



ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, March 2, 2021

TIME: 5:30 PM

LOCATION:

The Housing and Economic Development Committee will hold a meeting on Tuesday, March 2, 2021, at 5:30 p.m. This meeting will take place remotely using Zoom. Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. Section 403A, that authorizes cities and town to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience. For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for your public comment.

Please click the link below to join the webinar:

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Webinar ID: 938 4124 8203

International numbers available: <https://zoom.us/u/abCbg2PDZ3>

1. Zoom Virtual Public Meeting Information

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2. Review and accept Minutes of previous meeting held on February 16, 2021.

- a. See attached draft meeting Minutes.

3. Creative Portland presentation and request for additional Tax Increment Financing Funds for Committee discussion and direction - Kate Anker

- a. See attached material.

4. Public Hearing and Vote to Recommend to the City Council the 45 Brown Street (Unit 2) Affordable Housing Tax Increment Financing (TIF) District and Credit Enhancement Agreement (CEA) Request – Mary Davis.

Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to discuss negotiations and provide guidance to staff.

- a. See attached material.

5. Public Hearing and Vote to Recommend to the City Council amending the Downtown Transit Oriented Development TIF District to remove Unit 2 at 45 Brown Street (proposed Affordable Housing Project over Unit 1 – Parking Garage) in order for the above ground residential project to be an Affordable Housing TIF District – Mary Davis.

- a. This is a companion item to Item #4 on the Agenda.

6. Communication: HomePort Guidelines Amendment Update – Mary Davis

- a. See attached material.

7. Quarterly HEDC 2021 Work Plan Check-in – Mary Davis and Greg Mitchell

a. See attached material.

8. Executive Session: Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A the Committee will go into executive session to provide staff direction on negotiations related to an offer to acquire Lots 6 & 7 located in the Portland Technology Park.

Next Meeting Date: March 16, 2021

Minutes
Remote Housing and Economic Development Committee
February 16, 2021

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

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

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

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, February 16, 2021, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Spencer Thibodeau and members Councilors Pious Ali, Tae Chong, and Andrew Zarro. Also present from the City Council were Councilors April Fournier and Belinda Ray. Present from the City staff were Public Facilities Director Kathy Alves, Housing and Community Development Division Director Mary Davis, Health and Human Services Director Kristen Dow, Associate Corporation Counsel Michael Goldman, City Manager Jon Jennings – arriving as noted herein, Chief of Staff Dena Libner, Housing and Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Housing Program Manager Victoria Volent.

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

Item #2: Review and vote on February 2, 2021, draft meeting Minutes.

On motion made by Councilor Chong, seconded by Councilor Ali, the Committee voted unanimously (4-0) to accept the Minutes as published.

Item #3: Review of January 2021 small business survey results for outdoor dining and retail for Committee discussion and direction.

Chair Thibodeau said that this was discussed by the Committee at its January 5 meeting,

where the Committee requested more information on a better sense whether businesses were using the new programs in response to the pandemic, get some feedback, and further discuss today to have a permanent plan to recommend to the City Council for early Spring.

Ms. Libner said that the City conducted a survey in 12/2020 to businesses who were currently permitted using the new COVID-19 programs, and the survey conducted last month was broader in scope to those who do business in Portland. There were 30 respondents, and 10 were participating in the Winter COVID-19 program. The survey requested the nature of the business, feedback on the program, why they did not participate in the program, and how it could be improved. The responses were varied, and the analysis of City staff was to continue with the programs as they are now under the Emergency Order as there is no set consensus from the survey. Leaving it as is would be the best way to impact as many small businesses as possible.

Councilor Chong noted that it is a great program and questioned if fees were too high being the reason some businesses did not participate. Ms. Libner said that of 10 respondents, one indicated fees were too high.

Councilor Zarro said that the times change constantly and things could be different in another month or two. He would suggest trying to get the word out to other industries, in addition to the hospitality industry.

Councilor Ali noted last Summer when this was first implemented he received emails regarding issues with closed/blocked streets. Ms. Libner noted that the survey was distributed to those who indicated those issues, and the biggest take-away for staff was the blocking of Exchange Street causing the most consternation.

(Mr. Jennings joined the meeting at this time.)

Chair Thibodeau noted that the City is considering more parklets, which would have a small impact on parking but allow for non-street closures.

Mr. Jennings apologized for being late, and thanked Ms. Libner for her outreach, as well as Jessica Hanscombe and Greg Mitchell and their staff during these trying times. The goal is to balance the needs of businesses, particularly restaurants and parking. Exchange Street will be different this coming season as Ms. Libner noted. The City does have plans to close Dana, Wharf, and Milk Streets and some of Middle, but Exchange Street will be open with the use of parklets.

Councilor Ray thanked all for the flexibility in adapting and making changes as needed. She asked about a timeline for announcing street closures, noting the positive feedback she has received and the need for businesses to be able to plan ahead. She also asked the timeline for the new or extended street closures and map of the closures on the City website.

Mr. Jennings noted that as long as there are no big snow storms, this could be implemented 4/1/2021. He also confirmed the importance of businesses having as much advance notice as possible. The City will also entertain other street closures and parklets in other places of the City, as well as the downtown.

Chair Thibodeau noted the timeline for a more permanent plan should be from 4/1/2021 to 3/31/2022.

Councilor Zarro asked how parklets would be implemented on Exchange Street, i.e., would they have to be directly in front of the business or other ways, while also thanking staff to be able to offer parklets and street closures off peninsula. Ms. Libner said that she has talked with the Public Works Department about this and it is a negotiation with each business to ensure vehicles can move through Exchange Street safely.

Councilor Chong said that he supports this and would like to be able to add more art in these areas. Street closures make for a destinations area which will help revive businesses, and the inclusion of public art can only assist in make it more visually attractive.

Chair Thibodeau agreed, particularly for softening the look of the barricades and other barriers, suggesting to get the buy-in of neighboring businesses if this includes plantings to assist with watering. Regarding Fore Street, he would like confirmation of whether parklets would be allowed from April to November. He also requested staff to look into closing off lower Exchange Street.

Mr. Jennings noted that Fore Street is very narrow for fire trucks as it is, but staff can take another look. He again stated that alerting the public to this program and timeliness will be a top priority.

Chair Thibodeau thanked all and willingness to work with business owners will continue, taking street closures and parklets into more consideration, including on private property.

Item #4: Committee discussion and vote to issue the Homeless Service Center Request for Qualifications/Proposals (RFP/Q) – Jon Jennings

Chair Thibodeau said that the Committee reviewed this at its last meeting, and it has since been reviewed by the full City Council at a workshop meeting. The process for issuing this RFP/Q would be this Committee, possibly today, authorizing staff to send it out. Proposals would be received and then reviewed by a City staff sub-committee. This Committee would first review all proposals in executive session and provide direction to staff. The make-up of the sub-committee will have no City Councilors but will include staff from Finance, HHS, Public Works, Public Facilities, and HEDD. Once this Committee provides direction to staff in executive session, the next step would be to hold a Housing and Economic Development

Committee public meeting to review and make a recommendation to the City Council on who to partner with. The Health & Human Services Committee has Councilor Chong as its chair, and its purpose will be to focus upon on the programs of the Center, with this Housing and Economic Development Committee handling the real estate negotiations.

The Chair noted that he and staff received feedback on small edits to the RFP/Q from Councilors Dion and Ray which will be reviewed at today's meeting.

Councilor Chong, as Chair of the HHS Committee, noted that the HHS Committee will have regular updates on this project on its Agenda, noting a lot of design is already included in the document. He also indicated that the Selection Committee includes the HHS Director Kristen Dow.

Mr. Mitchell noted that at this Committee's February 2, 2021, meeting, it did have a public comment session on the RFP/Q, which was followed by a City Council Workshop on February 10, 2021. In the Agenda packet was the RFQ/P with one staff recommendation redlined, as well as Councilor Ray's edits. The proposed edits were screen-shared, and attached to these Minutes. He noted that all edits are not substantive to the RFP/Q and includes not limiting the Center to one story, adding language related to laundry facilities, and noting that the location of building lay-out can change based on responses received. Cost arrangement options have been expanded in the document, with the City noting its openness to consider a wide range of partnership dynamics.

Councilor Zarro asked about how long the process may take and will it include the Planning Board review.

Mr. Mitchell said that once the RFP/Q is issued, it will give respondents 60 days to create its proposal. The staff sub-committee will then review proposals, followed by the HEDC

meeting in executive session to review and provide direction to staff. The HEDC would then have a public hearing to review and vote on a recommendation to the City Council on which proposal to negotiate with. The Planning Board would begin its review when the project is ready for regulatory review, some time after negotiations are complete and documents signed.

Chair Thibodeau said that the Committee took public comment on this item at its last meeting so it will not take public comment again at this meeting. There will be additional opportunities for public comment as the process moves forward.

On motion made by Councilor Chong, seconded by Councilor Zarro, the Committee voted unanimously (4-0) to authorize staff to issue the RFP/Q for the Homeless Service Center.

Item #5: Public hearing on Iris Network Loan Amendment request and possible vote on a recommendation to the City Council – Mary Davis. NOTE: Executive Session – Pursuant to 1 M.R.S.A. 405(6) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide direction on negotiations.

Mary Davis introduced this item by providing a review of the memo in the Committee packet. Ms. Davis noted David Barnwell, President and Executive Director of the Iris Network is in attendance and prepared to provide a brief presentation. In FY04, the City Council approved \$250,000 in financial assistance to the Iris Park Apartments. The project was financed through the Low Income Housing Tax Credit Program. The 30 units are affordable for households earning at or below 60% of the area median income. There are long-term affordability restrictions including a 90-year affordability covenant with the City and a 30-year affordability covenant on the property with MaineHousing. These covenants would continue in place for the remainder of the City's affordability period (75 years) and the remainder of MaineHousing's affordability period (15 years). However, the 15-year tax credit compliance period, required through the LIHTC financing,

is approaching the end of the compliance period. As is common with tax credit projects, there will be a transfer of ownership from the tax credit partnership (a taxable entity) to the Iris Network (a non-profit organization). The Iris Network is the general partner and is a nonprofit. The Iris Network would be able to file to become exempt from property taxes as non-profit entity.

However, built into the City's loan document is the clause that if the property should be exempt, an amount equal to the assessed tax would still be payable. The Iris Network is requesting the City consent to the transfer of ownership and waive the requirement that taxes be paid. Thirty-five of the residents in the building receive assistance and programming from the Iris Network; twenty-seven of those residents are visually impaired; seventeen of the thirty-five residents receive assisted living facility level assistance. The Iris Network is committed to continuing to provide the level of assistance currently provided while maintaining the facility. If they are required to provide real estate taxes, then their ability to provide that assistance would be severely impacted and the Iris Network would not be able to assume ownership of the project. The City has reviewed their financial records, which indicates small margins. The Iris Network has provided projections that show a comparison of revenues and expenditures with and without payment of current City of Portland property tax. Since August 28, 2019, the Iris Network has leased space in the Iris Park Apartments to the City of Portland to house the Parkside Community Policing Office. They do not receive any rent for the use of the space. The Parkside Community Policing Office was formerly located in the property at 510 Cumberland Avenue, which is currently being redeveloped into affordable housing by Avesta Housing. The transfer of ownership typically does not require City council approval however, the request to allow the property to be exempt from property taxes does require approval. The property has a tax-assessed value of \$1,965,300, with a tax amount of \$45,811. The City's Tax Assessor's office is estimating the revaluation-assessed value of the project would be \$3,750,000 with an estimated tax amount of \$60,000. In order to take advantage

of favorable debt restructuring terms offered by MaineHousing, the Iris Network is hoping to close on the year 15 partnership disposition as soon as possible. This step is contingent on the City looking at the term in their loan agreement and making changes for them. Staff is seeking Committee approval of the waiver of the requirement that taxes be paid and is requesting the Committee vote to recommend the City Council approve this request.

Councilor Zarro asked if this is a common request (after the fifteen-year period has expired); is there a precedent for this?

Ms. Davis said the transfer in ownership is very common in year fifteen however the request in front of the Committee regarding payment of real estate taxes is not typical.

Councilor Thibodeau asked if the City has ever had a similar requirement like this in other loan documents.

Ms. Davis responded that this is a common term in our loan documents. It has always been assumed that this is a condition of investment by the City. Going back to early 2000, there are probably forty projects with this similar clause within it that you will continue to pay property taxes even if ownership changes to a nonprofit entity.

Councilor Chong asked if the Iris Network is the largest provider, and if they are the only ones, that provide apartments for people who are vision impaired.

Mr. Barnwell confirmed the Iris Network is the largest provider of services for the visually impaired.

Ms. Davis added to her previous comments by noting the City uses a template to create the documents that contain the clause regarding the need to pay real estate taxes. The template to create the documents for county level projects does not contain that clause. There has been instances in the past in which the county template was inadvertently used for City projects. Subsequently about eight of forty City projects do not contain that clause.

Chair Thibodeau opened the meeting to public comment.

Mr. Barnwell (with the Iris Network) – noted they provide many services to their residence beyond affordable housing such as assisted living services, medication management, assisting with the essentials of daily living, socialization activities, and independent living services. We provide this and only receive a reimbursement from the state of about 59 cents for every dollar. The remaining 41 cents is something we absorb. That results in a roughly \$88,000 plus \$1,000 year loss. If we were granted a property tax abatement, we would still lose about \$42,500 a year. Paying the property taxes when we were collaborating with the for-profit entity was appropriate, but this partnership is now ending. Our hope is you will consider us not having to pay that property tax. We can acquire this property as a nonprofit entity; we are working to get favorable refinancing terms from MaineHousing but we are still expecting a rather large balloon payment in thirty years. The assessment of property taxes on our nonprofit makes the acquisition difficult. Having the recommendation from the City council would allow us to have a future and continue to provide these needed services. Thus, we respectfully request the Committee to recommend to the City Council the tax abatement for the property located at 201 Park Avenue.

Chair Thibodeau clarified the Committee is looking at a change to loan documents that requires the Iris Network to pay taxes. An abatement or exemption would still need to be sought if a nonprofit acquired this property. This committee does not grant tax abatement.

Mr. Goldman confirmed tonight's discussion is not whether this committee or the council grants the request for abatement. The Iris Network would need to file an application with the Assessor. It could not be done through this contract amendment request.

George Rheault- (28 Hanover Street) – I am a neighbor of the Iris Network clients and see them passing by my house on Portland Street quite often and I consider them to be a great part of Downtown Portland. Effectively what you are doing is giving a 100% TIF to this organization.

The taxpayers of Portland have expectations. This subsidy will grow even greater. So the questions are, can you do a temporary gift to the Iris Network and revisit this next year when you have more time to focus on this and have better information. The other issue is, I believe the address of the property is 189 Park Avenue; the tax assessor's website says there is no taxes being assessed on this property right now. Unless this is an error or a mistake, you guys need to have that clarified. You sort of are suggesting they have been paying taxes and that is not the case. There is a development opportunity on this lot; there is quite a bit of room there for more housing. The City might want to have some discussions with the Iris Network. The community-policing website also lists the Parkside Office as still being at 510 Cumberland. I live in the neighborhood and there has not been any notice that there is a community policing office accessible to the public inside this Iris complex. Will that continue long term or will it revert back to the Cumberland address. I think you guys need to run some numbers to know exactly the benefit here to be given to the Iris Network. Maybe there are other ways to give that opportunity. I do note Avesta is managing the property. I don't think they are doing that at cost. Iris is paying Avesta a fee for managing their buildings. So if Avesta is getting market rate for their services, it does wonder why it's the City that has to be subsidizing the Iris Network operation.

Chair Thibodeau closed the public comment period.

Chair Thibodeau noted he has some concerns what this could mean for the City especially given that this was done thirty-two other times. I would ask the Committee that we not vote on this item tonight.

Mary Davis started with a clarification that the Iris Park Apartments are located on the Iris Network campus. The Iris Network is shown on the tax assessor's records at 189 Park Avenue. The Iris Park Apartments are located at 191 Park Avenue as shown on the tax assessor's website and records. So it does show the net taxable real estate at \$1,956,300 with a tax amount of \$45,811

so that is reflected in the tax record.

Jon Jennings voiced his concerns over the proposal. Concerned about setting a precedent for future developers to look at this type of way in which they would convey a property after the fifteen years. The Assessor has concerns as well. If the committee is so inclined, it might be best to post pone this until we can look into these further.

Chair Thibodeau indicated he tends to agree with some of the public comment and tends to agree the Iris Network has been a great partner to Parkside. There might be potential for a partnership for housing. Real concern is about making a change to a bargain and what type of precedent that would set for the others and to and encourage others to do so. I think there are some unintended consequences. I will asked to staff to check in with the borrower and to lay out more fully what this precedent would mean, and then have it come back unless the Committee is inclined to move in a different direction.

Councilor Zarro noted he agrees with the Chair about precedent and the need to postpone until staff provides more information.

Councilor Chong had a question for Mr. Barnwell regarding information in GuideStar that notes in 2016 they had about \$2.5 million in grants and contributions of about \$2.1 million in 2019. If it's the largest organization and you are not getting reimbursement from the state and you are seeing decreased revenue at the network, why would you want to absorb a large apartment building? Maybe that is something staff could ask.

Councilor Ali had no objection to postponing for more information.

Mary Davis indicated staff could pull some information together for the second meeting in March (March 16).

On a motion made by Councilor Chong seconded by Councilor Zarro, the Committee voted unanimously (4-0) to postpone this item until March 16.

Chair Thibodeau noted on the work plan there will be discussion on an Arts Credit Enhancement District, procurement with the Finance Committee, and Credit Enhancement Agreement for 45 Brown Street.

Greg Mitchell updated the Committee that for the March 2 meeting staff hopes to have 45 Brown Street's affordable housing tax increment financing request presented to the Committee for public hearing and vote; staff will present in March the Creative Portland's budget request for additional funds; and staff continues to work on the purchase and sale agreement for 21 Randall Street and 43/91 Douglass Street.

Chair Thibodeau confirmed with staff that the Portland Adult Ed workforce training funds item would be on the agenda for the second meeting in March.

On motion made by Councilor Chong, seconded by Councilor Zarro, the Committee voted unanimously (4-0) to adjourn at approximately 7:15 p.m.

Respectfully, Lori Paulette and Victoria Volent

CREATIVE PORTLAND^{ME}

84 Free Street | Portland, ME 04101 | 207-370-4784

To: HEDC Committee

From: Kate Anker, President, Creative Portland

February 26, 2021

Subject: Creative Portland Request for TIF District Funds Increase

On behalf of the Creative Portland Board of Directors, we present to you for consideration an impactful policy change and phased approach to increase TIF District fund allocation to support the arts beginning in Fiscal Year 2022.

Attached are three documents to support our ask:

- 1) [Creative Portland Overview presentation](#)
- 2) City Comparison Research Survey
- 3) Recommendation for TIF increase, on a phased basis.

[The Creative Portland Overview Presentation](#) clearly documents the value of the City's TIF investment, which is capped at 100K fund allocation to support two full-time employees in HEDD. The growing capacity of the nonprofit organization attracts a robust board of directors and five separate community committees who oversee grant-generated programs that are also supported by the private sector. Creative Portland has become a respected arts community convener, maintaining a database of artists and curatorial teams to produce performing arts showcases, curate public art installations, and manage juried arts exhibitions. Creative Portland successfully established the [Portland Artist Relief Fund](#) in April 2020, dispersing grants to artists, one month after COVID-19 shutdowns. CP's appropriate integration and public engagement keeps artists relevant and working during the pandemic and is at the forefront of our mission to nurture and sustain the local arts ecosystem.

The city comparison research survey was conducted this past February by staff and CP Board volunteers. Economic impact numbers are supported in the most recent [AEP5](#) economic impact study by Americans for the Arts (AFTA). Our research, outreach, and engagement informs the headlines: a) Portland is one of the only cities without a separate Arts Department, b) is the only city without a community-based arts center, and c) receives 75% less in municipal arts investments than the other cities, who reveal high return for investment in the arts, not only as a major economic driver, but integral to the city's overall health.

Our recommendation, on a phased basis, is accompanied by deep support of the board and staff who have worked tirelessly to implement strategic priorities identified in the [Cultural Plan Update of 2018](#). The budget for FY22 includes increased funding to the existing capped \$100K, absorbed by HEDD to cover staff salaries, for the hosting of an annual arts & culture summit, the revival of First Friday Art Walk, outdoor performances & showcases, and the development of a cultural app. FY22-FY25 budget proposal attached. We understand that we're presenting a lot of information and data to absorb all at once. Thank you for your careful consideration.

CREATIVE PORTLAND^{ME}





Board of Directors

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Kate Anker (President), **Running With Scissors**

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Herb Ivy, **Townsquare Media**

Dinah Minot (Assistant Secretary), **Creative Portland**

Daniel Minter, **Indigo Arts Alliance**

Greg Mitchell (ex officio), **City of Portland Economic Development Director**

Zoe Sahloul, **New England Arab American Organization**

Gerard Salvo, **Human Resources Consultant**

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Creative Portland's 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.



