual or Entity may be the Short Term Rental Property Manager.* No individual or entity may be the Short Term Rental Property Manager for more than five (5) mainland short term rental units in the City.

(e) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(f) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building
2	1
3	2
4	2
5	2
6-9	4
10+	5

(1) Tenant-occupied units, where the tenant is the registrant, shall be counted towards these limits.

(2) Owner-occupied units shall be counted towards these limits.

(g) Notwithstanding the requirements of subsections (c) and (f), owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence.

AMENDMENT 3

TO ORDER 99-18/19

PREPARED BY CORPORATION COUNSEL FOR COUNCILOR THIBODEAU
RE: ALLOCATION OF NON-OWNER-OCCUPIED MAINLAND SHORT TERM RENTAL
UNITS IF MORE THAN ONE UNIT IS ALLOWED TO BE REGISTERED

ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS

...

Sec. 6-154. Allocation of Short Term Rentals.

(a) Non-owner occupied mainland short term rental units, which are limited by section 6-153(b), shall be allocated on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed ~~to help gauge market demand~~. Applicants will be chosen off the waitlist as follows:

1. Applicants who do not have any registered non-owner occupied short term rental units will be registered in the order in which they applied.
2. If there are any remaining registrations available, applicants who have one registered non-owner occupied short term rental unit will be registered in the order in which they applied.
3. This pattern shall proceed for applicants who have two registered non-owner occupied short term rental units, then three, four, and five registered units.

(b) Notwithstanding the limitations in section 6-153(b) and (c), current registrations of short term rentals may be renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year.

1. However, if the number of registered non-owner occupied mainland units exceeds the limitations in section 6-153(b), then no new non-owner occupied mainland units shall be registered until the number of units falls below that limitation. The City Manager or his or her designee may implement staggered

application deadlines for new applications, as necessary to implement this requirement.

2. Failure to renew by January 1 shall result in the forfeiture of the right to renew the registration, and any subsequent application shall be treated as a new application for registration.
3. The renewal date for 2019 only shall be February 1, 2019.

**PROPOSALS TO AMEND CHAPTER 6
RE: SHORT TERM RENTAL REGISTRATION**

CITATION Current Ordinance	ORDER 67-18/19	ORDER 87-18/19	ORDER 98-18/19	Amendment 1 (Duson)	Amendment 2 (Duson/Staff)	Amendment 3 (Thibodeau)
§ 6-151(c)(2) [NEW] Requires primary residence affidavit for owner-occupied and tenant-occupied.			Adds requirement for one additional form of proof of primary residence.			
§ 6-151(c)(4) [NEW] No requirement with respect to condo or homeowner association limitations.			Adds attestation requirement that use as STR is not prohibited by condo or homeowner association.			
§ 6-151(c)(5) [NEW] No reporting requirement for number of nights rented.			Adds requirement for renewal applicants to disclose number of nights rented in previous year.			
§ 6-152(c) Primary residence (owner/tenant): • \$100 Owner occupied building/Island: • \$100 • \$250 • \$500 • \$1,000 • \$2,000 Non-owner occupied building: • \$200 • \$500 • \$1,000 • \$2,000 • \$4,000			Primary residence (owner/tenant); Island: • \$100 • \$250 • \$500 • \$1,000 • \$2,000 Non-owner occupied Units: • \$200 • \$500 • \$1,000 • \$2,000 • \$4,000 <i>Will increase fees for units in owner-occupied buildings where unit is not primary residence.</i>			
§ 6-153(b) Cap of 300 non-owner occupied units. <i>Has been interpreted to not include units in owner-</i>		Cap of 300 non-owner occupied units to include units in an owner-occupied building. Effective date of 10/12/18.	Cap of 300 non-owner occupied units to include units in an owner-occupied building. Effective date 30 days after passage.			