Executive Director Dinah Minot & Program Assistant Katie Page, City employees

Signature programs on hold during the pandemic

- First Friday Art Walk
- Hear Here
- Monday Morning Drop By
- CP Art Gallery (online only)





First Friday Art Walk

[Click here for more information](#)

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[Click here for more information](#)



Transformit

CREWE
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NEWS CENTER
MAINE



INFINITY
FEDERAL CREDIT UNION



JASON SPOONER DESIGN

GHOST OF
PAUL REVERE



PSO



SPACE



MECA
MAINE COLLEGE OF ART



MAINE
ACADEMY
OF MODERN
MUSIC



RUNNING WITH SCISSORS
BAYSIDE CLAY CENTER



TWO FAT CATS
BAKERY



Black Artists Forum

hopsie



PORTLAND
BALLET

PORTLANDSTAGE
The Theater of Maine



MAINE
IMMIGRANTS'
RIGHTS
COALITION



CREATIVE
PORTLAND ME

SPEEDWELL
projects



EQME
EQUALITYMAINE



Monday Morning Drop By

[Click here to learn more](#)

CP Art Gallery

Online only during the pandemic

[Click here to learn more](#)



Ongoing Programs During the Pandemic

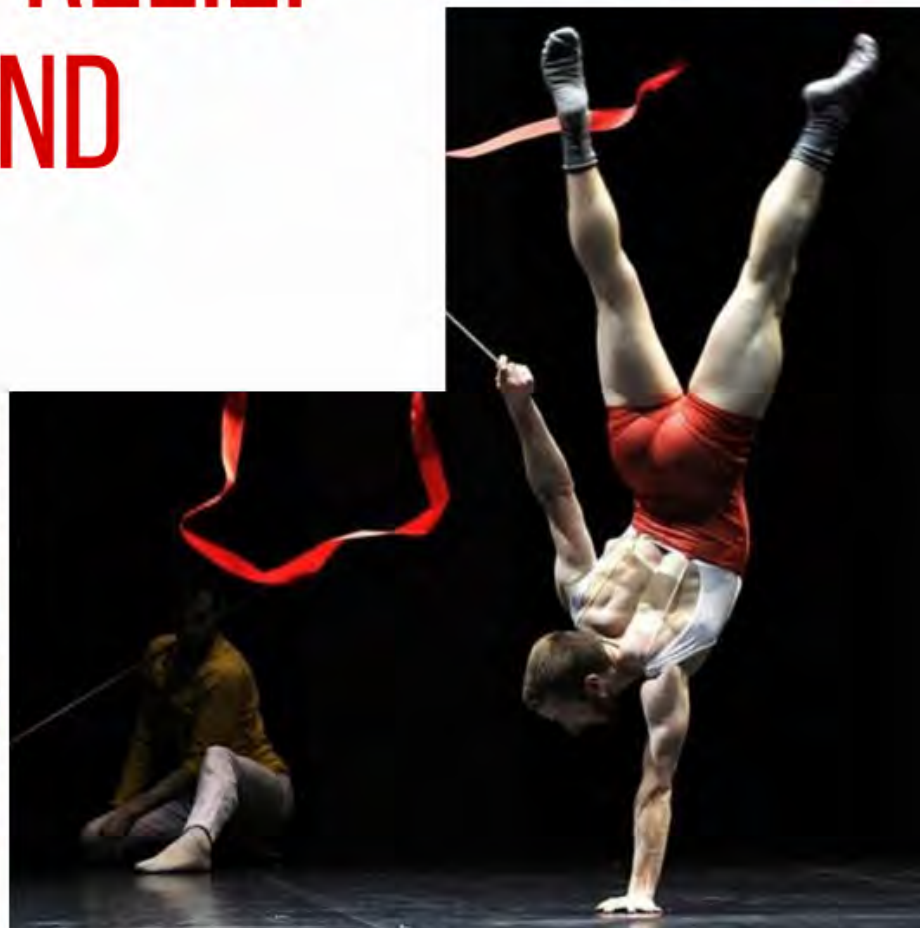
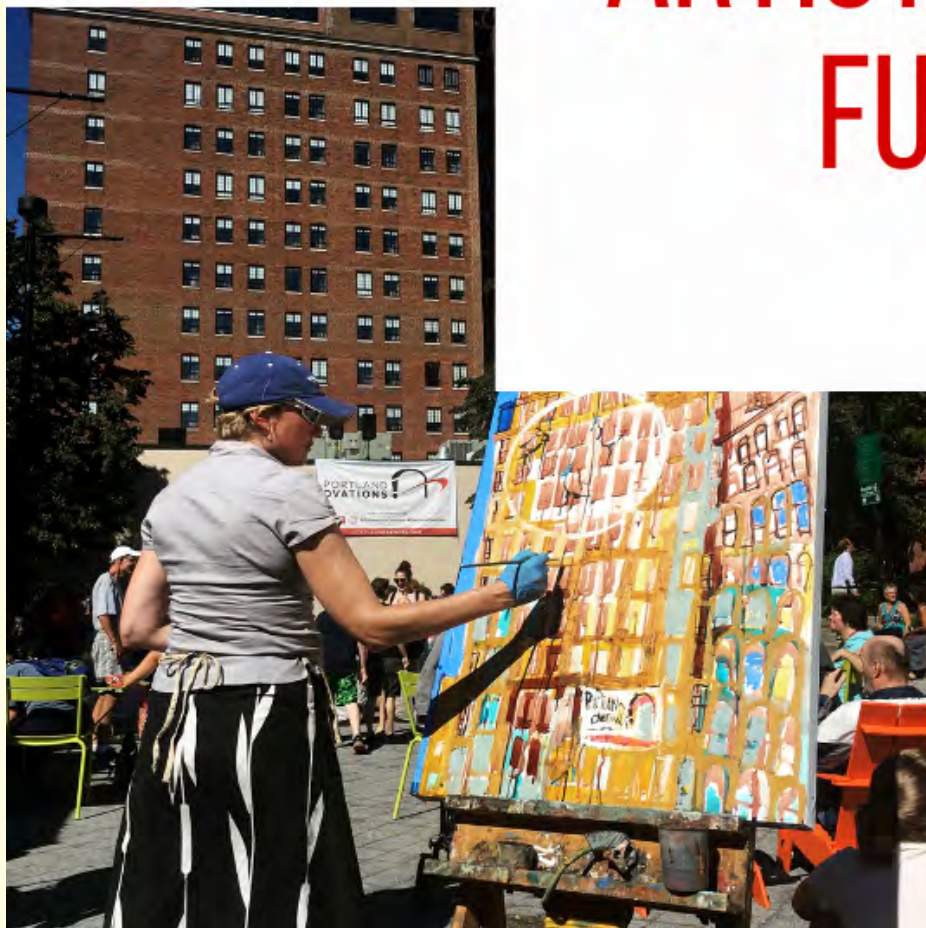
- Portland Artist Relief Fund
- Public Art Initiatives
 - Creative Bus Shelters
 - Art Banners for Public Health
- Cultural Events Calendar
- Cultural App Development
- Fiscal Sponsorships
- Curatorial Teams & Partnerships





PORTLAND, MAINE

ARTIST RELIEF FUND



A Photographer:

"We live in a place of great compassion, resilience and innovation so I know that we will rise up above this. The support of folks like yourselves allows someone like me to continue to put art out into the world and just even pay for my gas and means to do it! "

A Printmaker:

"Many artists like myself operate with little or no financial back-up for our practice. This Emergency fund is very helpful to enable us to stay afloat and get through to a time when we can get back on our feet. I love living and working in Portland and will continue to be part of our vibrant arts community."

[Click here to learn more](#)

Public Art Initiatives

Creative Bus Shelters

[Click here for more information](#)

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Public Art Initiatives

Art Banners for Public Health

[Click here for more information](#)

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Cultural Events Calendar

[Click here to view the calendar](#)



2020 HOLIDAY ARTS & CULTURE CALENDAR

ART EXHIBITIONS

12/1 - 5: [Flight](#), Cove Street Arts
12/1 - 11: [Acoustic Resonance](#), MECA
12/1/ - 12/12: [Faculty Photography](#), Cove Street Arts
12/1 - 19: [The Party's Over](#), Grant Wahlquist Gallery
12/1 - 24: [New Holiday Season Exhibitions](#), Maine Jewish Museum POP-UP
12/1 - 24: [Rolling in the Yule Tide](#), Casco Bay Artisans
12/1 - 12/31: [Project 20/20](#), Portland Art Gallery
12/1 - 12/31: [STEAM](#), Cove Street Arts
12/1 - 1/3: [20/20 Visionary](#), Bob Crewe Gallery at MECA
12/1 - 1/3: [1968: L'Historique d'une histoire faite de symboles](#), SPACE
12/3: [A Convenient Soldier: The Black Guards of Maine -- A Talk with Asata Radcliffe](#), Maine Historical Society
12/3 - 1/30: [\(Annual\) Holiday Show](#), Greenhut Galleries
12/4 - 12/27: [Holiday Offerings](#), Richard Boyd Art Gallery
12/8: ["Vida Americana" with Whitney Museum Curator Barbara Haskell](#), Portland Museum of Art
12/9: [A Victorian Christmas: A Talk with Kimberly Smith](#), Maine Historical Society
12/14 & 15: [Virtual Gallery Talk with Victoria Wyeth: Winter Light](#), Portland Museum of Art

MONTH-LONG EXHIBITS

- [2020 Vision: Past Present and Future](#), Creative Portland
- [I Am an American](#), Cove Street Arts
- [Stories of Maine an Incomplete History](#), Portland Museum of Art
- [Freedom, A Fable](#), Portland Museum of Art
- [Member's Exhibit](#), UMVA

PERFORMING ARTS

12/1 - 12: [Nutcracker: Behind the Mask Short Film](#), Maine State Ballet
12/1 - 22: [Living Voices: "Hear My Voice" Virtual Family Performance](#), Portland Ovations
12/1 - 31: [Magic of Christmas at Home](#), Portland Symphony Orchestra
12/1 - 31: [Out of the Blue Livestreams](#), Blue
12/3: [Palaver Solo Session: Matt Palaver Strings](#)
12/3: [Virtual Concert: Jazz Ensemble](#), USM School of Music
12/3 - 16: [Noonday Concert Series Online with Ben Noyes](#), Portland Conservatory of Music
12/3 - 24: [A Christmas Carol In-Person & Virtual](#), Portland Stage
12/4: [Solo Livestream with Tracey Jasas-Hardel](#), 240 Strings
12/5: [The USM Composers Ensemble Showcase Virtual](#), USM School of Music
12/6: [A Virtual ChoralArt Christmas](#), ChoralArt
12/6: [Dead Gowns Livestream](#), State Theater
12/6: [Virtual Vocal Jazz Ensemble](#), USM School of Music
12/9: [Catherine Begin Virtual Recital](#), USM School of Music
12/10: [Beehive Chamber Series: Coming Together](#), Palaver Strings
12/11: [Spencer Albee Livestream](#), State Theater
12/12: [A Victorian Nutcracker - At Home!](#), Portland Ballet
12/12: [VOCES8 "Winter Tales" Virtual Performance](#), Portland Ovations
12/12: [Martin Sexton](#), Aura Maine
12/17 - 30: [Noonday Concert Series Online with John Bennett](#)
12/21: [Palaver Music Center Winter Recital Celebration](#), Palaver Strings

ART AUCTIONS & CRAFT SALES

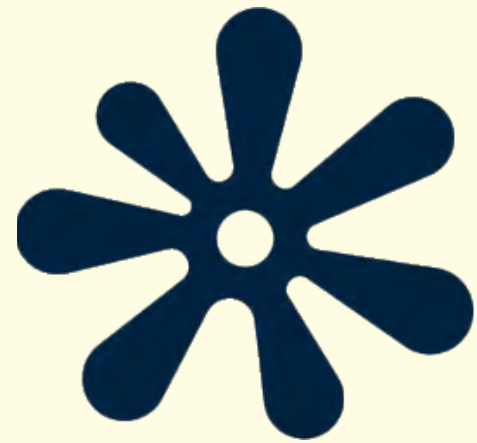
12/1 - 8: [Photo A Go-Go To Go](#), Bakery Photo Collective
12/1 - 11: [Holiday Sale](#), Maine College of Art
12/1 - 18: [SPEEDWELL Auction 2020](#), SPEEDWELL Projects
12/1 - 24: [Vena's Holiday Parlor](#), Vena's Fizz House
12/6 & 22: [Makers Market at the Point](#), Thompson's Point
MONTH-LONG CRAFT SALES
 - [Gift Guide 2020](#), Portland Buy Local
 - [Holiday Gift Guide](#), Maine Craft Portland
 - [Merch Booth](#), Maine Music Alliance
 - [MHS Holiday Gift Guide](#), Maine Historical Society
 - [MSA Store](#), Mayo Street Arts
 - [PMA Store](#), Portland Museum of Art

CLASSES, FILMS, & TOURS

12/1: [Fierce and Fabulous Short Story Writers](#), MWPA & Print: A Bookstore.
12/1 - 31: [Virtual Video Store](#), SPACE x Aphodian Theater
12/5 - 17: [Intro To Welding with Genna Worthley](#), Factory 3
12/5, 12, 19: [Old Port Holiday Historic Walking Tour](#), Portland Downtown
12/5 - 17: [Intro To Woodshop with Holden Roberts](#), Factory 3
12/5, 12, & 19: [Old Port Holiday Historic Walking Tours](#), Portland Downtown
12/7: [Maine Bicentennial Community Cookbook](#), Maine Historical Society
12/9: [Wrap Party](#), Maine Jewish Film Festival
12/18: [Maine Skeins Crafters](#), Mechanics Hall
 - [PMA Films](#), Portland Museum of Art

Did we miss something? Let us know! Share your event with us on Facebook - facebook.com/CreativePortland

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Cultural App Development

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Curatorial Teams & Partnerships

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Black Owned Maine

An online directory for independent, Black-owned businesses in Maine, including visual artists, performing artists, makers and artisans.



Maine Music Alliance

Aims to increase awareness and support the sustainability of the extraordinary live music venues of Portland Maine while highlighting the tremendous impact they have on our local economy



SPEEDWELL Projects

An artist-run studio and gallery dedicated to launching thought provoking exhibitions in all media, including site-specific installations, public art, spoken word, and performance.

ARTS & MUSIC FESTIVALS



- **Art Outta the Park**
- **Burundian Drum & Dance Festival**

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THE WORKSHOP

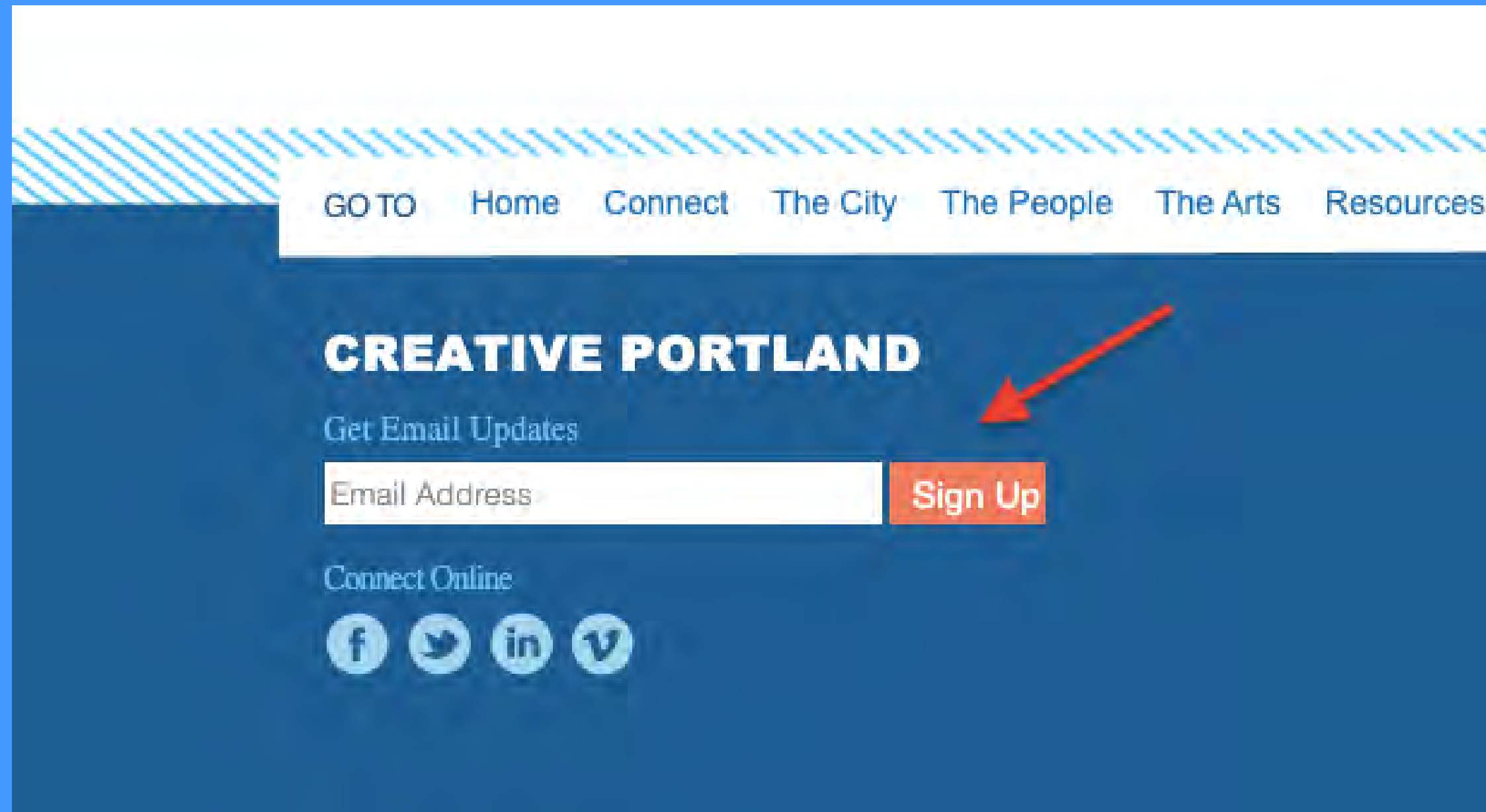
(proposed initiative)



An online calendar of professional development workshops in the Greater Portland area, curated by Creative Portland.

CREATIVEPORTLAND^{ME}

Monthly Arts Update



The screenshot shows the Creative Portland homepage. At the top, there is a navigation bar with the text "GO TO" followed by links: "Home", "Connect", "The City", "The People", "The Arts", and "Resources". Below this, the main heading "CREATIVE PORTLAND" is displayed in white on a dark blue background. Underneath the heading is the text "Get Email Updates". A white input field labeled "Email Address" is positioned next to a red "Sign Up" button. A red arrow points to the "Sign Up" button. Below the input field, the text "Connect Online" is shown, followed by four circular social media icons for Facebook, Twitter, LinkedIn, and YouTube.

Sign up on for our newsletter on our homepage!

Questions? Ideas?

Get in touch with us at
info@creativeportland.com

CREATIVE**PORTLAND**^{ME}

CREATIVE PORTLAND RESEARCH PROJECT

ECONOMIC IMPACT OF COMPARABLE ARTS AGENCIES/ COUNCILS

(PRE-COVID 2019 DATA)

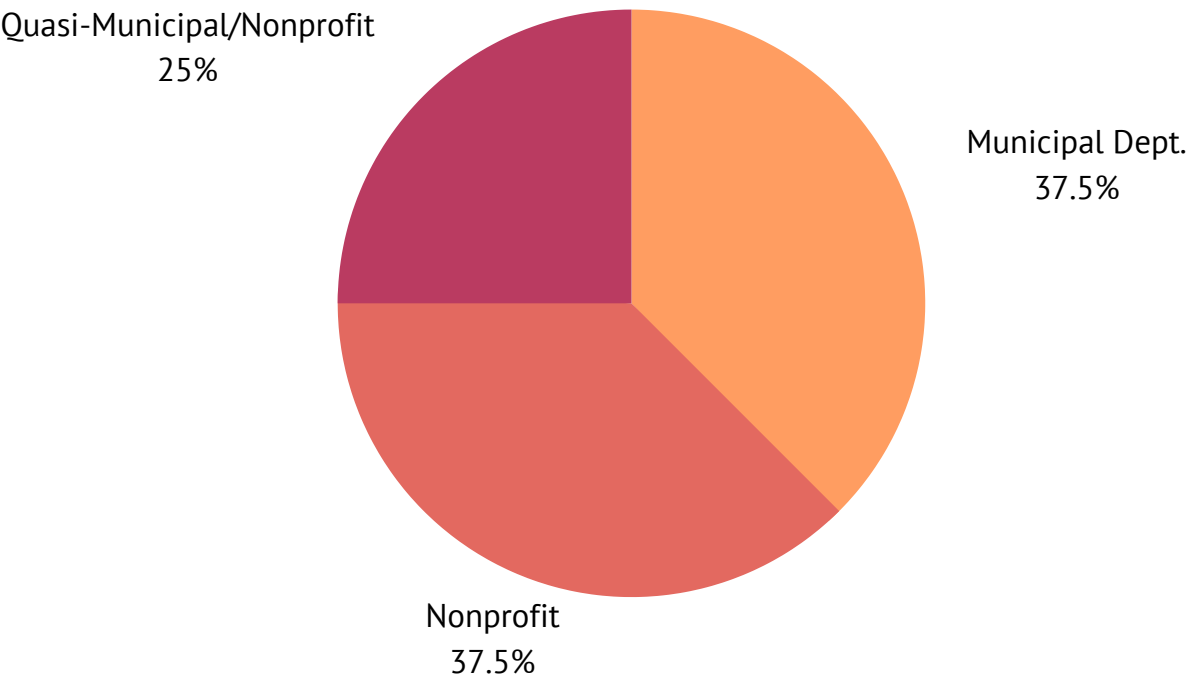
02

ORGANIZATION	LOCATION	POP.
PUBLIC ARTS COMMISSION	ASHLAND, OR	21,281
BURLINGTON CITY ARTS	BURLINGTON, VT	42,550
COMMUNITY ARTS & CULTURE	CHAPEL HILL, NC	60,000
GREATER HARTFORD ARTS COUNCIL	HARTFORD, CT	125,000
NOHO ARTS	NORTHAMPTON, MA	28,516
KIMBALL ARTS CENTER	PARK CITY, UT	8,526
CREATIVE PORTLAND	PORTLAND, ME	66,000
OFFICE OF ART, CULTURE, & TOURISM	PROVIDENCE, RI	180,000
PAAM (ART ASSOCIATION & MUSEUM)	PROVINCETOWN, MA	2,994-60,000
MONMOUTH ARTS	RED BANK, NJ	12,072
CULTURAL ARTS DIVISION	REDONDO BEACH, CA	67,423
ARTS COUNCIL SANTA CRUZ COUNTY	SANTA CRUZ, CA	64,000
SANTA FE ARTS & CULTURE DEPT.	SANTA FE, NM	83,922
SAVANNAH CULTURAL ARTS COMMISSION	SAVANNAH GA	140,000
WAAM (ART ASSOCIATION & MUSEUM)	WOODSTOCK, NY	5,800
WORCESTER CULTURAL COALITION	WORCESTER, MA	190,000

03

ORGANIZATION TYPES

Organizations defined themselves as nonprofit, quasi-municipal/nonprofit, or as a municipal department.

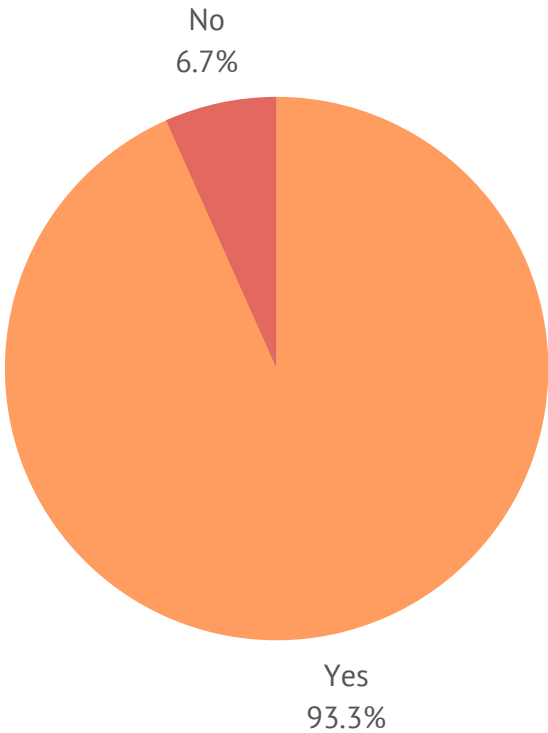


Ashland, OR	Municipal Department
Burlington, VT	Quasi-Municipal/Nonprofit
Chapel Hill, NC	Municipal Department
Hartford, CT	Nonprofit
Northampton, MA	Quasi-Municipal/Nonprofit
Park City, UT	Nonprofit
Portland, ME	Quasi-Municipal/Nonprofit
Providence, RI	Municipal Department
Provincetown, MA	Nonprofit
Red Bank, NJ	Nonprofit
Redondo Beach, CA	Municipal Department
Santa Cruz, CA	Nonprofit
Santa Fe, NM	Municipal Department
Savannah GA	Municipal Department
Woodstock, NY	Nonprofit
Worcester, MA	Quasi-Municipal/Nonprofit

04

ARTS CENTERS

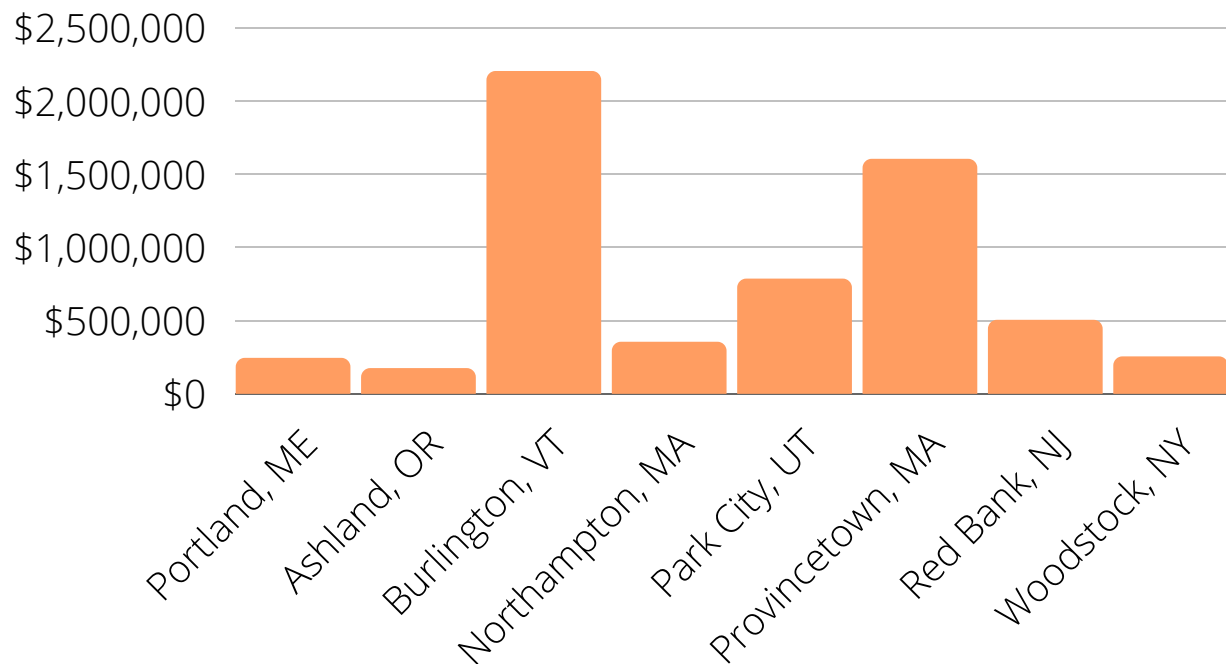
We asked organizations whether they have a community-based arts center. These spaces often include studios, performance space, exhibition halls, offices, and gift shops.



Ashland, OR	Yes
Burlington, VT	Yes
Chapel Hill, NC	Yes
Hartford, CT	Yes
Northampton, MA	Yes
Park City, UT	Yes
Portland, ME	No
Providence, RI	Yes
Provincetown, MA	Yes
Red Bank, NJ	Yes
Redondo Beach, CA	Yes
Santa Cruz, CA	Yes
Santa Fe, NM	Yes
Savannah GA	Yes
Woodstock, NY	Yes
Worcester, MA	Yes

05

ANNUAL BUDGET PRE-COVID: UNDER 50K POPULATION



LOCATION	BUDGET	POPULATION
Portland, ME	\$240,000	66,000
Ashland, OR	\$170,000	21,281
Burlington, VT	\$2,200,000	42,550
Northampton, MA	\$350,000	28,516
Park City, UT	\$781,500	8,526
Provincetown, MA	\$1,500,000	2,994-60,000
Red Bank, NJ	\$500,000	12,072
Woodstock, NY	\$250,000	5,800

06

ANNUAL BUDGET OVER 50K POPULATION



LOCATION	BUDGET	POPULATION
Portland, ME	\$240,000	66,000
Chapel Hill, NC	\$470,000	60,000
Hartford, CT	\$2,500,000	125,000
Providence, RI	\$1,500,000	180,000
Redondo Beach, CA	\$1,577,000	67,423
Santa Cruz, CA	\$2,500,000	64,000
Santa Fe, NM	\$1,960,000	83,922
Savannah GA	\$1,400,000	140,000
Worcester, MA	\$800,000	190,000

07

FUNDING SOURCES & BREAKDOWN:

Ashland, OR Public Arts Commission	\$170,000: Grant received from City Transient Occupant Tax (TOT/Tourism)
BURLINGTON, VT Burlington City Arts	\$1,000,000 in municipal investments - \$1,000,000 from private sources
CHAPEL HILL Community Arts & Culture	1% of municipal CIP funds through 1% percent for art ordinance, and grants.
HARTFORD, CT Greater Hartford Arts Center	\$2,500,000: Incomplete data breakdown.
NORTHAMPTON, MA NOHO Arts	\$100,000 City of Northampton/CIP. \$250,000 from Mass Cultural Council, grants and sponsorships.
PARK CITY, UTAH Kimball Arts Center	\$781,000: \$185,000 in government grants, \$619,000 in gifts and other contributions, \$201,000 in-kind donations, \$45,000 in nonprofit membership. (\$6 million endowment).
PORTLAND, ME Creative Portland	\$100,00 TIF, \$55,000 to Portland Public Art Committee from CIP. and grants. Programs are funded by nonprofit.
PROVIDENCE, RI Office of Art, Culture, & Tourism	\$1.4 Million: Funding comes from the City of Providence, which is .007% of the total city budget, including \$118,000 from hotel tax.

08

FUNDING SOURCES & BREAKDOWN CONTINUED:

PROVINCETOWN, MA Provincetown Art Association & Museum

\$1.5 million budget: 50% of funding is from grants, including government grants, 25% is earned, 25% is fundraised.

RED BANK, NJ Monmouth Arts

\$500,000: 40% is government funding, 30% is from corporate foundations & grants. 30% from nonprofit fundraising.

REDONDO BEACH, CA Cultural Arts Division

\$1.57 Million: Funding is from the general municipal budget. A percent for art from development funds the Public Art Commission.

SANTA CRUZ, CA Arts Council Santa Cruz County

\$2.5 Million: 40% from foundations, 30% from the government, 10% from individual giving, 20% is earned revenue.

SAVANNAH, GA Savannah Cultural Arts Commission

\$1.4 million: funded by the City and revenue from the Cultural Arts Center.

SANTA FE, NM Santa Fe Arts & Cultural Department

\$1.96 Million: 1% of Santa Fe Hotel taxes go to the Arts, along with 2% of CIP/Revenue Bond Proceeds.

WOODSTOCK, NY Woodstock Arts Association & Museum

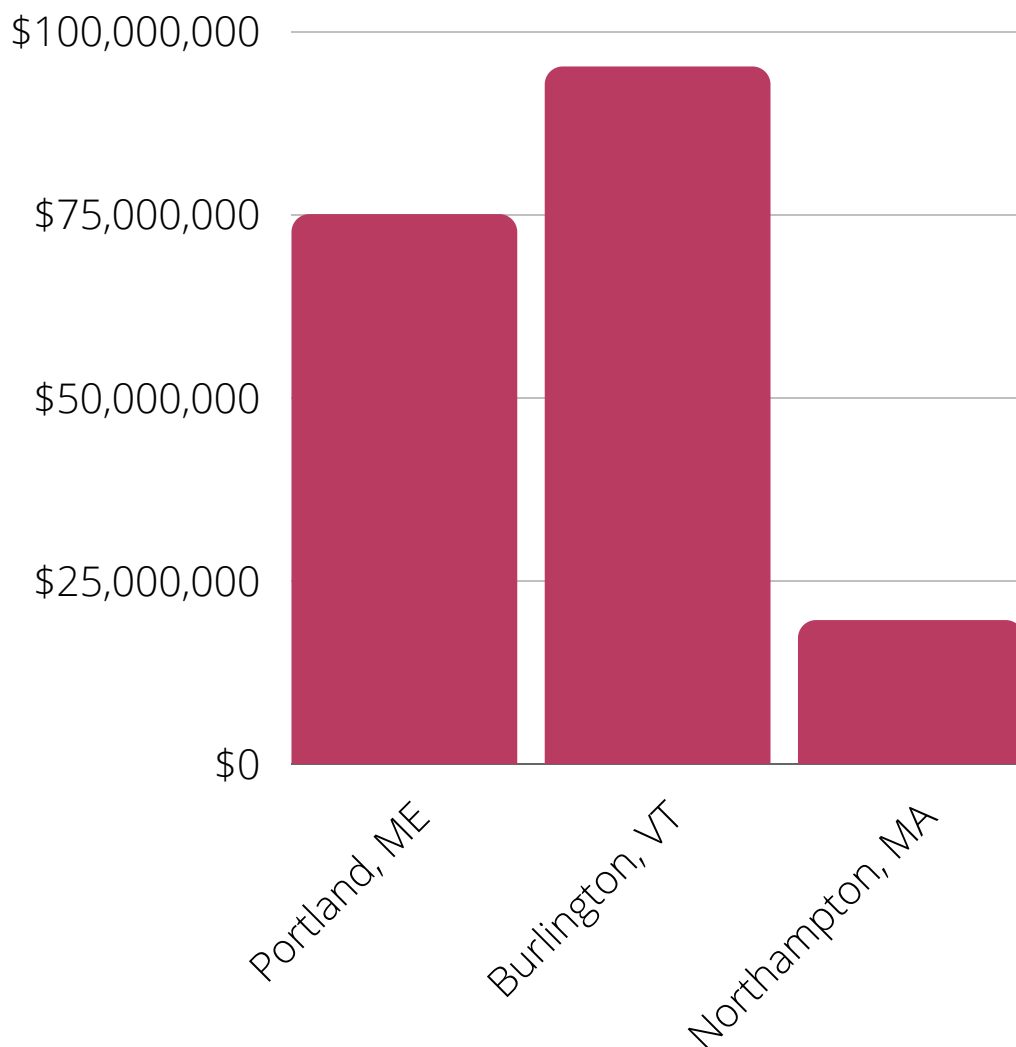
Funding is from the NY Council on the Arts, Arts Mid-Hudson, foundations, sponsors & membership dues.

WORCESTER, MA Cultural Coalition

\$450,000 (City) + \$350,000 (Cultural Coalition).

09

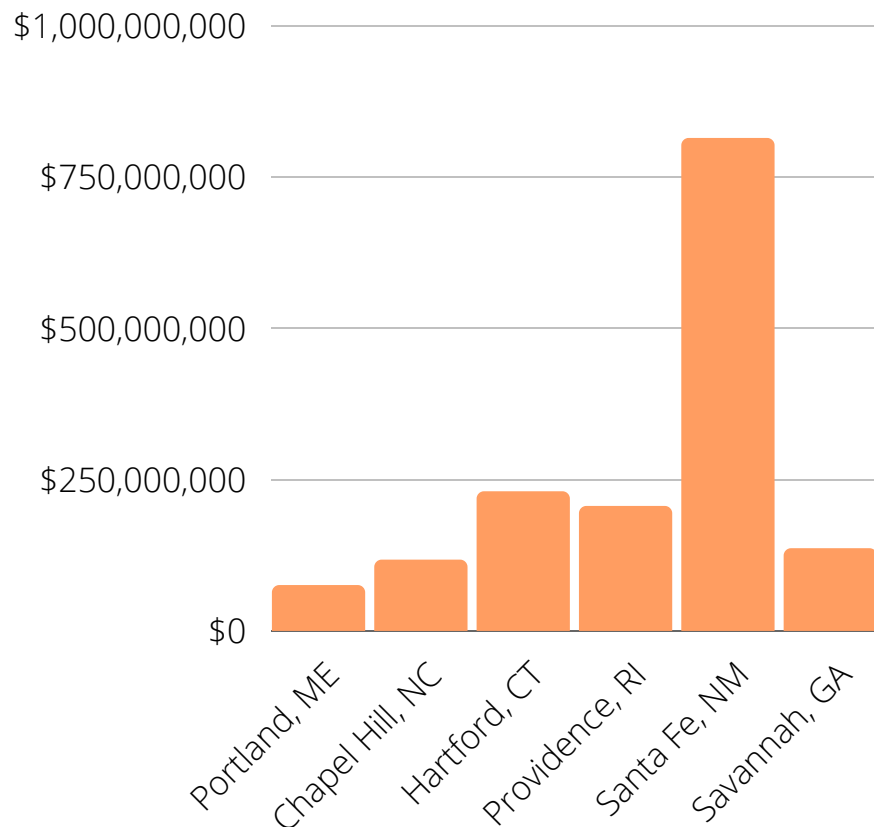
ECONOMIC IMPACT OF ART ORGANIZATION NONPROFITS. UNDER 50K POPULATION



LOCATION	ECON. IMPACT	POPULATION
Portland, ME	\$75,000,000	66,000
Ashland, OR	No data	21,281
Burlington, VT	\$95,159,453	42,550
Northampton, MA	\$19,560,000	28,516
Park City, UT	No data	8,526
Provincetown, MA	No data	2,994-60,000
Red Bank, NJ	No Data	12,072
Woodstock, NY	No data	5,800

10

ECONOMIC IMPACT OF ART ORGANIZATION NONPROFITS. OVER 50K POPULATION



LOCATION	ECON. IMPACT	POPULATION
Portland, ME	\$75,000,000	66,000
Chapel Hill, NC	\$117,021,210	60,000
Hartford, CT	\$230,000,000	125,000
Providence, RI	\$205,780,766	180,000
Redondo Beach, CA	No Data	67,423
Santa Cruz, CA	No Data	64,000
Santa Fe, NM	\$814,000,000	83,922
Savannah, GA	\$135,900,000	140,000
Worcester, MA	\$125,690,494	190,000

11

SUMMARY:

SIZE OF CITIES:

17 cities were surveyed ranging in population size: 5,800 (Woodstock, NY) to 190,000 (Worcester, MA). Smaller cities were surveyed because they demonstrate outstanding economic impact and arts investment, and are considered by Americans for the Arts (AFTA) to be the best small art towns in America. One-third of the cities surveyed have similar size populations to Portland (66,000). Of these similar-sized cities, all have municipal departments.

MUNICIPAL ARTS DEPT & BUDGETS:

All of the cities with populations over 50,000 have municipal art departments, with the exception of Portland, Maine (quasi-municipal). All of the city arts departments/arts councils/agencies operate within a budget of between \$470K - \$2.5 million (Chapel Hill, NC and Santa Cruz, CA), with the exception of Portland, ME (\$240K, including CP & PPAC).

CITY SPOTLIGHTS:

In Worcester, the arts budget from the city and cultural coalition is \$800,000, which includes the management and operations of the CC but not the capital budget for the arts center, funded by membership, grants, and revenue from the center. Burlington, VT, has the largest municipal investment of \$1 million, inspired by Bernie Sanders in his initial acquisition of an arts center (former firehouse). The nonprofit arm leverages that investment for a total of \$2.2 million overall budget.

FUNDING SOURCES:

City budget, percentage of CIP, TIF allocation, Hotel Tax, State Arts Council, Office on Aging, and 1% for Arts (from Revenue Bond Proceeds and/or Developers).

ARTS CENTERS:

Every city, except for Portland, has a robust community arts center/performing arts space, often generated by artists. Although Portland operates and leases Merrill Auditorium to PSO, FOKO, and Portland Ovations, infrastructure improvements are necessary to broaden its reach as an arts center and to attract local performance groups. SPACE offers an incubator, exhibition, and performance space for artists on a small scale, limiting an audience to less than 200.

Creative Portland

Recommendation for proposed CITY TIF budget increase, on a phased basis:

FY22: 155K (proposed City TIF increase)

- 35K - personnel
- 45K - cultural app prototype, augmented reality features, training & outreach
- 54K - outdoor performance pop-up venues - tech, crew, street block closures (6 performances)
- 16K - First Friday Art Walk- city staff & tech support - management, safety, COVID watch, projections, stage
- 5K - Arts & Culture Summit Webinar

FY23 : 250K (proposed City TIF increase)

- 40K - personnel
- 30K - cultural app marketing campaign and launch
- 56K - outdoor performance pop-up venues
- 70K - arts, music & innovation festival
- 15K - mural initiative (mental health/social safety campaign)
- 14K - First Friday Art Walk - city staff & tech equipment
- 25K - Hear Here Merrill Auditorium (sound/lights rental and union crews)
- 7K - Arts & Culture Summit (in-kind venue waiver)

FY24: 412K (proposed TIF including grant & private support)

- 45K - personnel
- 25K - cultural app content mgr & IT support
- 56K - outdoor performance pop-up venues
- 75K - arts, music & innovation festival
- 14K - First Friday Art Walk - city staff & tech equipment
- 50K - Exterior Jetport Wall Mural*
- 100K - Hear Here Merrill Auditorium (permanent sound/lights)*
- 7K - Arts & Culture Summit (in-kind venue waiver)

FY25: 1.246 million (proposed Arts Budget including private funding)

- 150K - personnel
- 75K - arts, music & innovation festival
- 14K - First Friday Art Walk - city staff & tech equipment
- 750 - 900K (needs sponsor support) permanent performance shell (one-time)*
- 100K - Hear Here Merrill Auditorium (complete tech renovation)*
- 7K - Arts & Culture Summit (in-kind venue)

CREATIVE PORTLAND^{ME}

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CITY OF PORTLAND

Housing and Economic Development Department Housing and Community Development Division

TO: Councilor Spencer Thibodeau, Chair
Members of the Housing and Economic Development Committee

FROM: Mary P. Davis, HCD Division Director

DATE: February 26, 2021

SUBJECT: 45 Brown Street Affordable Housing Tax Increment Financing Request

I. SUMMARY

Based on the direction received at the January 19th meeting of the Housing and Economic Development Committee (HEDC), staff met with the 45 Brown Street Presidium development team to discuss possible changes to the development proposal and the Affordable Housing Tax Increment Financing (AHTIF) request. The numbers reflected in this memo reflect the current terms negotiated with the developer.

II. BACKGROUND

The Presidium Real Estate development team proposal will result in 275 new units of rental housing with fifty (50) percent having affordable housing deed restrictions for thirty (30) years. One additional commitment which the Presidium team is willing to provide, in response to the city's request, is to incorporate a public restroom in the 45 Brown Street Project. Language regarding this commitment will be presented at the March 2nd Housing and Economic Development Committee public hearing. The Presidium team is requesting that the City of Portland designate an Affordable Housing Tax Increment Financing Development District on the development site for the residential structure only excluding the proposed parking garage. If approved, tax increment financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value for a thirty (30) year term, with the captured revenue to be returned to the developer to off-set project development costs.

45 Brown Street Unit Affordability Matrix		Prior	Revised
Studio (116)	80% area median income (deed restricted)	38	38
	100% area median income (deed restricted)	0	27
	120% area median income (deed restricted)	13	33
	Market Rate	65	18
One-bedroom (125)	at or below 80% area median income (deed restricted)	40	40
	Market Rate	85	85
Two-bedroom (34)	Market Rate	34	34
Total	80% area median income (deed restricted)	78	78
	100% area median income (deed restricted)	0	27
Total	120% area median income (deed restricted)	13	33
Total	Market Rate	184	137
Total Units		275	275

III. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The project will create 275 units of rental housing with fifty (50) percent having affordable housing deed restrictions for thirty (30) years to support the City Council's 2020 Common Goal to *"Increase access to rental and homeownership housing that is safe, affordable, and accessible."*

IV. FINANCIAL IMPACT

45 Brown Street is located in an existing city council approved area-wide TIF district, the Downtown TIF. The land and the parking garage portion of the development will remain in the Downtown TIF. All floors above the parking garage structure and encompassing a multi-story residential building to be constructed will be including in the Affordable Housing Tax Increment Financing District. When completed, the residential portion of the project's new building assessed value is estimated at \$52,500,000, which would yield an estimated \$866,250 in annual assessed property tax revenue using an estimated mil rate (post revaluation). It is noted that the future city mil rate will be determined this Spring associated with the city property revaluation process. For the property tax revenue projections, city staff used \$16.50/\$1,000 in municipal assessed value with a 2% annual escalator. The City Assessor was consulted to determine a conservative municipal mil rate in order to prepare as realistic as possible future property tax revenue estimates. In order to ensure that the city does not overly subsidize this affordable housing project, staff has negotiated a narrative approach to the TIF revenue "cap" versus a numerical approach. These allowable costs are called *qualified reimbursable costs* and include capital costs (ex. demolition, site prep, construction, etc.), development soft costs (ex. architectural, permitting, engineering, legal etc.), financing costs (bond debt payments), operating costs associated with delivering the affordable deed restricted units. This amount of financial assistance is supported by third party financial underwriting analysis and is in line with past city council approved affordable housing TIF CEAs based upon the type and number of restricted units

The increased assessed value is estimated at an annual amount of \$52,500,000 or \$1,470,000,000 over the 30 year term of the district.

	Original Assessed Value	Increased Assessed Value	Captured Valuation (Increased Assessed Value x 75%)
Initial	\$1,910,500	\$57,089,500	\$42,817,125
Revised	\$0	\$52,500,000	\$39,375,000

Seventy-Five (75%) percent of the increased tax revenue will be captured revenue returned to the developer through a Credit Enhancement Agreement. Captured revenue returned to the developer averages an estimated annual amount of \$818,438 or \$24,553,142 over the 30 year term of the district.

The remaining 25% is non-captured general fund revenue with an estimated annual average amount of \$272,813 or \$8,184,381 over the 30 year term of the district. Original assessed value revenue referred to in the initial estimates will remain in the existing Downtown TIF District and is estimated at an annual average of \$42,276 or \$1,268,282 over the 30 year term of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)	City OAV General Fund Revenues
Initial				
30 Year TIF Total	\$26,699,555	\$0	\$8,899,852	\$1,268,282
30 Year Average	\$889,985	\$0	\$296,662	\$42,276
Revised				
30 Year TIF Total	\$24,553,142	\$0	\$8,184,381	\$1,268,282
30 Year Average	\$818,438	\$0	\$272,813	\$42,276

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$330,370, or \$9,911,090 over the 30 year term of the district.

	1. Sheltered Valuation (same as Captured Valuation)	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
Initial					
30 Year TIF Total	\$1,198,879,500	\$9,217,671	\$898,437	\$661,349	\$10,777,456
30 Year Average	\$39,962,650	\$307,256	\$29,948	\$22,045	\$359,249
Revised					
30 Year TIF Total	\$1,102,500,000	\$8,476,650	\$826,210	\$608,229	\$9,911,090
30 Year Average	\$36,750,000	\$282,555	\$27,540	\$20,274	\$330,370

V. STAFF ANALYSIS

The project will provide 275 units of rental housing. As outlined above in the Unit Affordability Matrix, 138 units or 50% of the total number of units, will be affordable deed restricted units. Seventy-eight or 28% of the total number of units will be affordable to households earning at or below 80% of the area median income and will exceed the

requirements under the City's Inclusionary Zoning (IZ) Ordinance.

HCD staff worked with the developer to determine the allowable rents for the income restricted units, including estimated utility costs. The developer has retained a local sustainability engineer to ensure the project achieves a high level of energy efficiency and anticipates that actual utility costs will be below the City's allowable estimates. Parking will be available to all tenants at the cost of \$175/month. The restricted affordable units will not be charged other miscellaneous fees, such as pet fees, late fees, admin fees, trash and pest control fees. HCD staff and the City's Corporation Counsel's office will ensure that this is built into the TIF district legal documents.