**PROPOSALS TO AMEND CHAPTER 6
RE: SHORT TERM RENTAL REGISTRATION**

CITATION Current Ordinance	ORDER 67-18/19	ORDER 87-18/19	ORDER 98-18/19	Amendment 1 (Duson)	Amendment 2 (Duson/Staff)	Amendment 3 (Thibodeau)
<i>occupied buildings.</i>						
§ 6-153(c) May register up to 5 STR units			May register 1 STR unit	May register up to 5 STR units	May register up to 3 STR units	
§ 6-153(d) [NEW] Does not limit property management.			Limits property managers to managing 5 STR units.			
§ 6-153(f) Number of units allowed in a building differs based on owner occupied or not.			Number units allowed in a building same for owner occupied or non-owner occupied.			
Tenant-occupied units not counted towards building cap.			Tenant-occupied units are counted towards building cap.			
§ 6-153(g) [NEW] Owners may register multiple units within their primary residence.			Clarifies that, with changes, owners may still register multiple units (spaces) within their primary residence.			
§ 6-154(a) Registrations allocated on first-come, first-served basis. Option for lottery.	Allows registered units to be renewed. Clarifies that lottery option is only for the wait list.	Allows registered units to be renewed. Removes lottery option altogether, and registrations allocated off the wait list on first-come, first-served basis.				Allocates registrations off wait list first to applicants who have 0 registered units, then to applicants who have 1 registered units; then to applicants who have 2 registered units; etc. <i>Required only if Amendment 1 or 2 passes.</i>
§ 6-154(b) [NEW]			“Grandfathers” units that are currently registered. Provides that failure to timely renew results in forfeiture of right to renew.			

**PROPOSALS TO AMEND CHAPTER 6
RE: SHORT TERM RENTAL REGISTRATION**

CITATION Current Ordinance	ORDER 67-18/19	ORDER 87-18/19	ORDER 98-18/19	Amendment 1 (Duson)	Amendment 2 (Duson/Staff)	Amendment 3 (Thibodeau)
			Changes renewal date to February 1 for 2019 only.			
§ 6-155(b) [NEW] Failing to file an update is currently a violation.			Explicitly states that failing to file an update is a violation.			
§ 6-155(c) [NEW] Failing to acquire and/or display registration number is currently a violation.			Explicitly states that failing to acquire and/or display registration number is currently a violation.			
§ 6-155(f), (g)			Removes duplicative language.			
§ 6-156(e)			Provides that violations are grounds to deny renewal or application.			

MEMORANDUM
City Council Agenda Item

FROM:

DATE: November 8, 2018

SUBJECT: **Order 105-18/19 Amendment to Portland City Code Chapter 6 Re: Energy Benchmarking - Sponsored by the Sustainability and Transportation Committee, Councilor Spencer Thibodeau, Chair.**

SPONSOR: Councilor Spencer Thibodeau, Chair, Sustainability and Transportation Committee
(2-0, October 17, 2018, Councilor Batson absent)

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 11/19/2018

Final Action 11/19/2018

Can action be taken at a later date: No The current deadline for properties affected by the benchmarking ordinance is December, 2018. Staff recommends the amendment be enacted as an emergency so it takes effect prior to this deadline.

PRESENTATION:

I. ONE SENTENCE SUMMARY

Enacting the amendment changes the deadline for municipal buildings to report energy data to May 1, 2019 and changes the reporting deadline for private buildings to one year after the Sustainability Office certifies that the utilities have made energy data available to affected property owners in a convenient electronic format.

II. AGENDA DESCRIPTION

The Sustainability and Transportation Committee met on October 17, 2018 and voted 2-0 (Councilor Batson absent) to forward this item to the City Council with a recommendation for passage.

The amendment changes the reporting date for buildings subject to the Energy Benchmarking and Disclosure ordinance.

The current deadline for properties affected by the benchmarking ordinance is December 7, 2018. Staff is recommending that the second reading be waived and the amendment be enacted as an emergency so it takes effect prior to this deadline.

This item must be read on two separate days. The Council will be asked to waive the second reading and enact this order as an emergency. Seven affirmative votes are required to waive the second reading and for passage as an emergency.

III. BACKGROUND

In November, 2016 the City Council adopted an energy benchmarking and disclosure ordinance that requires all commercial properties with a footprint greater than 20,000 square feet to calculate their annual energy and water consumption and to report it to the Sustainability Office by December, 2018. Over 800 buildings in the city are subject to the reporting requirements.