HCD staff worked with the developer and the City's third-party consultant to review and analyze the financial aspects of the project proposal. This analysis included a review of updated project information to include additional requirements imposed by changes to the city code as a result of recent citizen initiated referendum. The consultant's analysis is attached. The memo includes her recommendations, which are also noted below. A confidential supplemental memo from the consultant with an analysis of the developer's financials, both corporate and personal, has been provided to the members of the Housing and Economic Development Committee.

The developer must at minimum meet three primary criteria for an AHTIF approval of up to 75% for 30 years:

1. *Community Need:* *"...site specific AHTIF designations must address an identified community need."*

Presidium will provide 78 units of housing for households at 80% AMI, 27 units of housing for households at 100% AMI and 33 units of housing for households at 120% of AMI. Moderate income housing is identified as a community need in Portland's Plan 2030 and the City Council's 2020 Common Goals.

2. *Financial Necessity:* *"The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed."*

Presidium has demonstrated that without TIF revenue the project would not be able to move forward. The TIF provides both necessary capital during the development period and important supplemental income during the operating period.

3. *Financial Capacity:* *"The applicant must demonstrate financial capacity to support their project."*

Presidium has not demonstrated financial capacity to support their project through the following:

- *financing commitments (projected sources have expressed written interest, but are not yet at commitment stage in their review), or*
- *organizational financials (see confidential financial analysis)*

However, the principals have submitted personal financial statements which show liquid assets in excess of their anticipated equity contribution and significant net worth. Based on their personal financial statements, they appear able to meet their equity stake in the project.

I recommend any AHTIF approval be condition upon satisfactory review of the following prior to finalizing the TIF:

389 Congress Street Room 312 · Portland, Maine 04101
207- 874- 8711 mpd@portlandmaine.gov · www.portlandmaine.gov

- 1) *A current appraisal supporting the acquisition price of \$4.8 million;*
- 2) *A current market study supporting the projected rent structure including all mandatory fees and parking income;*
- 3) *Financing commitments for debt, equity, and equity like financing on terms and conditions acceptable to the City of Portland;*
- 4) *Personal financial statements from the principals of Presidium which, in combination with Presidium Group financials, demonstrate developer's financial capacity to support the project, current (within 60 days) of the finalization of the TIF agreement;*

All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

VI. RECOMMENDATION

Staff is seeking a recommendation from the Housing and Economic Development Committee to the City Council for approval of the establishment of an Affordable Housing Tax Increment Financing District and a Credit Enhancement Agreement.

VII. ATTACHMENTS:

1. 45 Brown Tax Increment Financing Application Summary
2. Project Pro Forma
3. TIF District Map
4. TIF Model Spreadsheets
5. Third Party Underwriting Analysis

Portland, Maine

45 BROWN ST

275 UNITS | 256 PARKING STALLS | 9-STORY

EXECUTIVE SUMMARY

PAGE 01

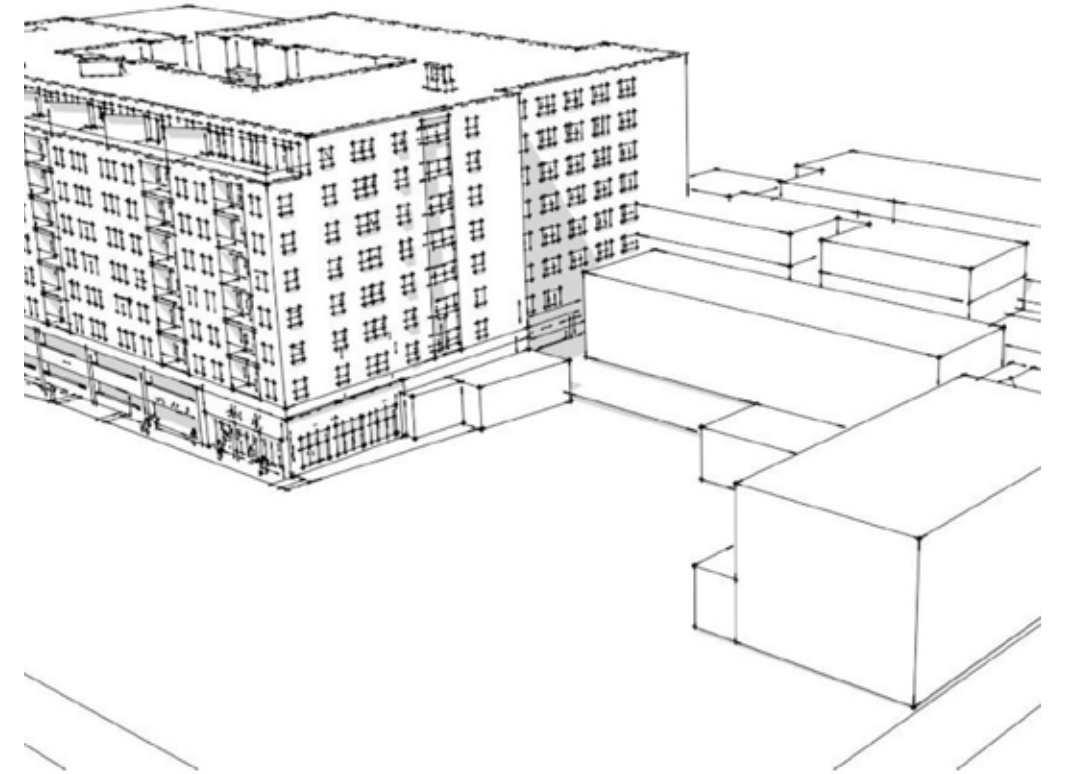


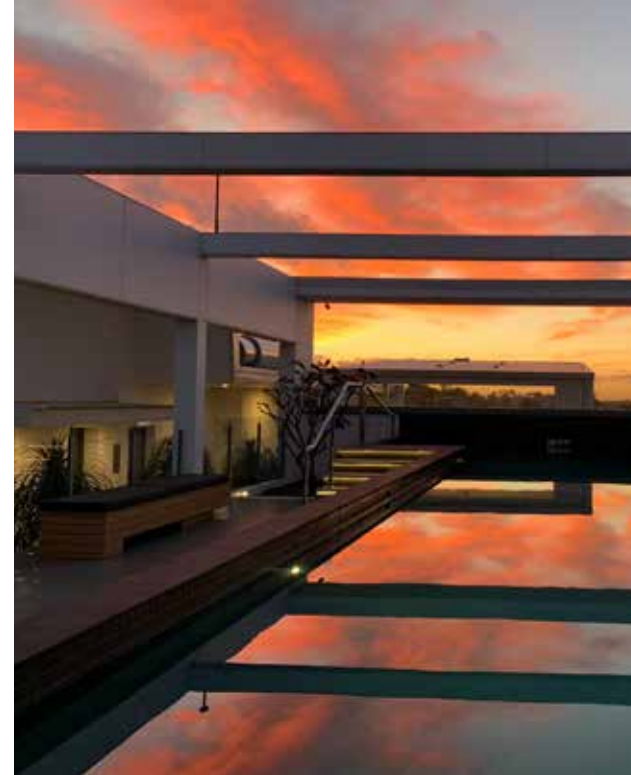
PROJECT SUMMARY

The current proposed project to be built at 45 Brown Street would replace the current parking structure located on approximately 1.09 acres with a newly built parking garage of 2.5 stories, providing parking for 256 vehicles with a 7 story, energy efficient apartment complex delivering 275 new apartments to the market.

The design of the apartments would deliver 116 studios, 125-1 bedroom units and 34-2 bedroom units. The anticipated amenities delivered to the residents would include a large outdoor terrace located in an atrium setting above the parking garage. This would produce outdoor seating, outdoor game space, BBQ area, fire pits and various garden space. The additional outdoor space would include a dog run for tenants. The interior amenities would include bike storage/bike workshop, dog wash, fitness area, large club room, game room, fitness facility as well as co working space. A focus on security for the tenants will be part of the building design to be delivered.

The parking garage located at 45 Brown Street, also referred to as the “Monument Square Garage” was part of the 477 Congress Street parcel that went into foreclosure in 2016. The parking garage, after several years of neglect is in disrepair. The goal of redeveloping the parcel into a new parking garage that will also contain new, energy efficient apartments should be a welcomed addition to the neighborhood.





AMENITIES



PROJECT SUMMARY

According to a market study completed by Collier’s International in April, 2019 there is a tremendous need for new rental housing supply in the Portland market. Based on the analysis at the time of the report, there were 3,893 existing multi family rental units in the immediate market that would be comparable to 45 Brown Strret at an average vacancy of 1.7%. Collier’s estimated the subject’s competitive primary market are supply currently consisting of 474 units. At the time, when adding the estimated number of units created from the subject property and an additional 54 competitive units proposed for the subject’s primary market area, the total potential supply of class “A” units were estimated to be 806 units. The total estimated qualified renter households were 3,119, when adjusting for 5% vacancy left excess demand of 2,353 units.

The Collier’s market study was used in the HUD application for project financing. The anticipated financing for the project will be the HUD 221 (D) (4) program which is utilized for FHA multi family apartment construction. The development team formerly presented the project to the HUD regional office in person and received an invitation to proceed. Part of the application process with HUD requires the demonstrated ability to perform, which not only includes the successful construction experience but requires that all apartment buildings owned maintain stable occupancy levels which meet HUD standards.

The 45 Brown Street parking garage was part of a parcel that had been deteriorating for several years and left in disrepair. The redevelopment of the subject property will revitalize and invigorate a part of downtown Portland that has witnessed years of neglect and provide rental housing product that is in extreme demand. This area is located in one of the most visible locations of downtown Portland and sits on the edge of the gateway to the Downtown Historic District.

According to a market study completed by Collier’s International in April, 2019 there is a tremendous need for new rental housing supply in the Portland market. There has been a demand for new, Class A inventory. The market will likely continue to grow with new businesses and employment centers relocating to downtown. According to the report, the new rental units at 45 Brown Street will be absorbed at an estimated rate of 25 units per month.

SITE LOCATION

45 BROWN ST SITE
47,400 SF

PROJECT IMAGES



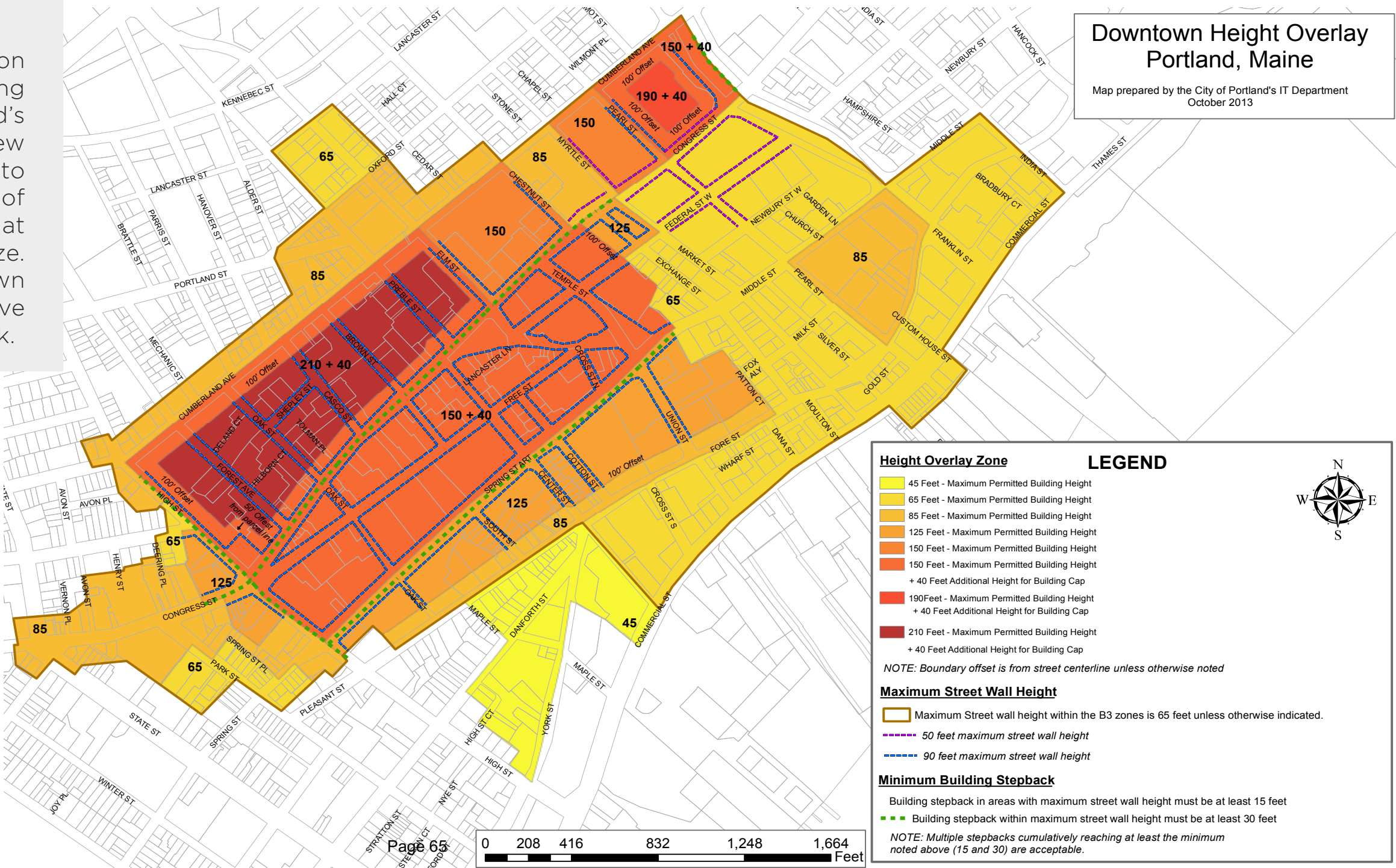
PROJECT SUMMARY

PROJECT CATALYST #1

45 Brown is located within the highest elevation point of downtown Portland and current zoning allows for the parcel to support the target building height in Portland. The views of the ocean, back cove and Mount Washington will be unmatched by any new development in the City of Portland.

PROJECT CATALYST #2

There is a demand for new construction housing as Maine has the 8th oldest housing stock in the country, with 86% of Portland's housing stock being built before 1980. New construction apartments that are used to support the rental income assumptions of 45 Brown Street are smaller floor plans that cater to the trend of shrinking household size. The demand for apartments in downtown Portland is evidenced in the comparative market sales later in the presentation deck.



LOCATION & ECONOMICS



LOCATION

UNE UNIVERSITY OF
NEW ENGLAND
WESTBROOK COLLEGE CAMPUS

PORTLAND

CASCO BAY

45 BROWN ST.

UNIVERSITY OF
SOUTHERN MAINE

PORTLAND
TRANSPORTATION CENTER
AMTRAK

SOUTHERN
MAINE
COMMUNITY
COLLEGE
envision a future

sable oaks

Maine Medical Center
MaineHealth

THE MAINE MALL

PORTLAND
INTERNATIONAL
JETPORT

SOUTH
PORTLAND

STRATEGIC LOCATION



PORTLAND INT'L JETPORT

MAINE MEDICAL CENTER

WESTIN
HOTELS & RESORTS

45 BROWN ST.

ARTS DISTRICT

PORTLAND HARBOR

WATERFRONT DISTRICT

OLD PORT DISTRICT

AUTOGRAPH
COLLECTION
THE PRESS HOTEL

GOVERNMENT DISTRICT

CASCO BAY LINE
FERRY TERMINAL

OCEAN GATEWAY TERMINAL

COURTYARD
Marriott

PORTLAND
HARBOR HOTEL

HYATT
PLACE™

Hilton
Garden Inn®

Hampton
Inn®

Residence
Inn®
Marriott

AC
HOTELS
MARRIOTT

wex
FUTURE HQ
+400 EMPLOYEES

SHIPYARD
BREWING CO.

COVETRUS
FUTURE HQ
+1,200 EMPLOYEES

LOCATION & ECONOMICS

45 Brown Street sits in the center of downtown Portland in the financial district. The buildings boast water views from all floors 4 and higher. Maine Medical Center, which employs over 8,000 people is located nearby. This is a level 1 trauma center and is currently undergoing a \$512 Mil expansion. The subject property is not only close to all major downtown employers but also walking distance to the waterfront, walking distance to the Back Cove parks, bike paths as well as easy access to major highways. Additional amenities that are in close proximity are Whole Foods, Trader Joe’s, workout facilities and neighboring restaurants. The City of Portland sponsors a monthly “Art Walk” directly in front of the “Time and Temperature” building. The site directly faces Monument Square which provides a weekly farmer’s market as well as holiday parades and is home to the annual Christmas Tree lighting ceremony.

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MARKET OVERVIEW

Portland Maine is the largest populated city in the State of Maine. 70% of the State’s population is within commuting distance of Portland. Because of the jagged coast and numerous inlets, Maine has the longest coastline of any state in the continental U.S. There are over 4,600 islands off the coast of Maine. Portland Maine still maintains an active working waterfront and has over 100+ cruise ships visit the port annually.

As the state of Maine’s largest city and being its business, financial and retail capital, Portland benefits from a healthy and vibrant economic climate. The city leads the state in economic growth – in fact, over the last five years, Portland accounted for four out of five new jobs created statewide. This new job creation has been fueled primarily by expansion in the professional services, healthcare and education sectors. Portland’s vibrant business environment is home to major employers such as Unum Provident, Bank of America and TD Bank, and serves as the corporate headquarters of Oakhurst Dairy, Sage Data Security, Key Bank, and many other national and international businesses. Additionally, Portland is home to four colleges and universities – The University of New England, University of Maine School of Law, University of Southern Maine and Maine College of Art – along with a wealth of healthcare-related institutions, highlighted by Mercy Hospital and Maine Medical Center.

By virtue of its location within Portland, Southern Maine’s major city and a key residential, education and business hub, the project will draw upon a well-educated, affluent local population. In fact, the nearly 170,000 residents who live within just 10 miles of the property have an average household income of more than \$80,000. Additionally, Portland has been ranked within the top 15 most-educated cities in the United States by WalletHub. Furthermore, approximately one-quarter of Portland residents fall within the primary renter demographic (18 to 34 years old). Consequently, the project will benefit from an exceptional residential base.

The City of Portland has become a popular travel destination with local restaurants receiving several James Beard awards in addition to several accolades from Bon Appetit Magazine. New Construction of market rate apartments over the last decade in downtown Portland have lagged pent up demand for housing. The current realized vacancy of Class “A” apartments in the target comp set is less than 3.7%. At the depth of the last real estate recession apartment vacancy rates bottomed out at 8% and made improvements in immediate subsequent quarters. The apartment rental market in Portland Maine historically has been very stable. The City of Portland recently completed an independent market study which revealed a significant short fall in meeting the current demand for market rate apartments.

DEMOGRAPHIC HIGHLIGHTS

- A growing housing stock is needed due to household size shrinking from 3.03 persons per household in 1960 to 2.07 in 2010.
- Maine has the eighth oldest housing stock in the country. Nearly 50% of Portland's housing stock was built before 1939, and 86% was built before 1980. There are issues associated with the age of the City's housing stock, as older units can be more expensive to heat and cool and are more likely to contain lead paint.
- Portland Maine is the largest populated city in the State of Maine. 70% of the State's population is within commuting distance of Portland. Because of the jagged coast and numerous inlets, Maine has the longest coastline of any state in the continental U.S. There are over 4,600 islands off the coast of Maine. Portland Maine still maintains an active working waterfront and has over 100+ cruise ships visit the port annually.
- Between 2000 and 2010, Portland's population increased by 1,945 residents (a growth rate of 3%).
- Portland's current population is roughly 11,000 residents shy of the City's record high of 77,634 residents in 1950.
- As the region's major employment center, Portland's daytime population is estimated to exceed 96,000 people.
- Millennials (20-29) and Gen Xers (30-39) comprise the largest share of Portland's population, while Baby Boomers (50-69) are the fastest growing age group.
- Portland's population is diversifying. Since 2000, the number of foreign born residents has nearly doubled (from 4,895 in 2000 to a current estimate of 8,767). An estimated 11% of Portland residents are now foreign born.
- Portland's population is increasingly well educated. When compared to Cumberland County and the State, as a whole a higher proportion of Portland's residents have obtained advanced degrees (45% of Portland residents over 25 years old have bachelor or graduate degrees).
- From 2010-2014, 1,130 residential units were built in Portland, representing a faster pace of construction than during the 2000s. New construction, both on and off the Portland peninsula, included 384 condominiums and single-family homes and 746 rental units.





CITY & STATE SUPPORT

PLANS AND PROGRAMS:

In the aftermath of the great recession, Portland is once again emerging as a magnet for jobs and economic activity. This past year, Portland’s job growth kept pace with the nation, and exceeded that of both the region and the state. In the last three years alone, the City has reaped the benefits of \$400 million in combined public and private investment, and has been the focus of \$140 million in planning funds

PLANNING INITIATIVES:

Master Plan for Redevelopment of the Eastern Waterfront was originally drafted in 2002, adopted into the City’s Comprehensive Plan in 2004, and amended to include a policy statement for the Maine State Pier in 2006. It was formed by an extensive public process, seeks to integrate the Ocean Gateway Passenger Terminal with the surrounding area, and includes design guidelines, a building height study, and a buildout scenario. It lays a framework for improving pedestrian safety, traffic management, and open space, as well as calls for zoning that facilitates growth and prosperity, with the areas along the water prioritizing marine uses and areas away from the water allowing mixed-use. It identifies five adjacent “impact areas,” including Munjoy Hill, India Street, the Old Port, Commercial Street, and the islands. It also includes a statement of principles and objectives that promote the development of land use policies pertaining to the character and impacts of development, the creation of a mixed-use urban area, maritime uses, and economically responsible development. Building on this effort, in 2016 the City’s Economic Development Department headed the creation of an Eastern Waterfront Integrated Work Plan. The plan identifies existing and future planning and development projects that implement the goals of the 2002 plan, including the Portland Company integration, Amethyst Lot open space, and railway design, Maine State Pier circulation and CBITD integration, Portland Ocean Terminal building reuse, Ocean Gateway queuing lines, and the construction of a new pier.

BOND ALLOCATIONS:

The Western Waterfront is slated for new investment and expansion. The West Commercial Street Multi-Modal Corridor Study, intended to design multi-modal improvements to safely accommodate all modes of transportation while sustaining marine-industrial uses and promoting mixed-use development along Portland’s Western Waterfront, was completed in 2016, this project strove to balance sometimes competing right-of-way needs of this unique area. Also in 2016, the Maine Port Authority was awarded a \$7.5 million grant for improvements to the International Marine Terminal, which will assist in doubling the annual freight capacity of the terminal.

NEW DEVELOPMENT

Recently approved commercial development includes a mix of retail, restaurant, office space, hotel, and marine uses. The India Street neighborhood and the Eastern Waterfront have been the focus of much of the commercial and mixed-use redevelopment activity in the city, as well as the Bayside neighborhood and Downtown. Several large mixed-use proposals have been constructed, and others are in the pipeline for the Commercial Street corridor as well. Development has also occurred within the neighborhood-centered B-1 and B-2 zones, which has resulted in more residential and mixed-use projects both on and off peninsula. A renewed interest in office development has emerged for sites within the O-P zone, as evidenced by the construction of the Patrons Oxford Insurance building in the Portland Technology Park and the approval of a large office complex at 1945 Congress Street.