City staff have collaborated with property owners affiliated with the Portland 2030 District and Efficiency Maine to gather the necessary information to benchmark municipal buildings and buildings owned by members of the 2030 District. However, we found that the existing platforms provided by the utilities are difficult to use and do not provide all of the data necessary to comply with the ordinance. In response, staff recommended to the Sustainability and Transportation Committee that the reporting deadline be postponed until one year after the Sustainability Office certifies that energy data is available to property owners in a convenient electronic format.

Following a workshop on data access that included representatives from Central Maine Power, Efficiency Maine, the Portland 2030 District, and the Office of the Public Advocate, the Sustainability and Transportation Committee voted 3-0 to recommend the staff amendment to postpone the reporting deadline for private buildings. They set the reporting deadline for municipal properties to May 1, 2019. They also asked staff to continue working with the utilities and the stakeholders to develop a streamlined reporting portal similar to those implemented by other utilities.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The amendment postpones the deadline for building owners to report their energy and water consumption to the Sustainability Office.

V. FINANCIAL IMPACT

There is no fiscal impact.

VI. STAFF ANALYSIS AND BACKGROUND

VII. RECOMMENDATION

Staff recommends passage of the amendment.

VIII. LIST ATTACHMENTS

1. Revision to 6-209 re Energy Benchmarking 11.19.2018 Council Order
2. Energy Benchmarking Amendments Memo
3. Benchmarking Discussion 10 17 2018

Prepared by: Troy Moon, Sustainability Coordinator

Date: 11/08/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE
CHAPTER 6
Re: ENERGY BENCHMARKING**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

1. That Chapter 6, Sections 6-209, 6-210, 6-212 and 6-214 of the Portland City Code are hereby amended to read as follows:

6-209. Benchmarking for Municipal and Covered Properties.

(a) No later than ~~May 1, 2019~~ one (1) year after the effective date of this Ordinance, and no later than May 1 every year thereafter, the total Energy and Water consumed by each Municipal Property, along with all other descriptive information required by the Benchmarking Tool, shall be entered into the Benchmarking Tool for the previous calendar year.

(b) Owners of Covered Property shall annually input the total Energy and Water consumed by each Covered Property, along with all other descriptive information required by the Benchmarking Tool, into the Benchmarking Tool for the previous calendar year. The Owner shall input this information according to the following schedule:

- (1) A Residential Covered Property no later than one year after the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, whichever date comes later ~~no later than two (2) years after the effective date of this Ordinance~~ and by every May 1 every year thereafter;

(2) A Non-residential Covered Property no later than one year after the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, ~~whichever date comes later by no later than two (2) years after the effective date of this Ordinance~~ and by ~~every~~ May 1 every year thereafter; and

(3) A new Covered Property that has not accumulated twelve (12) months of energy and water use data by the first applicable date following occupancy for inputting Energy and Water use into the Benchmarking Tool shall comply with this Ordinance ~~in~~by May 1 the following year.

6-210. Notification Of Covered Properties.

Between September 1 and December 1 of each year that Benchmarking is required under Section 6-209 above, the City shall notify Owners of Covered Properties of their obligation to input Energy and Water use into the Benchmarking Tool. By January 15 of each year, the City shall post the list of the addresses of Covered Properties on a public website.

...

6-212. Disclosure And Publication Of Benchmarking Information.

(a) Owners shall annually provide Benchmarking information to the Department, in such form as established by the Department, by the date provided by the schedule in Section V.

(b) An exemption from this reporting requirement for any current reporting period may be granted if:

- (1). The Owner demonstrates to the Department that he or she has been unable to obtain tenant authorization to obtain tenant utility data, despite a good faith effort to obtain such consent; or
- (2). The Owner or Tenant demonstrates to the Department that such disclosure may result in the release of proprietary information which can be characterized as a trade secret.