New industrial developments, such as warehouses, breweries, and technology firms, have generally occurred in the areas along Riverside Street and Presumpscot Street. Portland’s burgeoning food and arts-related industries have reused existing buildings and the revitalized industrial areas located in East Bayside and Libbytown. After an extended period of limited investment in the working waterfront, the Western Waterfront has grown substantially in the past decade, with the redevelopment and expansion of the International Marine Terminal and the relocation of the Portland Yacht Services. Within the Central Waterfront area, redevelopment and reuse proposals have been constructed, which support the marine uses on the adjoining piers.





AREA ATTRACTIONS

PLANS AND PROGRAMS:

In the aftermath of the great recession, Portland is once again emerging as a magnet for jobs and economic activity. This past year, Portland's job growth kept pace with the nation, and exceeded that of both the region and the state. In the last three years alone, the City has reaped the benefits of \$400 million in combined public and private investment, and has been the focus of \$140 million in planning funds

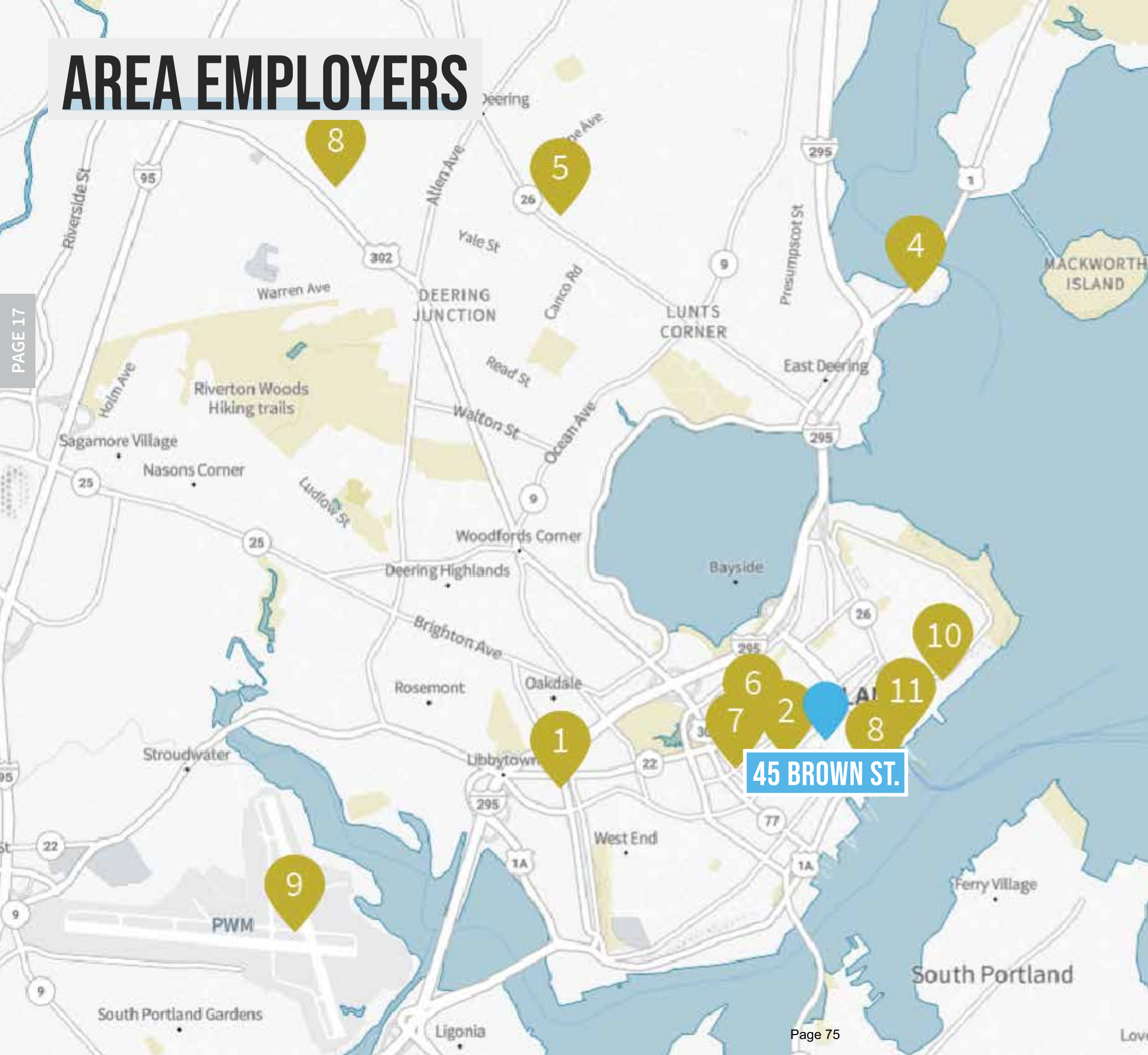
BAYSIDE: PORTLAND'S "NEIGHBORHOOD OF THE FUTURE"

Portland's Bayside neighborhood is a blank slate. Once a primarily industrial area, the neighborhood recently split from the city's brick-laden identity and, with the re-development of the 45 Brown Street project, will embrace a modern style of architecture and a dense, walkable streetscape. Retail storefronts will activate a neighborhood traversed by employees and residents living in the buildings above. In short order, a new downtown will begin to rise as the draw of Portland continues to spread out from the waterfront and the Bayside neighborhood will attract a mix of forward-thinking residents, businesses, restaurants and retailers. This "neighborhood of the future" will be a vibrant, walkable, sustainable community, and 45 Brown Street project will be its cornerstone, functioning as a key catalyst for future development.

DOWNTOWN PORTLAND

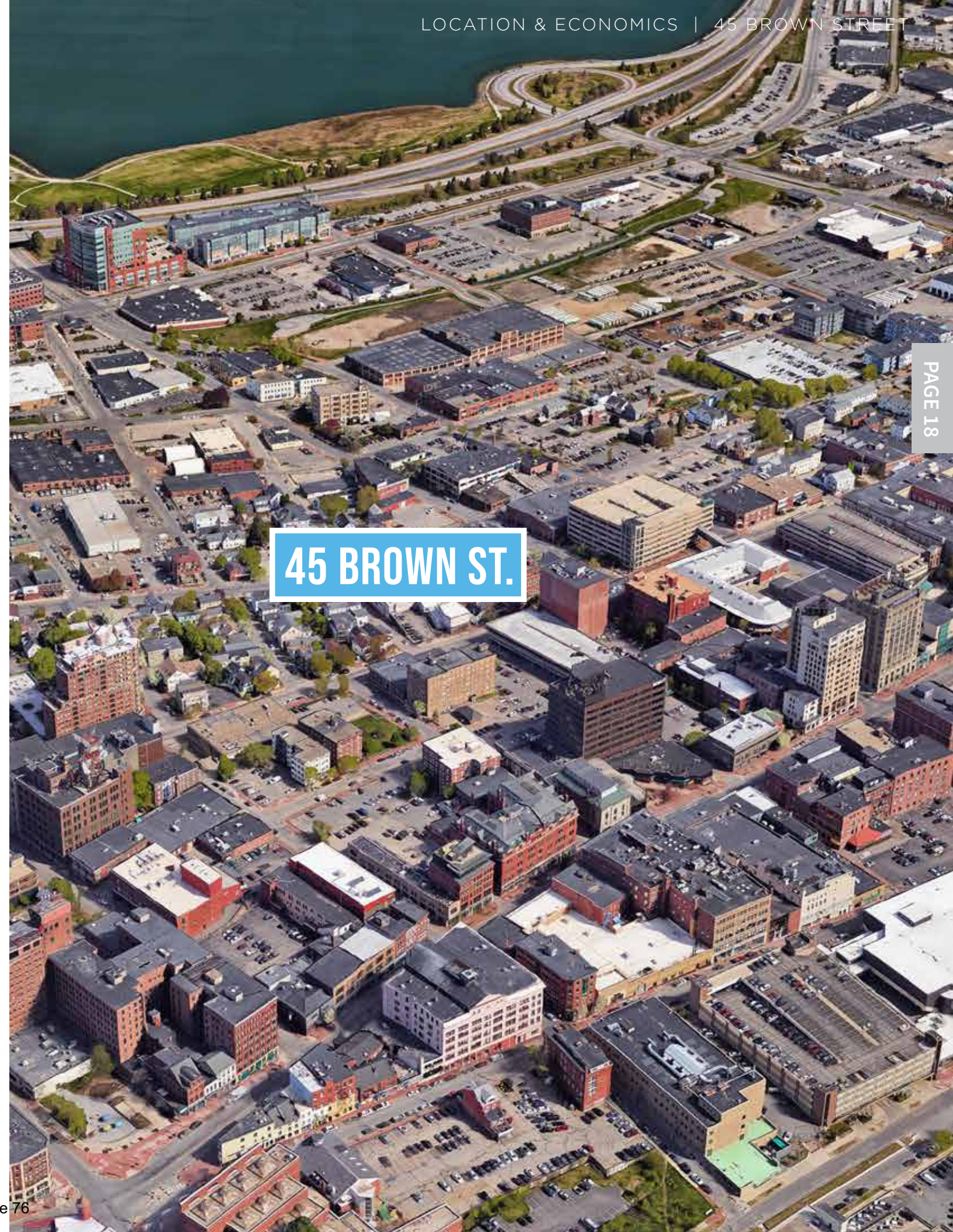
Nearly 63,000 residents within the 45 Brown Street trade area are joined by more than 6.5 million annual visitors to the Portland metropolitan area (providing more than \$3 billion in local economic impact and \$10 billion in estimated statewide economic impact), presenting strong inherent demand for the project's proposed residential and retail space; housing demand is further driven by Portland's two universities, acclaimed art college, dental school, pharmacy college, medical school and law school with several other colleges in the surrounding metropolitan area.

AREA EMPLOYERS



- 1** Maine Medical Center
7,000+ Employees
- 2** Unum
3,000 Employees
- 3** Advance Pierre Foods
2,000 Employees
- 4** Martinspoint Healthcare
600+ Employees
- 5** Spurwick Services
1,000+ Employees
- 6** City of Portland
1,400+ Employees
- 7** US Post Office
940 Employees
- 8** CIEE
300 Employees
- 9** Portland Intl. Airport
50+ Employees
- 10** Wex Inc.
400+ Employees
- 11** Vets First Choice
800 Employees

SITE LOCATION



PORTLAND OVERVIEW

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GREATER PORTLAND OVERVIEW

Portland is Maine’s largest city, with its population comprising over one-third of the state’s total permanent residency. The city and surrounding area are expanding and the economy is growing in multiple sectors including consumer retail sales, restaurant and lodging sales, year-round tourism, and production/ manufacturing exports.

Easily accessible being a little more than 110 miles to the northeast of Boston, Massachusetts (less than a two hour drive), Portland is the state’s business, financial and retail capital. Seascapes and cityscapes blend harmoniously in Downtown Portland, perched on a peninsula, jutting out into the island-studded Casco Bay, a deep-water harbor that provides a wealth of economic and recreational benefits to the area. The metropolitan hub of Maine’s South Coast Region, Downtown Portland is a progressive, lively city incorporating the character of yesteryear into a modern urban environment. Historic architecture blends gracefully with the new as you stroll along its working waterfront or wander down cobblestone streets of the restored Old Port section of the city. Portland and its surrounding area offer all of the cultural and entertainment amenities of a large city – art galleries, museums, a symphony orchestra, historic landmarks, waterfront, parks, a professional sports team, boutique shopping, elegant hotels, diverse dining opportunities – but within minutes, residents and visitors alike can be hiking through the Maine woods, canoeing down one of the many area rivers, or skiing some of the most acclaimed mountains in New England. The area is consistently recognized nationally for its diversified economy, affordable housing, accessible medical services and excellent educational institutions. These attributes contribute to a high quality of life for the region’s residents and also attract approximately 9 million visitors each year.

Visiting Portland is often described as the quintessential Maine experience. As Maine’s largest city, Portland attracts tourists to the historic seaport, seeking arts and culture, an expansive range of dining options, beautiful beaches, and endless outdoor adventures. Recently gaining recognition, Portland was ranked #3 on TripAdvisor’s “Top Destinations on the Rise” in the United States for 2017. In 2016 nearly 9 million overnight tourists generated \$5.1 billion of direct spending in Portland and tourism represents a significant component of lodging demand.

Beyond water activities, other attractions in Portland include walking tours of historical landmarks and lighthouses, the Coastal Maine Botanical Gardens, and the Portland Observatory Museum. Dining options range extensively from award-winning fine dining to casual waterfront pubs and eateries, offering the best lobster rolls in Maine. Good food and views, paired with strong history define much of Portland’s restaurant culture. DiMillo’s On the Water has offered some of the best signature harbor-side dining in Portland for generations. J’s Oyster and Portland Lobster Company offer breathtaking views of Portland Harbor paired with ocean breezes and the sound of seagulls. The Lobster Shack at Two Lights in Cape Elizabeth is a rustic experience offering simple, good seafood. Lobster and Fried Clams made this shack famous, keeping it running since 1920. Portland’s brewing industry is growing rapidly and they even feature a Beer Week to celebrate this unique aspect of Portland’s food and beverage culture.

In addition to offering a mix of artistic and outdoor adventures, the city of Portland has received numerous accolades from travel and food blogs praising its eccentric food scene and locally crafted beer industry. The city offers a palatable combination of nationally-lauded restaurants, local hidden gems, pubs tucked away in restored historic buildings, mouthwatering bakeries, street food and lobster shacks. In 2018, Portland received the “Restaurant City of the Year” Award by Bon Appétit Magazine.



PORTLAND AWARDS & ACCOLADES

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“ONE OF THE
COOLEST SMALL
CITIES IN AMERICA”

GQ

“AMERICA’S MOST
LIVABLE CITY”

Forbes

“AMERICA’S
FOODIEST
SMALL TOWN”

bon appétit

“BEST AMERICAN
CITY FOR FOOD”
(2015)

 **The Daily Meal**

“BEST CITY OF
MID-LEVEL
PROFESSIONALS”

Kiplinger

“NO. 6 BEST CITIES
FOR YOUNG
PROFESSIONALS”

Forbes

“NO.1 CITY FOR
MICROBREWRIES
PER CAPITA”

statista 

“BEST CITY IN THE
U.S. FOR YOUR
2ND ACT”

Kiplinger

“AMERICA’S BEST
TOWN IN THE EAST”

Outside

“TOP 5 MOST
AFFORDABLE AND
DESIRABLE PLACES
TO RETIRE”

AARP

“NO. 3 BEST
PLACES TO LIVE
NOW” (2015)

MEN’S JOURNAL

“AMERICA’S 5TH
COOLEST SMALL
TOWNS” (2015)

JETSETTER



HEALTHCARE & EDUCATION

HEALTHCARE

Portland’s higher educational institutions foster the advancement and growth of strong healthcare industries. The Maine Medical Center, the state’s largest medical center, sits less than 1 mile from the Hotel Site. The 637 bed medical center employs more than 7,000 individuals and offers a teaching program through a partnership with Tufts University School of Medicine and a world-class biomedical center, the Maine Medical Center Research Institute. The medical center is the flagship hospital of the Maine Health network. The Maine Medical Center acts as an anchor for the southern Maine healthcare industry, producing more than \$200 million annually in community benefits and generating strong demand for area hotels. Additionally, Mercy Hospital is the second largest healthcare institution in Portland and the fourth-largest hospital in the state of Maine. On the heels of celebrating its 100-year anniversary, the Hospital is reportedly undergoing a \$20 million expansion of its 42 acres Fore River campus to strategically consolidate its operations and services.

EDUCATION

IDEALS, “Institute for Digital Engineering and Life Sciences”, professional graduate school opening in 2021. The extensive network of research and educational institutions in the Portland area serve as an incubator for growth and innovation in its evolving healthcare industries. The Property is conveniently located just 1 mile from the University of Southern Maine and 2.5 miles from the University of New England’s Portland Campus, attracting strong leisure and group demand though collegiate and sporting events, family visits, and graduations. The University of Southern Maine draws just under 8,000 students, including undergraduate, graduate, and law school students. The campus is heavily driven towards research and development, with the Bio Sciences Research Institute, the Osher Lifelong Learning Institute, Cutlet Institute for Health and Social Policy and multiple research-based majors and programs. The University of New England’s Portland Campus has been expanding its pharmaceutical and medical schools, and has recently entered into a partnership with Saint Joseph’s College to offer students from the nearby college a new pathway to their career. In addition to Portland-based universities, the Hotel is in driving range to three of Maine’s most prestigious colleges: Bates (36 miles), Bowdoin (27 miles), and Colby (73 miles). These colleges host visits from numerous families based in the Northeast throughout the year for various reasons. Often times these families stay in Portland to shorten the drive and experience the renowned attractions the city has to offer.

CORPORATE EXPANSIONS

Portland is home to nationally recognized companies, many of which are expanding their local presence in the market. Two major employers in the area are building Class “A” office headquarters near the waterfront with the goal of attracting more than 1,500 new employees downtown. 45 Brown Street is within walking distance of these new developments.

COVETRUS

The City of Portland recently approved the construction of a new downtown headquarters for Covetrus, the newest and largest publicly traded company in the state of Maine, and the product of a merger between Vets First Choice and Henry Schein Animal Health. The merger is set to dominate the global animal health landscape with a broad suite of technology products and services. Located at 12 Mountfort Street, the 170,000 square foot facility would boast more than 1,500 employees and would include Class “A” offices, a state-of-the-art specialty pharmacy, an automated commercial pharmacy and fulfillment center, and world-class software and data science labs. The project will create hundreds of new high-quality jobs in areas including software development and pharmacy.

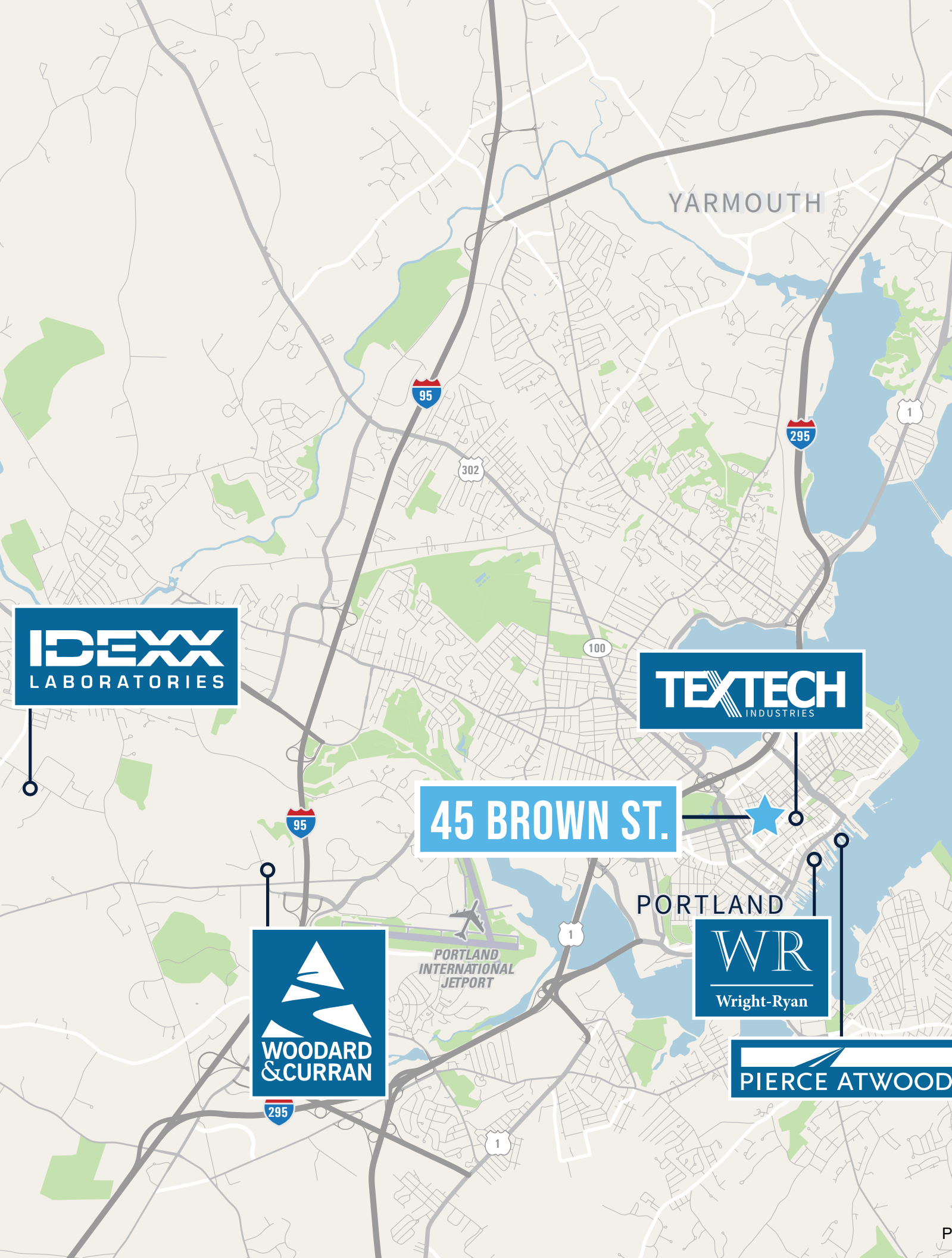
WEX, INC

WEX Inc, a publicly traded company with a market value of \$7.2 billion, broke ground on the construction of its new headquarters in Portland’s Old Port in October 2017. The company is one of the leading providers of payment processing and information management services to the United States commercial and government vehicle fleet industry. Located at the corner of Hancock and Thames Streets, the 100,000 square foot glass building will contain office and parking space, with additional retail space underneath. The mixed-use complex is nearly complete and should be ready for occupancy in March 2019. The company’s South Portland facility employs about 1,000 people, 40% of which will relocate to the new building upon completion.

SUN LIFE

Sun Life US will open a new office in Portland that will serve as a hub for its Northern New England operation. Sun Life has signed a lease with the developer of Portland Foreside to occupy a new building along the waterfront. The office will house more than 500 employees in Maine from its current Scarborough and South Portland-based workforce when complete in mid-2022. Its operations will include subsidiary FullscopeRMS and its disability RMS business. The new facility will have a capacity of up to 700 staff, meaning Sun Life can add up to 200 new jobs in coming years.





CORPORATE DEMAND

45 Brown Street is located within a 10-mile radius of some of the largest corporations in Maine. Major corporations in close proximity to the site are as follows:

IDEXX Laboratories, whose headquarters are located 5.5 miles from the Hotel Site in Westbrook, Maine, is a leader in diagnostics and IT solutions for animal health and agriculture sanitation. The company has 6,000 employees in 175 countries worldwide, with revenues of \$1.9 billion as of 2017. The company is divided into three main segments: Companion Animal Group, Water, and Livestock, Poultry and Dairy (LPD).

Wright-Ryan Construction is a full-service construction company offering services to clients throughout New England since 1984. Their extensive portfolio includes, athletic centers, healthcare centers, historic renovations, multifamily housing, and higher education buildings. Wright-Ryan’s main offices are located two blocks from the site.

Tex Tech Industries is one of the world’s leading textile manufacturing companies, producing over 7,000 products. Their flagship offices sits steps away from the site. Services include aerospace products and technology, military and law enforcement protective armor, and woven and non-woven filtration fabrics. To add to their expansive range of products, they are also the world’s leading supplier of woven and needled tennis felt, making them the number one choice of Penn, Wilson and other premiere tennis ball makers.

Woodard & Curran, situated 4 miles from the site, is an integrated engineering, science, and operations company, serving public and private clients locally and nationwide. Services include engineering affordable and natural gas solutions, designing the construction of a Uranium processing plant, and evaluating gas processing.

Pierce Atwood, LLP, sits just steps from the site and is a multi service law firm recognized nationally and internationally for its expertise in litigation, energy production and distribution, mid-market mergers and acquisition, information security and technology, commercial real estate development, and complex construction projects. Their clientele ranges from regional and local enterprises to Fortune 500 companies. Their regional offices employ 150 professionals who serve clients in Maine, Massachusetts, New Hampshire and Rhode Island.

TRANSPORTATION & CRUISES

Highway: The site is conveniently positioned just minutes from I-295 which runs up the coast of southern Maine, adjacent to I-95. I-295 merges with I-95 south in Scarborough, extending into Massachusetts towards Boston, as well as I-95 north in West Gardiner, acting as a gateway towards northern Maine.

Airport: Portland International Jetport is conveniently located 2 miles away from the Hotel Site. Accessing the airport is effortless by car via Interstate 295 and sits just minutes from Downtown Portland. The airport is the busiest in the state and services major airlines such as American Airlines, Delta Air Lines, Jet Blue, Southwest Airlines, and United Airlines. In 2017, Portland International Jetport saw over 1.7 million total passengers.

Rail: The Portland Transportation Center, located on Thompson's Point less than 2 miles from the Hotel Site, offers Amtrak's "Downeaster" route that connects Brunswick, Portland, and Boston. Train services run five round-trip journeys every day, making traveling around New England's beautiful beaches, historic colonial cities, and famous seafood restaurants a breeze.

Bus: Concord Coach Company also services rides out of the Portland Transportation Center, offering 18 round-trip routes a day to destinations such as Boston and New York City. They offer a premier bus service as well, "Concord Plus," complete with executive seating, free movies, power outlets, WiFi, complimentary snack and beverages.

The Ocean Gateway International Marine Passenger Terminal is a cruise ship terminal which services international cruise ships including Anthem of the Seas, Norwegian Gem, Serenade of the Seas, Pearl Mist, and Vision of the Seas amongst others vessels. The terminal includes a two-story structure with customs facilities for international passengers on the first floor and a waiting area on the second. In addition to the receiving building, shore facilities include a 3.5-acre parcel of land for parking cars and boarding buses, both local and tour. The cruise ships and their high passenger volumes are a substantial economic benefit to Portland in general and area hotels more specifically. Further, the high-speed CAT ferry which provides service from Maine to Nova Scotia in just 5.5 hours also departs from the terminal. Area hotels benefit when ferry passengers tack on overnight stays in Portland either prior to departing or upon return.



TIME AND TEMPERATURE BUILDING HISTORY

Portland Press Herald, posted December 28, 2018 provided the following excerpts:

“The 14-story office tower at 477 Congress Street, which opened in 1924 as the 12-story Chapman Building was seized by a collections agency in 2016 after years of neglect and a mass exodus of tenants.”

“The auction also included three adjacent properties including a parking garage.”

“Marketing materials for the auction stated that the multi-tenant office building was about 38 percent occupied at the time of sale.”

“The buildings foreclosure in 2016 placed it in the hands of a Maryland-based special servicer”

The 45 Brown Street parcel was part of the complete foreclosure auction package that came to market in October 2018 consisting of 477 Congress Street/481 Congress Street/22 Preble Street/45 Brown Street with the sale closing in December 2018.

Although not part of the TIF application, and is a separate project, it is a vital component of the overall project. The building has been in disrepair for decades and went into foreclosure several years ago. The Time & Temperature (T&T) building and Annex is adjacent to and owned by the same developers as the Brown/Preble Tower project. The T&T was used for commercial office space and was nearly empty when the owners purchased it at a foreclosure auction in 2018. The building has been 100% vacant as of June 2020. The developers intend to restore the historic building and Annex back to the original character with an investment exceeding \$50mm to turn the Monument Square landmark into a boutique hotel called the “Time & Temperature Hotel”. We will follow the National Park Service historic guidelines to renovate the building to bring it back to its historic beauty and iconic state which has been covered up for decades. We will activate the ground floor with retail, coffee shop and restaurants which was the 1st original mall located in Maine. We will install a rooftop lounge where hotel guests and Portland residents can take in the beauty of the Portland peninsula with 360 degree water views and Mount Washington visibility. The Mezzanine space on floors two and three will be the hotel lobby and will overlook Monument Square, thereby connecting the downtown to the iconic building’s historic glory. The Annex building that connects the T&T to the Brown/Preble garage and multifamily project will contain shared amenities such as fitness, meeting space, and co-working space. The old Keith’s Theatre will be renovated into a Club room with games, TVs and lounge space for the multi-family residents. This investment will result in a T&T hotel and Annex that will have a new real estate property tax assessment exceeding \$50 million, from its current \$6mm. The parcel currently sits in an approved Economic TIF District which would allow the developers to apply for a credit enhancement agreement to benefit the redevelopment of 477 Congress Street/481 Congress Street/22 Preble Street. The developers have chosen not to pursue this available credit enhancement agreement and as such, 100% of the property tax revenue received from the anticipated project will go to the City of Portland. The proposed project to be developed at 477 Congress Street/481 Congress Street/22 Preble Street will create 120-150 jobs from hotel management, restaurant workers, retail jobs, and valet positions based on seasonality. There will be several rooms dedicated to event space such as a ballroom as well as various function rooms that will showcase the history of the building. We anticipate a collaboration effort with the immediate neighbor, Maine Historical Society to provide exhibit space in various areas of the historic “Time and Temperature Building” to help promote the Maine Historical Society offerings. The iconic space will be open to the public and meant to provide a gateway to the Downtown which will spur additional economic development to the immediate area. The Development team will use all local talent for the architects, engineers, consultants, general contractors, and legal team needed over the three years required to program, design, and renovate this City treasure.



Portland, Maine

45 BROWN ST

275 UNITS | 256 PARKING STALLS | 9-STORY

45 Brown St

Dashboard

SITE

SITE OVERVIEW		
Project Name	45 Brown St	
Product	Multifamily	
Product Type	7 Over 2.5	
Submarket	Portland	
City, State	Portland, ME	
Population	66,882	
Zoning	N/A	
Max FAR	N/A	
Impervious	N/A	
Max Height	N/A	
Tax Rate	1.740%	
2020 Appraisal Value	\$3,000,000	
Tax Assessment Multiplier	100.00%	
Land	1.093 Acres	
Land SF	47,615	
FAR	4.50 :1	
Land Price	\$4,800,000	
Land Price/SF	101 \$/sf	

TIMELINE

TIMELINE		
	Start Date	Duration
Pre-Development (Design)	7/1/2020	9 Months
Construction	4/1/2021	18 Months
First Phase Delivered	10/1/2022	6 Months
Last Unit Delivered	4/1/2023	
Total Construction Period		24 Months
Lease up	10/1/2022	10 Months
Stabilization	8/1/2023	
Hold Period	10 years	
Sale	4/1/2031	

S & U

SOURCES & USES				
Sources	Total	\$/Unit	\$/GSF	% of Total
HUD Construction Loan	\$73,500,000	\$277,358	\$342.73	80.3%
Credit Enhancement/TIF Proceeds	\$6,428,741	\$32,075	\$39.63	9.3%
Common Equity	\$11,089,739	\$35,919	\$44.38	10.4%
Total Sources	\$91,018,480	\$345,353	\$426.74	100.0%
Uses	Total	\$/Unit	\$/GSF	% of Total
Land	\$4,800,000	\$18,113	\$22.38	5.2%
A & E	\$2,312,000	\$8,725	\$10.78	2.5%
Hard Costs	\$64,920,808	\$244,984	\$302.72	70.9%
FFE	\$860,000	\$3,245	\$4.01	0.9%
Permit/City Fees	\$1,149,675	\$4,338	\$5.36	1.3%
Property Tax	\$803,064	\$3,030	\$3.74	0.9%
HUD Financing Fees	\$2,475,500	\$9,342	\$11.54	2.7%
Construction Interest Reserve	\$2,781,270	\$10,495	\$12.97	3.0%
Misc. Closing Costs	\$878,020	\$3,313	\$4.09	1.0%
Working Capital - Contingency	\$1,470,000	\$5,547	\$6.85	1.6%
Working Capital - Lease-up	\$1,470,000	\$5,547	\$6.85	1.6%
Initial Operating Deficit	\$3,363,518	\$12,693	\$15.68	3.7%
Extra Hard Cost Contingency	\$477,624	\$1,802	\$2.23	0.5%
Developer Fee	\$2,674,737	\$10,093	\$12.47	2.9%
Soft Cost Contingency	\$311,986	\$1,177	\$1.45	0.3%
Equity Fee	\$270,277	\$1,020	\$1.26	0.3%
Total Uses	\$91,018,480	\$345,353	\$426.74	100.0%

CONTINGENCY & CAPITAL RESERVE		
Working Capital - Contingency		\$1,470,000
Working Capital - Lease-up		\$1,470,000
Initial Operating Deficit		\$3,363,518
Extra Hard Cost Contingency		\$477,624
Soft Cost Contingency		\$311,986
Total Contingency		\$7,093,128
Capital Reserve Per Year	\$300/unit	\$82,500

CONSTRUCTION LOAN HUD	
Loan Amount	\$73,500,000
Loan to Project Cost	80.75%
I/O	24 months
Amortization	40 years
Interest Rate	3.95%
MIP Rate	0.25%

PROFORMA ASSUMPTIONS

EXPENSE		
Expense Item (Per Year)	Total	Per Unit
Payroll and Related	\$323,125	\$1,175
Leasing & Marketing	\$68,750	\$250
General & Administrative	\$82,500	\$300
Landscaping / Contract Services	\$96,250	\$350
Utilities	\$330,000	\$1,200
Redecorating / Make-Ready	\$68,750	\$250
Repairs & Maintenance	\$82,500	\$300
Total Controllable	\$1,051,875	\$3,825
Management Fee	\$175,360	\$638
Insurance	\$92,125	\$335
Real Estate Taxes	\$1,151,219	\$4,186
Total Non-Controllable	\$1,418,704	\$5,159
Total Expenses Excluding Capital Reserves	\$2,470,579	\$8,984
Capital Reserves	\$82,500	\$300
Total Expenses Including Capital Reserves	\$2,553,079	\$9,284

PAYROLL AND RELATED					
Payroll	Salaried/ Hourly	Fulltime/ Part-time	Salary/ Hourly Rate	% Allocated	Annual Payroll
Office Salary					
Property Manager	Salary	Fulltime	\$53,000.00	100%	\$53,000
Assistant Manager	Hourly	Fulltime	\$18.00	100%	\$37,440
Leasing Agent	Hourly	Fulltime	\$16.00	100%	\$33,280
Burden	31%				\$37,843
Office Salaries					\$161,563
Maintenance Salary					
Service Manager	Salary	Fulltime	\$53,000.00	100%	\$53,000
Service Technician	Hourly	Fulltime	\$18.00	100%	\$37,440
Custodial Technician	Hourly	Fulltime	\$16.00	100%	\$33,280
Burden	31%				\$37,843
Maintenance Salaries					\$161,563
Total Payroll & Related					\$323,125

LEASING & MARKETING	
Advertising - newspaper/magazine	\$5,000
Advertising - internet	\$20,000
Advertising - signage	\$10,000
Marketing Costs	\$33,750
Total Leasing & Marketing	\$68,750

GENERAL & ADMINISTRATIVE	
Office Supplies	\$3,500
Freight And Postage	\$3,500
Credit Services	\$3,500
Legal/Professional Fees	\$22,750
Telephone	\$15,000
Answering Service	\$500
Bank Service Charges	\$6,000
Computer Expense	\$100
Dues/Licenses/Fees	\$26,000
Education/Meetings/Seminars	\$1,250
Furniture/Equipment Rental	\$400
Total General & Administrative	\$82,500

UTILITIES	
Water	\$73,000
Sewer	\$66,000
Trash	\$66,000
Common Area/Vacant Units	\$125,000
Total Utilities	\$330,000

OTHER INCOME		
	<u>Units</u>	<u>\$/Mo.</u>
Parking Income		
Hotel Parking	56	\$350
Resi Parking	200	\$175
Visitor Parking	200	\$88
Unit Amenity Income		
View Premium	66	\$50
Misc. Income		
Admin, Late Fees, Pet Fees, ETC.	170	\$30
Trash & Pest Control Fees	170	\$30
RUBS Income		
RUBS Reimbursements	137	\$55

PARKING ASSUMPTIONS	
<u>Demand</u>	
MF	200
Hotel	56
Total Parking Demand	256
<u>Supply</u>	
Standard	256
Total Parking Supply	256

45 Brown St

Unit Mix

MARKET UNIT MIX												
Description	Restriction	Floor Plan	Size	# Units						\$/Unit/Mo.	\$/SF/Mo.	Unit Mix
S	None	EFF	420	18						\$1,666	\$3.97	6.5%
A	None	1B1B	678	85						\$2,152	\$3.17	30.9%
B	None	2B1B	1,120	34						\$3,045	\$2.72	12.4%
Market SubTotal			103,281	137						\$316,400		49.8%
Market Average			754							\$2,309	\$3.06	
INCOME RESTRICTED UNIT MIX					Market		AMI Rent	Allowance	Rent Cap	Final		
Description	Restriction	Floor Plan	Size	# Units	\$/SF	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit/Mo.	\$/SF/Mo.	Unit Mix
S	80% AMI	EFF	420	38	\$3.97	\$1,666	\$1,168	-\$89	\$1,079	\$1,079	\$2.57	13.8%
A	80% AMI	1B1B	678	40	\$3.17	\$2,152	\$1,374	-\$107	\$1,267	\$1,267	\$1.87	14.5%
S	100% AMI	EFF	420	27	\$3.97	\$1,666	\$1,501	-\$89	\$1,412	\$1,412	\$3.36	9.8%
S	120% AMI	EFF	420	33	\$3.97	\$1,666	\$1,801	-\$89	\$1,712	\$1,666	\$3.97	12.0%
Affordable SubTotal			68,285	138						\$184,758		50.2%
Affordable Average			495							\$1,339	\$2.71	
TOTAL			171,566	275						\$501,158		100.0%
AVERAGE			624							\$1,822	\$2.92	

45 Brown St

Project Budget

BUDGET SUMMARY	\$ Amount	\$/Unit	\$/GSF	\$/NRSF	%
A & E	\$2,312,000	\$8,725	\$10.78	\$13.48	2.5%
Hard Costs	\$64,920,808	\$244,984	\$302.72	\$378.40	70.9%
FFE	\$860,000	\$3,245	\$4.01	\$5.01	0.9%
Retail TI	\$0	\$0	\$0.00	\$0.00	0.0%
Retail LC	\$0	\$0	\$0.00	\$0.00	0.0%
Permit/City Fees	\$1,149,675	\$4,338	\$5.36	\$6.70	1.3%
Property Tax	\$803,064	\$3,030	\$3.74	\$4.68	0.9%
HUD Financing Fees	\$2,475,500	\$9,342	\$11.54	\$14.43	2.7%
Construction Interest Reserve	\$2,781,270	\$10,495	\$12.97	\$16.21	3.0%
Misc. Closing Costs	\$878,020	\$3,313	\$4.09	\$5.12	1.0%
SubTotal	\$76,180,337	\$287,473	\$355.22	\$444.03	83.2%
BSPRA - (10%)	\$7,618,034	\$28,747	\$35.52	\$44.40	8.3%
Land	\$4,800,000	\$18,113	\$22.38	\$27.98	5.2%
Total Replacement Cost	\$88,598,371	\$334,333	\$413.13	\$516.41	96.8%
Working Capital - Contingency	\$1,470,000	\$5,547	\$6.85	\$8.57	1.6%
Working Capital - Lease-up	\$1,470,000	\$5,547	\$6.85	\$8.57	1.6%
Initial Operating Deficit	\$3,363,518	\$12,693	\$15.68	\$19.60	3.7%
Extra Hard Cost Contingency	\$477,624	\$1,802	\$2.23	\$2.78	0.5%
Developer Fee	\$2,674,737	\$10,093	\$12.47	\$15.59	2.9%
Soft Cost Contingency	\$311,986	\$1,177	\$1.45	\$1.82	0.3%
Equity Fee	\$270,277	\$1,020	\$1.26	\$1.58	0.3%
BSPRA Adjustment	-\$7,618,034	-\$28,747	-\$35.52	-\$44.40	-8.3%
Total Project Cost	\$91,018,480	\$345,353	\$426.74	\$533.43	100.0%

BUDGET DETAIL			
Category	Item	Unit/Percent	\$ Amount
Land	Land Price		\$4,800,000
A & E	Architectural Design Costs		\$922,000
	Structural Design Costs		\$320,000
	MEP Design Costs		\$382,000
	Architectural Construction Admin		\$150,000
	Renderings		\$50,000
	Fire Protection		\$26,000
	Life Safety/Accessibility		\$50,000
	Waterproofing		\$50,000
	Sustainability		\$50,000
	Landscape		\$75,000
	Civil		\$112,000
	ID		\$125,000
Hard Costs	Building & Garage		\$64,920,808
FFE	FFE		\$860,000
TI	Retail TI		\$0
LC	Retail LC		\$0
Permit/City Fees	Parks/Rec	\$752/unit	\$199,280
	Transportation	\$1,023/unit	\$271,095
	Wastewater		\$94,300
	Building Permit		\$585,000
Property Tax	Construction Property Tax		\$803,064
HUD Financing Fees	Loan Origination Fee	2.00%	\$1,470,000
	HUD Exam Fee	0.30%	\$220,500
	HUD Inspection Fee	0.50%	\$367,500
	MIP Reserve - 2 Years	0.50%	\$367,500
	Placement Fee		\$50,000
Construction Interest Reserve	Construction Interest Reserve	3.78%	\$2,781,270

Misc. Closing Costs	GeoTech Report		\$25,000
	Other Consultants		\$30,000
	Inseption & Testing		\$100,000
	Application Fees		\$30,000
	Legal Fees		\$400,000
	Market Study		\$35,000
	Phase I Environmental		\$7,200
	Appraisal		\$22,400
	Utility Consumption Analysis		\$37,420
	Independent A&E Cost Review		\$18,000
	Zoning Report		\$1,000
	Survey		\$15,000
	Organizational		\$25,000
Non-Mortgageable Costs	Title and Recording		\$120,000
	Cost Certification Audit Fee		\$12,000
	Working Capital - Contingency	2.26%	\$1,470,000
	Working Capital - Lease-up		\$1,470,000
	Initial Operating Deficit		\$3,363,518
	Extra Hard Cost Contingency	0.74%	\$477,624
	Developer's Fee	4.00%	\$2,674,737
	Soft Cost Contingency	3.00%	\$311,986
	Equity Fee	1.50%	\$270,277

HARD COST BREAK DOWN	
Labor	\$2,126,836
Material	\$6,322,900
Subcontract	\$47,751,465
Equipment	\$4,800
Other	\$743,631
SubTotal	\$56,949,632
WRC Labor Escalator	\$95,708
Estimating/Design Contingency	\$2,281,814
Cost Escalator	\$1,483,179
Prevailing Wage Requirement Allowance	\$912,155
CM Contingency	\$925,837
WRC Insurance Package	\$389,525
100% P&P Bonds	\$299,524
CM Fee	\$1,583,434
Total	\$64,920,808