(c) The Department shall make available to the public on the internet Benchmarking Information for the previous calendar year:

- (1) No later than a year and a half after the effective date of this Ordinance and by September 1 of each year thereafter for Municipal Properties; and

~~(2) No later than two and a half years after the effective date of this Ordinance or n~~ No later than one year after Benchmarking Information is provided under Section 6-209 the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, whichever date comes later, and by September 1 of each year thereafter for Covered Properties. Benchmarking Information received by the Department for the first year a Covered Property is required to input the total Energy and Water consumed and other descriptive information as required by the Benchmarking Tool into the Benchmarking Tool will be not be published except to disclose whether or not the Covered Property is in compliance with this Ordinance.

(d) The Department shall make available to the public and update at least annually, the following information:

- (1) Summary statistics on energy and water consumption for Municipal Properties and Covered Properties derived from aggregation of Benchmarking information for both;
- (2) Summary statistics on overall compliance with this Ordinance including an assessment of accuracy;
- (3) For each Municipal Property and Covered Property:
 - (i) The status of compliance with the requirements of this Ordinance;
 - (ii) Annual summary statistics for the Municipal Property or Covered Property, including EUI, annual greenhouse gas emissions, and an energy performance score where available; and

- (iii) A comparison of Benchmarking Information across calendar years for any years such Municipal Property or Covered Property has input the total Energy consumed and other descriptive information for such Properties as required by the Benchmarking Tool into the Benchmarking Tool.

...

6-214. Assessing Results and Annual Report to City Council.

(a) By December 31, 2020, or two years after the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, whichever is later, the Department shall review the effect of this Ordinance on improving energy and water performance for Covered Buildings. If energy and water performance for Covered Buildings has not improved significantly, the Department shall make recommendations to the City Manager as to whether amendments to this Ordinance or other measures are necessary to improve building energy and water performance for Covered Buildings.

(b) In December of each calendar year, the Department shall prepare and submit an annual report to the City Council, which evaluates the administration and enforcement of the Ordinance and contains a summary of the benchmarking data provided to the City as required by this Ordinance, as well as any other necessary data or recommendations on the Ordinance could be improved.



Executive Department
Jon P. Jennings, City Manager

To: Councilor Thibodeau and members of the Sustainability and Transportation Committee
From: Troy Moon, Sustainability Coordinator
RE: Recommended amendments to the Energy Benchmarking Ordinance
Date: September 14, 2018

Background:

In November, 2016 the City Council adopted an energy benchmarking and disclosure ordinance that requires all commercial properties with a footprint greater than 20,000 square feet to calculate their annual energy and water consumption and to report it to the Sustainability Office using the US Environmental Protection Agency's energy reporting platform, Portfolio Manager. The ordinance also requires the Sustainability Office to disclose the reported information on the City website. Over 800 buildings in the city are subject to the reporting requirements.

The ordinance established a hard deadline for businesses to report their data to the Sustainability Office but a softer deadline for the Sustainability Office to disclose this data on the City website.

- Reporting deadline for affected properties: December, 2018. (Two years after the effective date of the ordinance)
- Disclosure deadline: Two years after the effective date of the ordinance **or** one year after the Sustainability Office determines that the utility has made energy data available in a convenient electronic format, **whichever is later**.

The softer deadline for disclosure was the result of stakeholder input that gathering the data necessary to report would be cumbersome and that whole building data for properties with multiple tenants would be challenging to acquire.

Discussion:

This summer the City had the benefit of a Sustainability Fellow from the University of New Hampshire Sustainability Institute. This allowed us to “test drive” the benchmarking process. Her project was to gather the data necessary to benchmark City buildings and to develop resources that would guide property owners through the process of benchmarking their affected properties. During the course of the fellowship we encountered a number of obstacles that supported stakeholder input

389 Congress Street/www.portlandmaiane.gov/tel.207-874-8689/fax.207-874-8669

about the difficulties associated with collecting the energy data for commercial buildings. We believe these obstacles will make it difficult for Portland property owners to comply with the ordinance by the December deadline:

1. Data about electrical consumption is not readily available to property owners in an easy to use electronic format.

Central Maine Power offers a section on their website called “Energy Manager” but our effort to use it proved frustrating. The interface is not intuitive and users with multiple accounts find it difficult to load data from specific accounts. If a user is successful in selecting the account he or she wishes to examine the website will not download a report in a useable format. The CMP website indicates that reports are available in PDF or Excel formats but clicking the link associated with these formats does not generate a file that can be opened by those programs.