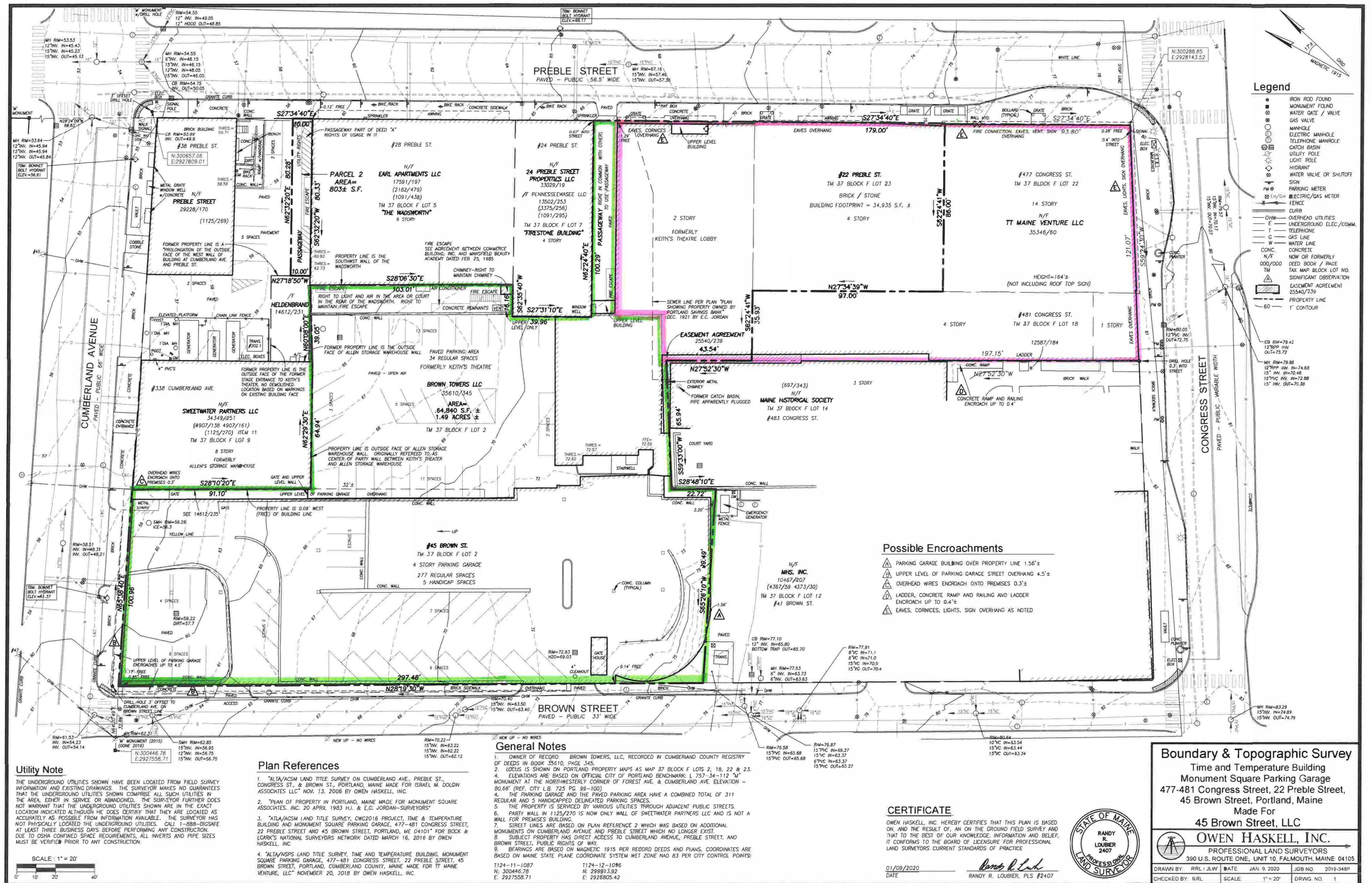
45 Brown St
Annual Cash Flow

Proforma

Year After Stabilization	1	2	3	4	5	6	7	8	9	10	11	12
Income Growth		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expense Growth		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Physical Occupancy	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%
Rental Income												
Scheduled Market Rent	\$3,796,806	\$3,872,742	\$3,950,197	\$4,029,201	\$4,109,785	\$4,191,980	\$4,275,820	\$4,361,336	\$4,448,563	\$4,537,534	\$4,628,285	\$4,720,851
Scheduled Affordable Rent	\$2,217,093	\$2,261,435	\$2,306,664	\$2,352,797	\$2,399,853	\$2,447,850	\$2,496,807	\$2,546,744	\$2,597,678	\$2,649,632	\$2,702,625	\$2,756,677
Scheduled Residential Rent	\$6,013,899	\$6,134,177	\$6,256,861	\$6,381,998	\$6,509,638	\$6,639,831	\$6,772,627	\$6,908,080	\$7,046,242	\$7,187,166	\$7,330,910	\$7,477,528
LESS: Loss to Lease	-\$60,139	-\$61,342	-\$62,569	-\$63,820	-\$65,096	-\$66,398	-\$67,726	-\$69,081	-\$70,462	-\$71,872	-\$73,309	-\$74,775
LESS: Market Vacancy	-\$227,808	-\$232,365	-\$237,012	-\$241,752	-\$246,587	-\$251,519	-\$256,549	-\$261,680	-\$266,914	-\$272,252	-\$277,697	-\$283,251
LESS: Affordable Vacancy	-\$133,026	-\$135,686	-\$138,400	-\$141,168	-\$143,991	-\$146,871	-\$149,808	-\$152,805	-\$155,861	-\$158,978	-\$162,157	-\$165,401
Effective Rent	\$5,592,926	\$5,704,785	\$5,818,881	\$5,935,258	\$6,053,963	\$6,175,043	\$6,298,543	\$6,424,514	\$6,553,005	\$6,684,065	\$6,817,746	\$6,954,101
Commercial Income-Hotel												
Hotel Parking Income	\$235,200	\$239,904	\$244,702	\$249,596	\$254,588	\$259,680	\$264,873	\$270,171	\$275,574	\$281,086	\$286,707	\$292,442
LESS: Parking Mgmt Fee	-\$35,280	-\$35,986	-\$36,705	-\$37,439	-\$38,188	-\$38,952	-\$39,731	-\$40,526	-\$41,336	-\$42,163	-\$43,006	-\$43,866
Commercial Income-Hotel	\$199,920	\$203,918	\$207,997	\$212,157	\$216,400	\$220,728	\$225,142	\$229,645	\$234,238	\$238,923	\$243,701	\$248,575
Ancillary-resident income												
Parking Income	\$630,000	\$642,600	\$655,452	\$668,561	\$681,932	\$695,571	\$709,482	\$723,672	\$738,145	\$752,908	\$767,966	\$783,326
LESS: Parking Mgmt Fee	-\$94,500	-\$96,390	-\$98,318	-\$100,284	-\$102,290	-\$104,336	-\$106,422	-\$108,551	-\$110,722	-\$112,936	-\$115,195	-\$117,499
Unit Amenity Income	\$39,600	\$40,392	\$41,200	\$42,024	\$42,864	\$43,722	\$44,596	\$45,488	\$46,398	\$47,326	\$48,272	\$49,238
Misc. Income	\$122,400	\$124,848	\$127,345	\$129,892	\$132,490	\$135,139	\$137,842	\$140,599	\$143,411	\$146,279	\$149,205	\$152,189
RUBS Income	\$90,420	\$92,228	\$94,073	\$95,954	\$97,874	\$99,831	\$101,828	\$103,864	\$105,941	\$108,060	\$110,221	\$112,426
Other Income	\$787,920	\$803,678	\$819,752	\$836,147	\$852,870	\$869,927	\$887,326	\$905,072	\$923,174	\$941,637	\$960,470	\$979,679
Property Taxes	\$919,271	\$937,657	\$956,410	\$975,538	\$995,049	\$1,014,950	\$1,035,249	\$1,055,954	\$1,077,073	\$1,098,614	\$1,120,587	\$1,142,998
Net Proj. TIF Revenue (75% returned)	\$664,364	\$677,651	\$691,204	\$705,028	\$719,129	\$733,512	\$748,182	\$763,145	\$778,408	\$793,977	\$809,856	\$826,053
Credit Enhancement/TIF Bond Repayment	-\$551,225	-\$562,813	-\$573,613	-\$583,625	-\$597,850	-\$606,025	-\$623,413	-\$634,488	-\$644,513	-\$658,488	-\$661,150	-\$663,025
Net TIF Revenue	\$113,139	\$114,838	\$117,591	\$121,403	\$121,279	\$127,487	\$124,769	\$128,657	\$133,895	\$135,489	\$148,706	\$163,028
Total Revenue	\$6,693,905	\$6,827,220	\$6,964,220	\$7,104,965	\$7,244,512	\$7,393,185	\$7,535,781	\$7,687,889	\$7,844,312	\$8,000,114	\$8,170,623	\$8,345,384
Expense												
Payroll and Related	-\$323,125	-\$332,819	-\$342,803	-\$353,087	-\$363,680	-\$374,590	-\$385,828	-\$397,403	-\$409,325	-\$421,605	-\$434,253	-\$447,281
Leasing & Marketing	-\$68,750	-\$70,813	-\$72,937	-\$75,125	-\$77,379	-\$79,700	-\$82,091	-\$84,554	-\$87,090	-\$89,703	-\$92,394	-\$95,166
General & Administrative	-\$82,500	-\$84,975	-\$87,524	-\$90,150	-\$92,854	-\$95,640	-\$98,509	-\$101,465	-\$104,509	-\$107,644	-\$110,873	-\$114,199
Landscaping / Contracted Services	-\$96,250	-\$99,138	-\$102,112	-\$105,175	-\$108,330	-\$111,580	-\$114,928	-\$118,375	-\$121,927	-\$125,584	-\$129,352	-\$133,233
Utilities	-\$252,771	-\$260,354	-\$268,614	-\$276,209	-\$284,496	-\$293,030	-\$301,821	-\$310,876	-\$320,202	-\$329,808	-\$339,703	-\$349,894
Redecorating / Make-Ready	-\$68,750	-\$70,813	-\$72,937	-\$75,125	-\$77,379	-\$79,700	-\$82,091	-\$84,554	-\$87,090	-\$89,703	-\$92,394	-\$95,166
Repairs & Maintenance	-\$82,500	-\$84,975	-\$87,524	-\$90,150	-\$92,854	-\$95,640	-\$98,509	-\$101,465	-\$104,509	-\$107,644	-\$110,873	-\$114,199
Total Controllable	-\$974,646	-\$1,003,885	-\$1,034,002	-\$1,065,022	-\$1,096,972	-\$1,129,881	-\$1,163,778	-\$1,198,691	-\$1,234,652	-\$1,271,691	-\$1,309,842	-\$1,349,138
Management Fee	-\$175,360	-\$178,868	-\$182,445	-\$186,094	-\$189,816	-\$193,612	-\$197,484	-\$201,434	-\$205,463	-\$209,572	-\$213,763	-\$218,039
Insurance	-\$92,125	-\$94,889	-\$97,735	-\$100,667	-\$103,687	-\$106,798	-\$109,002	-\$113,302	-\$116,701	-\$120,202	-\$123,808	-\$127,523
Real Estate Taxes	-\$919,271	-\$937,657	-\$956,410	-\$975,538	-\$995,049	-\$1,014,950	-\$1,035,249	-\$1,055,954	-\$1,077,073	-\$1,098,614	-\$1,120,587	-\$1,142,998
Total Non-Controllable	-\$1,186,756	-\$1,211,413	-\$1,236,590	-\$1,262,299	-\$1,288,552	-\$1,315,360	-\$1,342,735	-\$1,370,690	-\$1,399,237	-\$1,428,388	-\$1,458,159	-\$1,488,559
Total Expense	-\$2,161,402	-\$2,215,298	-\$2,270,592	-\$2,327,321	-\$2,385,524	-\$2,445,242	-\$2,506,513	-\$2,569,381	-\$2,633,889	-\$2,700,080	-\$2,768,001	-\$2,837,697
Net Operating Income	\$4,532,503	\$4,611,921	\$4,693,628	\$4,777,644	\$4,858,988	\$4,947,943	\$5,029,268	\$5,118,508	\$5,210,423	\$5,300,034	\$5,402,623	\$5,507,687
LESS: Capital Reserves	-\$82,500	-\$84,975	-\$87,524	-\$90,150	-\$92,854	-\$95,640	-\$98,509	-\$101,465	-\$104,509	-\$107,644	-\$110,873	-\$114,199
LESS: Debt Service (including MIP)	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681
Net Cash Flow	\$653,322	\$730,265	\$809,423	\$890,813	\$969,452	\$1,055,622	\$1,134,077	\$1,220,362	\$1,309,233	\$1,395,709	\$1,495,068	\$1,596,807
DSCR	1.19x	1.21x	1.24x	1.26x	1.28x	1.30x	1.32x	1.35x	1.37x	1.40x	1.42x	1.45x

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%
\$4,815,268	\$4,911,573	\$5,009,805	\$5,110,001	\$5,212,201	\$5,316,445	\$5,422,774	\$5,531,229	\$5,641,854	\$5,754,691	\$5,869,785	\$5,987,180	\$6,106,924	\$6,229,062	\$6,353,644	\$6,480,717	\$6,610,331	\$6,742,537
\$2,811,811	\$2,868,047	\$2,925,408	\$2,983,916	\$3,043,594	\$3,104,466	\$3,166,555	\$3,229,887	\$3,294,484	\$3,360,374	\$3,427,581	\$3,496,133	\$3,566,056	\$3,637,377	\$3,710,124	\$3,784,327	\$3,860,013	\$3,937,214
\$7,627,078	\$7,779,620	\$7,935,212	\$8,093,917	\$8,255,795	\$8,420,911	\$8,589,329	\$8,761,116	\$8,936,338	\$9,115,065	\$9,297,366	\$9,483,313	\$9,672,980	\$9,866,439	\$10,063,768	\$10,265,043	\$10,470,344	\$10,679,751
-\$76,271	-\$77,796	-\$79,352	-\$80,939	-\$82,558	-\$84,209	-\$85,893	-\$87,611	-\$89,363	-\$91,151	-\$92,974	-\$94,833	-\$96,730	-\$98,664	-\$100,638	-\$102,650	-\$104,703	-\$106,798
-\$288,916	-\$294,694	-\$300,588	-\$306,600	-\$312,732	-\$318,987	-\$325,366	-\$331,874	-\$338,511	-\$345,281	-\$352,187	-\$359,231	-\$366,415	-\$373,744	-\$381,219	-\$388,843	-\$396,620	-\$404,552
-\$168,709	-\$172,083	-\$175,524	-\$179,035	-\$182,616	-\$186,268	-\$189,993	-\$193,793	-\$197,669	-\$201,622	-\$205,655	-\$209,768	-\$213,963	-\$218,243	-\$222,607	-\$227,060	-\$231,601	-\$236,233
\$7,093,183	\$7,235,047	\$7,379,748	\$7,527,343	\$7,677,889	\$7,831,447	\$7,988,076	\$8,147,838	\$8,310,794	\$8,477,010	\$8,646,550	\$8,819,481	\$8,995,871	\$9,175,789	\$9,359,304	\$9,546,490	\$9,737,420	\$9,932,169
\$298,290	\$304,256	\$310,341	\$316,548	\$322,879	\$329,337	\$335,924	\$342,642	\$349,495	\$356,485	\$363,614	\$370,887	\$378,304	\$385,871	\$393,588	\$401,460	\$409,489	\$417,679
-\$44,744	-\$45,638	-\$46,551	-\$47,482	-\$48,432	-\$49,401	-\$50,389	-\$51,396	-\$52,424	-\$53,473	-\$54,542	-\$55,633	-\$56,746	-\$57,881	-\$59,038	-\$60,219	-\$61,423	-\$62,652
\$253,547	\$258,618	\$263,790	\$269,066	\$274,447	\$279,936	\$285,535	\$291,246	\$297,071	\$303,012	\$309,072	\$315,254	\$321,559	\$327,990	\$334,550	\$341,241	\$348,066	\$355,027
\$798,992	\$814,972	\$831,272	\$847,897	\$864,855	\$882,152	\$899,795	\$917,791	\$936,147	\$954,870	\$973,967	\$993,447	\$1,013,315	\$1,033,582	\$1,054,253	\$1,075,338	\$1,096,845	\$1,118,782
-\$119,849	-\$122,246	-\$124,691	-\$127,185	-\$129,728	-\$132,323	-\$134,969	-\$137,669	-\$140,422	-\$143,230	-\$146,095	-\$149,017	-\$151,997	-\$155,037	-\$158,138	-\$161,301	-\$164,527	-\$167,817
\$50,222	\$51,227	\$52,251	\$53,296	\$54,362	\$55,450	\$56,559	\$57,690	\$58,844	\$60,020	\$61,221	\$62,445	\$63,694	\$64,968	\$66,267	\$67,593	\$68,945	\$70,323
\$155,233	\$158,337	\$161,504	\$164,734	\$168,029	\$171,390	\$174,817	\$178,314	\$181,880	\$185,518	\$189,228	\$193,012	\$196,873	\$200,810	\$204,826	\$208,923	\$213,101	\$217,363
\$114,674	\$116,968	\$119,307	\$121,693	\$124,127	\$126,610	\$129,142	\$131,725	\$134,359	\$137,047	\$139,787	\$142,583	\$145,435	\$148,344	\$151,310	\$154,337	\$157,423	\$160,572
\$999,273	\$1,019,259	\$1,039,644	\$1,060,437	\$1,081,645	\$1,103,278	\$1,125,344	\$1,147,851	\$1,170,808	\$1,194,224	\$1,218,108	\$1,242,470	\$1,267,320	\$1,292,666	\$1,318,520	\$1,344,890	\$1,371,788	\$1,399,224
\$1,165,858	\$1,189,176	\$1,212,959	\$1,237,218	\$1,261,963	\$1,287,202	\$1,312,946	\$1,339,205	\$1,365,989	\$1,393,309	\$1,421,175	\$1,449,598	\$1,478,590	\$1,508,162	\$1,538,325	\$1,569,092	\$1,600,473	\$1,632,483
\$842,574	\$859,426	\$876,614	\$894,147	\$912,029	\$930,270	\$948,875	\$967,853	\$987,210	\$1,006,954	\$1,027,093	\$1,047,635	\$1,068,588	\$1,089,960	\$1,111,759	\$1,133,994	\$1,156,674	\$1,179,808
-\$664,113	-\$659,413	-\$659,188	-\$663,175	-\$661,113	-\$663,263	-\$664,363	-\$659,413	-\$663,675	-\$661,625	-\$663,525	-\$659,113	-\$663,650	-\$661,613	-\$663,900	-\$677,178	-\$690,722	-\$704,536
\$178,461	\$200,013	\$217,426	\$230,972	\$250,916	\$267,007	\$284,512	\$308,440	\$323,535	\$345,329	\$363,568	\$388,522	\$404,938	\$428,347	\$447,859	\$456,816	\$465,953	\$475,272
\$8,524,464	\$8,712,936	\$8,900,607	\$9,087,817	\$9,284,898	\$9,481,669	\$9,683,467	\$9,895,374	\$10,102,208	\$10,319,575	\$10,537,299	\$10,765,728	\$10,989,688	\$11,224,792	\$11,460,233	\$11,689,437	\$11,923,226	\$12,161,691
-\$460,699	-\$474,520	-\$488,756	-\$503,418	-\$518,521	-\$534,076	-\$550,099	-\$566,602	-\$583,600	-\$601,108	-\$619,141	-\$637,715	-\$656,847	-\$676,552	-\$696,849	-\$717,754	-\$739,287	-\$768,858
-\$98,021	-\$100,962	-\$103,991	-\$107,110	-\$110,324	-\$113,633	-\$117,042	-\$120,554	-\$124,170	-\$127,895	-\$131,732	-\$135,684	-\$139,755	-\$143,947	-\$148,266	-\$152,714	-\$157,295	-\$163,587
-\$117,625	-\$121,154	-\$124,789	-\$128,532	-\$132,388	-\$136,360	-\$140,451	-\$144,664	-\$149,004	-\$153,474	-\$158,079	-\$162,821	-\$167,706	-\$172,737	-\$177,919	-\$183,256	-\$188,754	-\$196,304
-\$137,229	-\$141,346	-\$145,587	-\$149,954	-\$154,453	-\$159,087	-\$163,859	-\$168,775	-\$173,838	-\$179,053	-\$184,425	-\$189,958	-\$195,656	-\$201,526	-\$207,572	-\$213,799	-\$220,213	-\$229,022
-\$360,390	-\$371,202	-\$382,338	-\$393,808	-\$405,623	-\$417,791	-\$430,325	-\$443,235	-\$456,532	-\$470,228	-\$484,335	-\$498,865	-\$513,831	-\$529,246	-\$545,123	-\$561,477	-\$578,321	-\$601,454
-\$98,021	-\$100,962	-\$103,991	-\$107,110	-\$110,324	-\$113,633	-\$117,042	-\$120,554	-\$124,170	-\$127,895	-\$131,732	-\$135,684	-\$139,755	-\$143,947	-\$148,266	-\$152,714	-\$157,295	-\$163,587
-\$117,625	-\$121,154	-\$124,789	-\$128,532	-\$132,388	-\$136,360	-\$140,451	-\$144,664	-\$149,004	-\$153,474	-\$158,079	-\$162,821	-\$167,706	-\$172,737	-\$177,919	-\$183,256	-\$188,754	-\$196,304
-\$1,389,612	-\$1,431,300	-\$1,474,239	-\$1,518,466	-\$1,564,020	-\$1,610,941	-\$1,659,269	-\$1,709,047	-\$1,760,318	-\$1,813,128	-\$1,867,522	-\$1,923,547	-\$1,981,254	-\$2,040,692	-\$2,101,912	-\$2,164,970	-\$2,229,919	-\$2,319,115
-\$222,399	-\$226,847	-\$231,384	-\$236,012	-\$240,732	-\$245,547	-\$250,458	-\$255,467	-\$260,576	-\$265,788	-\$271,104	-\$276,526	-\$282,056	-\$287,697	-\$293,451	-\$299,320	-\$305,307	-\$311,413
-\$131,348	-\$135,289	-\$139,347	-\$143,528	-\$147,834	-\$152,269	-\$156,837	-\$161,542	-\$166,388	-\$171,380	-\$176,521	-\$181,817	-\$187,271	-\$192,889	-\$198,676	-\$204,636	-\$210,775	-\$219,206
-\$1,165,858	-\$1,189,176	-\$1,212,959	-\$1,237,218	-\$1,261,963	-\$1,287,202	-\$1,312,946	-\$1,339,205	-\$1,365,989	-\$1,393,309	-\$1,421,175	-\$1,449,598	-\$1,478,590	-\$1,508,162	-\$1,538,325	-\$1,569,092	-\$1,600,473	-\$1,632,483
-\$1,519,606	-\$1,551,312	-\$1,583,691	-\$1,616,758	-\$1,650,529	-\$1,685,017	-\$1,720,240	-\$1,756,214	-\$1,792,953	-\$1,830,476	-\$1,868,800	-\$1,907,940	-\$1,947,917	-\$1,988,749	-\$2,030,452	-\$2,073,048	-\$2,116,555	-\$2,163,102
-\$2,909,217	-\$2,982,612	-\$3,057,930	-\$3,135,224	-\$3,214,549	-\$3,295,958	-\$3,379,509	-\$3,465,261	-\$3,553,272	-\$3,643,604	-\$3,736,321	-\$3,831,488	-\$3,929,171	-\$4,029,440	-\$4,132,365	-\$4,238,018	-\$4,346,474	-\$4,482,217
\$5,615,247	\$5,730,324	\$5,842,678	\$5,952,593	\$6,070,349	\$6,185,710	\$6,303,957	\$6,430,113	\$6,548,936	\$6,675,971	\$6,800,978	\$6,934,240	\$7,060,516	\$7,195,352	\$7,327,868	\$7,451,420	\$7,576,752	\$7,679,473
-\$117,625	-\$121,154	-\$124,789	-\$128,532	-\$132,388	-\$136,360	-\$140,451	-\$144,664	-\$149,004	-\$153,474	-\$158,079	-\$162,821	-\$167,706	-\$172,737	-\$177,919	-\$183,256	-\$188,754	-\$196,304
-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681	-\$3,796,681
\$1,700,940	\$1,812,489	\$1,921,208	\$2,027,380	\$2,141,280	\$2,252,669	\$2,366,826	\$2,488,768	\$2,603,251	\$2,725,815	\$2,846,218	\$2,974,738	\$3,096,130	\$3,225,934	\$3,353,268	\$3,471,482	\$3,591,317	\$3,686,488
1.48x	1.51x	1.54x	1.57x	1.60x	1.63x	1.66x	1.69x	1.72x	1.76x	1.79x	1.83x	1.86x	1.90x	1.93x	1.96x	2.00x	2.02x