We also learned that commercial property owners may not be presented with the same Energy Manager interface for all of their properties. During a working session with a representative from the Portland 2030 District we logged into the website using account information from several accounts belonging to a single property owner. For some buildings we were offered an interface similar to what the owner of a small residential property owner might see but for other properties we were offered a more complicated interface. This makes it difficult to describe the process for collecting data to the affected property owners. The more complicated interface offers a “Green Button” that, theoretically, allows the account owner to download energy data in an easy to use electronic format. (This option doesn’t appear on the residential interface that some commercial buildings are offered.) However, the data that downloads is raw 15 minute interval data from the smart meter. Over the course of a month, this creates a very large file of data that is not useful unless the user has access to specialized software for analyzing such data and the skills to use it. Large and sophisticated property managers use such tools or hire a consultant who does but most property owners do not.

2. Owners of buildings with tenants do not have access to whole building energy data.

A significant portion of the buildings subject to the benchmarking ordinance have multiple tenants. Many have dozens of individual units. In most cases, each tenant has an electric meter and pays their own electric bill. Regulations established by the Public Utilities Commission prohibit the utility from disclosing such information to a third party without their written consent. This means a building owner needs to gather monthly energy data from each tenant in a building and compile it into a report showing the whole building data. The alternative would be for the property owner to obtain account information from each tenant along with a release that could be provided to the utility in order to access each tenants energy data. In either case, the property owner would be required to compile the data into a whole building profile before they could report energy consumption in the building. This process presents considerable administrative burden on the property owner and makes compliance difficult.

During the summer we learned that Efficiency Maine had partnered with the Portland 2030 District in an attempt to access whole building data. (By statute, Efficiency Maine can access utility data that is otherwise protected by PUC rules but must still protect confidentiality.) As a pilot, 2030 District members provided Efficiency Maine with the addresses of several buildings and asked them to request that Central Maine Power provide the electrical usage from all accounts associated with those

properties. In response, Efficiency Maine received a huge volume of raw 15 minute interval data from each of the meters associated with the properties. Unfortunately, they lack the ability to process and interpret that volume of data. Our staff discussed this process with Efficiency Maine who remains willing to support efforts to obtain whole building data but, at present, we haven't figured out how to make this work efficiently. Both the City and Efficiency Maine lack the resources to facilitate a cumbersome process at this time.

In other cities with successful benchmarking ordinances the local utilities provide a streamlined way to provide whole building data to property owners. A regional example is Eversource, which serves the Boston metro region. They have established an easy to use web portal that allows building owners to provide any necessary documentation to verify ownership and to request data that is then supplied in whole building formats. This streamlined process resulted from the close collaboration between the local governments, the utility, regulators, and affected property owners. Our experience working with these entities in Maine indicates that all are willing to work to make energy data available in a streamlined fashion but more needs to be done to make this a reality.

Recommendation:

As things currently stand, building owners and property managers face significant obstacles that will make it difficult if not impossible to comply with the December reporting deadline to disclose energy and water usage to the City. Staff recommends that the benchmarking ordinance be amended to align the reporting deadline with the deadline for disclosure. This will allow staff to continue working with all parties to provide a usable way to acquire energy data, including whole building energy data.



When the Council passed the ordinance it is clear that they recognized that data was not available to stakeholders because the deadline for disclosing building energy use was undefined. We also suggest that the City continue to work with Efficiency Maine, the Portland 2030 District, energy utilities, and the PUC to revise rules and procedures that make whole building data available to property owners while taking necessary steps to protect the privacy of tenants.



Executive Department
Jon P. Jennings, City Manager

To: Councilor Thibodeau and Members of the Sustainability and Transportation Committee
From: Troy Moon, Sustainability Coordinator
Re: Energy Benchmarking and Disclosure Discussion
Date: October 19, 2018

During the committee meeting held on September 19, 2018 your committee reviewed a proposed amendment to the City's Energy Benchmarking and Disclosure Ordinance. As currently written, the ordinance requires the owners of all buildings with 20,000 square feet or more of floor space to document the amount of energy and water they use in each of their buildings and report it to the City in December, 2018. As described in the back up memo for that meeting, property owners have found it to be difficult to gather this information, especially for electricity.. In response to this concern, staff recommended that the reporting deadline be postponed and aligned with the deadline established for the City to disclose this information on our website. As written, the disclosure deadline is not firmly established. Instead, it set the date for one year after the Sustainability Office certifies that energy data is available to property owners in a convenient electronic format. As the committee members discussed the proposed amendment they felt they needed information from Central Maine Power about how the existing data platform works and wanted the opportunity to discuss with company representatives how property owners could receive information about the amount of electricity used in their buildings in a more straightforward and convenient manner. In response to this request, Councilor Thibodeau and Mayor Strimling drafted a letter to President Herling requesting that he or representatives from the company attend the meeting scheduled for October 24. Mayor Strimling also invited Maine Public Advocate, Barry Hobbins, to attend the meeting while staff reached out to representatives from Efficiency Maine.

As back up material for this meeting I have included the letter to CMP, the text of the proposed ordinance amendment, and the back up memo describing staff's rationale for proposing the changes.

An effective energy benchmarking and disclosure ordinance serves as a foundation for efforts to achieve widespread energy efficiency in the building sector. The information derived helps building owners make decisions about energy investments, helps prospective tenants make informed decisions before leasing property, and helps municipalities and others target outreach about efficiency programs to property owners who need it the most. Right now twenty five cities across the country have benchmarking and disclosure ordinances that affect private property. These include Boston, Cambridge, Seattle, Chicago, Austin, and South Portland. These programs have had a noticeable impact on greenhouse gas emissions. According to the New York City Energy and Water Use Report in 2017,

Between 2010 and 2015, regularly benchmarked buildings cut their energy use by more than 10 percent and their total greenhouse gas emissions by almost 14 percent

The City of Boston, recognized by the American Council for an Energy Efficient Economy (ACEEE) as the most energy efficient city in the US has also had great success with energy benchmarking. Most of the cities leading the way on energy efficiency have adopted benchmarking ordinances.

In order to support these efforts, the energy utilities in these cities have partnered with building owners and municipal governments to streamline access to whole building data through the creation of easy to use web portals and by aggregating all of the accounts in a building in order to provide usage for the building as a whole. Even utilities in regions without benchmarking ordinances have adopted this standard to support the energy efficiency efforts of their customers. A list of the utilities that currently support web portals and aggregation supplements this memo.

Staff hopes the discussion between the Committee and other stakeholders results in a collaborative effort that leads to the development of a web portal that can provide building owners with:

- At least 18 months of electric usage data for each building
- Calendarization of data so building owners receive data based on month to month periods, not meter read dates.
- Aggregation of electricity usage from all meters in buildings with multiple tenants so the property owner has access to whole building data
- Data downloads in XLS format so it can be used in Excel spreadsheets

This would provide the basic information that a building owner would need to comply with the requirements of the city's benchmarking ordinance. Some utilities have developed portals that can provide additional data including information about demand charges, more than 18 months worth of data, and a process to upload data directly to the EPA's Portfolio Manager platform.

Staff is prepared to work with any stakeholder who can help us advance this work. The first two bullets outlined above represent technical or coding challenges. Other utilities or partners with technical expertise may be able to assist with this work. The third bullet will require an examination of privacy policies at the corporate and regulatory level. Other jurisdictions have established aggregation thresholds that allow utilities to report whole building data while protecting the privacy of individual account holders. Policies from other utilities may serve as models us. Stakeholders such as the Office of the Public Advocate and Efficiency Maine may also have insight that will help establish a workable policy. Staff from the Institute for Market Transformation (IMT.org) have assisted many cities and utilities with implementing benchmarking ordinances and have offered support and technical assistance to us and our stakeholders as we move forward.

I look forward to a productive discussion during our meeting which I hope will lead to a fruitful collaboration with all of our partners and stakeholders.