45 Brown Street Proposed AHTIF District Highlighted in Green



City of Portland - Affordable Housing (AH) TIF Model
45 Brown Street, 037-F002-001
OAV: \$0 as of 3/31/2021
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 45 Brown Street AHTIF										
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues	City OAV General Fund Revenues
1	2021	\$0	75.00%	\$0	23.78	\$0	\$0	\$0	\$0	\$45,424
2	2022	\$0	75.00%	\$0	16.50	\$0	\$0	\$0	\$0	\$31,523
3	2023	\$52,500,000	75.00%	\$39,375,000	16.83	\$662,681	\$662,681	\$0	\$220,894	\$32,154
4	2024	\$52,500,000	75.00%	\$39,375,000	17.17	\$675,935	\$675,935	\$0	\$225,312	\$32,797
5	2025	\$52,500,000	75.00%	\$39,375,000	17.51	\$689,454	\$689,454	\$0	\$229,818	\$33,453
6	2026	\$52,500,000	75.00%	\$39,375,000	17.86	\$703,243	\$703,243	\$0	\$234,414	\$34,122
7	2027	\$52,500,000	75.00%	\$39,375,000	18.22	\$717,307	\$717,307	\$0	\$239,102	\$34,804
8	2028	\$52,500,000	75.00%	\$39,375,000	18.58	\$731,654	\$731,654	\$0	\$243,885	\$35,500
9	2029	\$52,500,000	75.00%	\$39,375,000	18.95	\$746,287	\$746,287	\$0	\$248,762	\$36,210
10	2030	\$52,500,000	75.00%	\$39,375,000	19.33	\$761,212	\$761,212	\$0	\$253,737	\$36,935
11	2031	\$52,500,000	75.00%	\$39,375,000	19.72	\$776,437	\$776,437	\$0	\$258,812	\$37,673
12	2032	\$52,500,000	75.00%	\$39,375,000	20.11	\$791,965	\$791,965	\$0	\$263,988	\$38,427
13	2033	\$52,500,000	75.00%	\$39,375,000	20.52	\$807,805	\$807,805	\$0	\$269,268	\$39,195
14	2034	\$52,500,000	75.00%	\$39,375,000	20.93	\$823,961	\$823,961	\$0	\$274,654	\$39,979
15	2035	\$52,500,000	75.00%	\$39,375,000	21.34	\$840,440	\$840,440	\$0	\$280,147	\$40,779
16	2036	\$52,500,000	75.00%	\$39,375,000	21.77	\$857,249	\$857,249	\$0	\$285,750	\$41,594
17	2037	\$52,500,000	75.00%	\$39,375,000	22.21	\$874,394	\$874,394	\$0	\$291,465	\$42,426
18	2038	\$52,500,000	75.00%	\$39,375,000	22.65	\$891,882	\$891,882	\$0	\$297,294	\$43,275
19	2039	\$52,500,000	75.00%	\$39,375,000	23.10	\$909,719	\$909,719	\$0	\$303,240	\$44,140
20	2040	\$52,500,000	75.00%	\$39,375,000	23.57	\$927,914	\$927,914	\$0	\$309,305	\$45,023
21	2041	\$52,500,000	75.00%	\$39,375,000	24.04	\$946,472	\$946,472	\$0	\$315,491	\$45,923
22	2042	\$52,500,000	75.00%	\$39,375,000	24.52	\$965,401	\$965,401	\$0	\$321,800	\$46,842
23	2043	\$52,500,000	75.00%	\$39,375,000	25.01	\$984,709	\$984,709	\$0	\$328,236	\$47,779
24	2044	\$52,500,000	75.00%	\$39,375,000	25.51	\$1,004,404	\$1,004,404	\$0	\$334,801	\$48,734
25	2045	\$52,500,000	75.00%	\$39,375,000	26.02	\$1,024,492	\$1,024,492	\$0	\$341,497	\$49,709
26	2046	\$52,500,000	75.00%	\$39,375,000	26.54	\$1,044,982	\$1,044,982	\$0	\$348,327	\$50,703
27	2047	\$52,500,000	75.00%	\$39,375,000	27.07	\$1,065,881	\$1,065,881	\$0	\$355,294	\$51,717
28	2048	\$52,500,000	75.00%	\$39,375,000	27.61	\$1,087,199	\$1,087,199	\$0	\$362,400	\$52,752
29	2049	\$52,500,000	75.00%	\$39,375,000	28.16	\$1,108,943	\$1,108,943	\$0	\$369,648	\$53,807
30	2050	\$52,500,000	75.00%	\$39,375,000	28.73	\$1,131,122	\$1,131,122	\$0	\$377,041	\$54,883
30 Year TIF Total		\$1,470,000,000		\$1,102,500,000		\$24,553,142	\$24,553,142	\$0	\$8,184,381	\$1,268,282
30 Year Average				\$36,750,000		\$818,438	\$818,438		\$272,813	\$42,276

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 45 Brown Street Affordable Housing TIF							
75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2021	\$0	\$0	\$0	\$0	\$0	\$0
2	2022	\$0	\$0	\$0	\$0	\$0	\$0
3	2023	\$52,500,000	\$39,375,000	\$0	\$29,508	\$21,722	\$51,230
4	2024	\$52,500,000	\$39,375,000	\$108,675	\$29,508	\$21,722	\$159,905
5	2025	\$52,500,000	\$39,375,000	\$217,350	\$29,508	\$21,722	\$268,580
6	2026	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
7	2027	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
8	2028	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
9	2029	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
10	2030	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
11	2031	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
12	2032	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
13	2033	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
14	2034	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
15	2035	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
16	2036	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
17	2037	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
18	2038	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
19	2039	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
20	2040	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
21	2041	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
22	2042	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
23	2043	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
24	2044	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
25	2045	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
26	2046	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
27	2047	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
28	2048	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
29	2049	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
30	2050	\$52,500,000	\$39,375,000	\$326,025	\$29,508	\$21,722	\$377,255
30 Year TIF Total		\$1,470,000,000	\$1,102,500,000	\$8,476,650	\$826,210	\$608,229	\$9,911,090
30 Year TIF Avg.		\$49,000,000	\$36,750,000	\$282,555	\$27,540	\$20,274	\$330,370

To: Mary Davis, City of Portland
From: Anne Boynton, Urban Ventures, Inc.
Re: 45 Brown Street, a Presidium project
Date: Updated 2/15/2021

Presidium requests a 75% 30 year Affordable Housing TIF for 45 Brown Street, a proposed new construction 275 unit rental housing development with 256 space parking garage. Presidium proposes that of the 275 residential units, 78 units (28%) be affordable to households at 80% AMI, 27 units (10%) be affordable to households at 100% AMI, 33 units (12%) be affordable to households at 120% AMI, and the remaining 137 units (50%) be market rate units, with no rent restrictions. The 256 unit parking garage is proposed to be shared with Presidium’s planned hotel to be located on the same block in the Time and Temperature Building. Presidium anticipates the hotel will lease 56 parking spaces at \$370 per month, while the remaining 200 parking spaces will be made available to residents for a monthly rental fee of \$175.

The project will be built on the site of a dilapidated parking garage, which will be demolished and replaced with a 9 story structure comprised of 3 floors of parking and 6 floors of apartments. Presidium acquired this site as part of a package including the Time and Temperature building, 481 Congress St, and 22 Preble Street. These 4 sites were acquired for \$9,765,000 in December 2018 at foreclosure auction.

Presidium projects the year 1 value of the TIF to be \$664,364 and the 30 year value of the TIF to be just under \$27 million. The year 1 TIF returned to the developer provides the equivalent of a year 1 subsidy of \$4,814 per TIF controlled “affordable” residential unit, a subsidy anticipated to increase each year for the 30 year term.

HCD Staff Note: As noted on the TIF Model Spreadsheets, utilizing the projected revaluation millage rate, the initial year value of the TIF is estimated to be \$638,566 and the 30 year value of the TIF to be \$23,659,642. The initial year TIF returned to the developer provides the equivalent of a subsidy of \$4,627 per TIF controlled affordable residential unit.

Sources and Uses

Sources:		Uses:	
HUD 221 d4 Amortizing Loan	\$73,500,000	Acquisition	\$4,800,000
CEA/TIF Proceeds	\$6,428,741	Construction hard costs	\$60,134,270
Common Equity	<u>\$11,089,739</u>	Hard & Soft Contingency	\$5,576,145
		Soft costs	\$11,529,806
		Capitalized Reserves	\$6,303,518
		Developer Fee	<u>\$2,674,737</u>
Total Sources:	\$91,018,480	Total Uses:	\$91,018,476

Presidium has provided documentation of interest from the sources above. Presidium is working with Bellweather Enterprise, a major national intermediary, to secure HUD 221d4 financing for the first mortgage position. HUD has given preliminary indications of support to the project concept and developer capacity over the past 1.5 years. Key Banc has provided a preliminary summary of proposed

terms for a TIF revenue bond issue, projected to net \$6,428,741. The two principals of Presidium represent that they would provide the \$11 million in common equity. A commitment for a TIF is central to their plan to secure the funding for the project.

For analysis of “Uses,” see Development Budget.

Development Budget

Construction Costs:

Construction costs are based on a trades break down estimate by Wright-Ryan Construction (this is preferable to a cost per square foot estimate), and includes provision for prevailing wage requirements. The total construction cost divided among the 275 residential units is \$237,812, including the full cost of the parking garage. Separating out the direct cost of the parking, the garage is approximately 15% of the construction cost, or \$9.7 million (including a proportional share of unallocated costs). This is a higher cost per unit than is typical for affordable housing in Portland – new construction projects requesting funding from the City or County this year had an average per unit hard costs of \$216,425, (from a total of 4 projects with a per unit cost range of \$186,682 to \$237,653). This level of additional cost is reasonable given high-rise construction, the additional cost of structured parking, market rate finishes, and significant property amenities.

Soft Costs:

Soft costs are notably high for this project due to the cost related to the 221d4 and stock financing. Financing costs are \$23,291 per unit and typically run less than \$9,000 for affordable transactions. Reserves and developer fee are \$32,648 per unit, \$7,800 per unit higher than the next highest applicant. This is primarily because prefunded reserves and lease up/marketing expenses are much higher than affordable projects. Due to the large scale of the project (twice the size of the next largest comparable property) and the rent structure at the upper end of market rates, budgeting adequately for a lease up period is important. Developer fee of \$2.67 million is well within industry standard at 3.26% of total development costs (excluding reserves and developer fee).

Contingency:

Hard cost contingency is carried primarily in the Wright-Ryan estimate, which includes \$4.8 million in contingencies -- a 4.5% labor escalator, a 4% design contingency, a 2.5% cost escalator, and a 1.5% construction management contingency. The developer adds an additional hard cost contingency of \$477,624. All contingencies together total 9% of Wright Ryan’s estimated hard cost. The standard minimum hard cost contingency for new construction is 5% of hard costs. A slightly higher contingency is required for the added uncertainty associated with the substantial demolition and site preparation costs. This is a uniquely difficult moment to evaluate contingency. Construction costs have been rising rapidly in Portland – about 15% over 2019 -- far outstripping the inflation rate in the Consumer Price Index. This project is vulnerable to cost inflation due to the relatively early stage of predevelopment, the multiyear construction period and the high level of economic uncertainty.

Soft cost contingency is 1.87% of soft costs. This is thin, especially for this early stage of project development.

HCD Staff Note: The developer has indicated that the majority of soft costs (design costs) are fixed contracts, which is reflected in a lower soft cost contingency estimate.

Acquisition:

The public has an interest in insuring that the property is purchased for no more than its market value. This review is especially important in cases like this one where the seller plays multiple roles in the transaction. Presidium acquired the sites and will resell the sites to the newly created project entity it controls, so Presidium is both seller and buyer of the site.

This site was purchased by Presidium in December 2018, as part of a 4 site package at auction for \$9,765,000. An appraisal of the 4 site package dated November 30, 2018 values the parking garage at \$3.8 million, and Presidium plans to sell the site for \$4.8 million. The developer has not disclosed how they plan to allocate the total acquisition costs across the 4 properties, but note that the \$3.8 million appraised value does not take into account their carrying costs and predevelopment expenses. Acquisition price is one factor driving up cost per unit relative to other affordable projects -- at \$17,455 per unit, it is the highest cost per unit for an affordable project reviewed by the City in 2020. An appraisal which supports the acquisition expense of \$4.8 million is a recommended condition of TIF approval.

Operating Budget & 20 Year Cashflow Projection

Project Income:

The Presidium proforma includes 78 units at 80% AMI, 27 units at 100% AMI, 33 units at 120% AMI, and 137 units (50%) at market rate. The affordable unit rents are set to the maximum allowable rent per the local workforce housing ordinance, but not exceeding the developer's anticipated "market rate" rent. The developer is projecting the "market rate" at less than the maximum allowable calculated "affordable rate" for the 33 restricted 120% AMI units.

The market study submitted by the developer is dated July 19, 2019, and comments that, "the rent projections provided by the borrower are generally bracketed by the comparable set but towards the upper aspect." Complicating the assessment of the marketability of the projected "market rents," the market study does not contemplate the additional fees included in the current budget projections, including mandatory fees of \$85/unit for landlord paid utilities/trash/pest control. These fees are not typical of the Portland rental market and place the market rent for each unit type above the highest comparable rent in the 2019 market study. In addition, the market study indicates that the comparable rents reflect estimates as of the 2019 date of the report and have not been projected forward while the proposed project rents are based on developer projections. A satisfactory current market study reflective of the developer's proposed fee structure is a recommended condition of TIF approval.

One bedroom units make up 46% of the unit mix (a total of 125 units of which 68% are market rate), efficiency units make up 42% (a total of 116 units of which 16% are market rate) and 2 bedroom units are 12% (a total of 34 units all of which are market rate) of the unit mix. Since one bedroom units have the greatest mark up over comparable market rents, this concentration of one bedroom units is an area of risk for the project.

Vacancy is budgeted at 6%, well above Portland’s current actual vacancy rates. The most comparable project according to the market study (The Hiawatha) was operating at 100% occupancy in summer 2019. However, the project as designed is almost twice the size of The Hiawatha. The market study makes a compelling case that there is pent up demand for quality rental units in central Portland, but the unprecedented scale of this development justifies a higher vacancy rate.

Operating Expense

The pro forma reflects a per unit operating cost of \$8,441, which appears high. However, \$3,343 per unit is real estate taxes. The operating costs per unit in all other categories are consistent with industry standard and comparable projects in Portland. The replacement reserve budget is on the low side, but acceptable at \$300 per unit. The budget anticipates 3 full time office staff and 3 full time maintenance/custodial staff.

20 Year Cashflow & Debt Service Coverage Ratio (DSCR)

In year 1, the project reflects a 1.17 DSCR. With industry standard 2% income inflator and 3% expense inflator, DSCR rises gradually over 20 years to 1.53. The AHTIF provides an infusion of “equity like” capital while also providing support to the operating budget.

Developer Financials

Developer financial analysis is confidential and is detailed in a separate confidential document.

Recommendations

The developer must at minimum meet three primary criteria for an AHTIF approval of up to 75% for 30 years:

1. Community Need: “...site specific AHTIF designations must address an identified community need.”

Presidium will provide 78 units of housing for households at 80% AMI, 27 units of housing for households at 100% of AMI and 33 units of housing for households at 120% of AMI. Moderate income housing is identified as a community need in Portland’s Plan 2030 and the City Council’s 2020 Common Goals.

2. Financial Necessity: “The applicant must demonstrate the City’s participation is financially necessary in order for the project to proceed.”

Presidium has demonstrated that without TIF revenue the project would not be able to move forward. The TIF provides both necessary capital during the development period and important supplemental income during the operating period.

3. Financial Capacity: “The applicant must demonstrate financial capacity to support their project.”

Presidium has not demonstrated financial capacity to support their project through the following:

- financing commitments (projected sources have expressed written interest, but are not yet at commitment stage in their review), or
- organizational financials (see confidential financial analysis)

However, the principals have submitted personal financial statements which show liquid assets in excess of their anticipated equity contribution and significant net worth. Based on their personal financial statements, they appear able to meet their equity stake in the project.

I recommend any AHTIF approval be condition upon satisfactory review of the following prior to finalizing the TIF:

- 1) A current appraisal supporting the acquisition price of \$4.8 million;
- 2) A current market study supporting the projected rent structure including all mandatory fees and parking income;
- 3) Financing commitments for debt, equity, and equity like financing on terms and conditions acceptable to the City of Portland;
- 4) Personal financial statements from the principals of Presidium which, in combination with Presidium Group financials, demonstrate developer's financial capacity to support the project, current (within 60 days) of the finalization of the TIF agreement;
- 5) All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

Project Operating Pro Forma

Date: 2/15/2021 (REVISED)
 Project Name: 45 Brown St
 Project Address: 45 Brown St
 Developer/Sponsor: Presidium

Rental Income

Unit Type	Number of Units	Per Unit Sq Ft	Total Sq Ft	Restriction on % Median Inc.	Per Unit Monthly Gross Rent	Utility Deductions	Rent Subsidy	Per Unit Monthly Net Rent	Per Unit Net Rent Per Sq Ft	Total Monthly Net Income	Total Annual Net Rent
0 BR	38	420	15960	80%	\$1,168	\$89		\$1,079	2.57	\$41,002	\$492,024
0 BR	27	420	11340	100%	\$1,501	\$89		\$1,412	3.36	\$38,124	\$457,488
0 BR	33	420	13860	120%	\$1,801	\$89	*	\$1,666	3.97	\$54,978	\$659,736
1 BR	40	678	27120	80%	\$1,374	\$107		\$1,267	1.87	\$50,680	\$608,160
0 BR	18	420	7560	Market	\$1,666	\$0		\$1,666	3.97	\$29,988	\$359,856
1 BR	85	678	57630	Market	\$2,152	\$0		\$2,152	3.17	\$182,920	\$2,195,040
2 BR	34	1120	38080	Market	\$3,045	\$0		\$3,045	2.72	\$103,530	\$1,242,360
Total:	275		2E+05							\$501,222	\$6,014,664

*adjusted to reflect market rate equivalent

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

Note: Year 1 is the first full year of stabilized operations

	Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Sch. Gross Income - Resident	\$6,014,664	\$21,872	\$6,134,957	\$6,257,656	\$6,382,810	\$6,510,466	\$6,640,675	\$6,773,489	\$6,908,958	\$7,047,137	\$7,188,805
Vacancy Loss	6.0%	(\$360,880)	(\$1,312)	(\$368,097)	(\$375,459)	(\$382,969)	(\$390,628)	(\$398,441)	(\$406,409)	(\$414,537)	(\$422,828)
Hotel Parking Income (net fee)	\$199,920	\$727	\$203,918	\$207,997	\$212,157	\$216,400	\$220,728	\$225,142	\$229,645	\$234,238	\$238,923
Resident Parking Income (net)	\$536,520	\$1,951	\$547,250	\$558,195	\$569,359	\$580,747	\$592,361	\$604,209	\$616,293	\$628,619	\$641,191
Other income (view fee)	\$39,600	\$144	\$40,392	\$41,200	\$42,024	\$42,864	\$43,722	\$44,596	\$45,488	\$46,398	\$47,326
Misc Income	\$122,400	\$445	\$124,848	\$127,345	\$129,892	\$132,490	\$135,139	\$137,842	\$140,599	\$143,411	\$146,279
RUBS Income	\$90,420	\$329	\$92,228	\$94,073	\$95,954	\$97,874	\$99,831	\$101,828	\$103,864	\$105,941	\$108,060
TIF (inflated at 3%)	\$664,364	\$2,416	\$684,295	\$704,824	\$725,968	\$747,748	\$770,180	\$793,285	\$817,084	\$841,596	\$866,844
Credit Enhancement/TIF Bond	(\$551,225)	(\$2,004)	(\$567,762)	(\$584,795)	(\$602,338)	(\$620,409)	(\$639,021)	(\$658,191)	(\$677,937)	(\$698,275)	(\$719,224)
Effective Gross Income	\$6,755,783	\$24,566	\$6,892,030	\$7,031,036	\$7,172,857	\$7,317,551	\$7,465,175	\$7,615,790	\$7,769,457	\$7,926,237	\$8,086,195

Administrative											
Management Fee	\$175,360	\$638	\$180,621	\$186,039	\$191,621	\$197,369	\$203,290	\$209,389	\$215,671	\$222,141	\$228,805
Office Salary (property manage)	\$161,563	\$588	\$166,410	\$171,402	\$176,544	\$181,841	\$187,296	\$192,915	\$198,702	\$204,663	\$210,803
Marketing Expense	\$68,750	\$250	\$70,813	\$72,937	\$75,125	\$77,379	\$79,700	\$82,091	\$84,554	\$87,090	\$89,703
Legal	\$22,750	\$83	\$23,433	\$24,135	\$24,860	\$25,605	\$26,373	\$27,165	\$27,980	\$28,819	\$29,684
Audit & Accounting		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin "General"	\$59,750	\$217	\$61,543	\$63,389	\$65,290	\$67,249	\$69,267	\$71,345	\$73,485	\$75,690	\$77,960
Total Administrative	\$488,173	\$1,775	\$502,818	\$517,903	\$533,440	\$549,443	\$565,926	\$582,904	\$600,391	\$618,403	\$636,955

Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Utilities											
Fuel Oil		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Gas		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water / Sewer	\$139,000	\$505	\$143,170	\$147,465	\$151,889	\$156,446	\$161,139	\$165,973	\$170,952	\$176,081	\$181,363
Other -- Common Areas, Vacat	\$125,000	\$455	\$128,750	\$132,613	\$136,591	\$140,689	\$144,909	\$149,257	\$153,734	\$158,346	\$163,097
Total Utilities	\$264,000	\$960	\$271,920	\$280,078	\$288,480	\$297,134	\$306,048	\$315,230	\$324,687	\$334,427	\$344,460

Maintenance	Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Grounds	\$96,250	\$350	\$99,138	\$102,112	\$105,175	\$108,330	\$111,580	\$114,928	\$118,375	\$121,927	\$125,584
Janitorial		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$66,000	\$240	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Supplies		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$151,250	\$550	\$155,788	\$160,461	\$165,275	\$170,233	\$175,340	\$180,600	\$186,018	\$191,599	\$197,347
Maintenance Contracts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Maintenance Salary	\$161,563	\$588	\$166,410	\$171,402	\$176,544	\$181,841	\$187,296	\$192,915	\$198,702	\$204,663	\$210,803
Total Maintenance	\$475,063	\$1,728	\$489,315	\$503,994	\$519,114	\$534,688	\$550,728	\$567,250	\$584,268	\$601,796	\$619,849

Taxes & Insurance	\$3,342.80										
Real Estate Taxes or PILOT	\$919,271	\$3,343	\$946,849	\$975,255	\$1,004,512	\$1,034,648	\$1,065,687	\$1,097,658	\$1,130,587	\$1,164,505	\$1,199,440
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$92,125	\$335	\$94,889	\$97,735	\$100,667	\$103,687	\$106,798	\$110,002	\$113,302	\$116,701	\$120,202
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance	\$1,011,396	\$3,678	\$1,041,738	\$1,072,990	\$1,105,180	\$1,138,335	\$1,172,485	\$1,207,660	\$1,243,890	\$1,281,206	\$1,319,642

Replacement Reserves	\$82,500	\$300	\$84,975	\$87,524	\$90,150	\$92,854	\$95,640	\$98,509	\$101,465	\$104,509	\$107,644
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Expenses	\$2,321,132	\$8,440	\$2,390,766	\$2,462,489	\$2,536,364	\$2,612,455	\$2,690,828	\$2,771,553	\$2,854,700	\$2,940,341	\$3,028,551
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Net Operating Income	\$4,434,651	\$16,126	\$4,501,264	\$4,568,547	\$4,636,494	\$4,705,096	\$4,774,347	\$4,844,237	\$4,914,757	\$4,985,897	\$5,057,645
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Debt Service											
First Lien (including MIP)	\$3,796,681	\$13,806	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
Second Lien		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)	\$3,796,681	\$13,806	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681

Cash Flow (after Must Pay Debt)	\$637,970	\$2,320	\$704,583	\$771,866	\$839,813	\$908,415	\$977,666	\$1,047,556	\$1,118,076	\$1,189,216	\$1,260,964
Debt Service Coverage Ratio	1.17		1.19	1.20	1.22	1.24	1.26	1.28	1.29	1.31	1.33

Cash Flow Debt Payments											
City or County	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee Loan	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Retained by Project	\$637,970	\$2,320	\$704,583	\$771,866	\$839,813	\$908,415	\$977,666	\$1,047,556	\$1,118,076	\$1,189,216	\$1,260,964

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Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income										
Sch. Gross Income - Residential	\$7,331,842	\$7,478,479	\$7,628,048	\$7,780,609	\$7,936,221	\$8,094,946	\$8,256,845	\$8,421,982	\$8,590,421	\$8,762,230
Vacancy Loss	6.0% (\$439,911)	(\$448,709)	(\$457,683)	(\$466,837)	(\$476,173)	(\$485,697)	(\$495,411)	(\$505,319)	(\$515,425)	(\$525,734)
Hotel Parking Income (net fee)	\$243,701	\$248,575	\$253,547	\$258,618	\$263,790	\$269,066	\$274,447	\$279,936	\$285,535	\$291,246
Resident Parking Income (net)	\$654,015	\$667,095	\$680,437	\$694,046	\$707,927	\$722,085	\$736,527	\$751,258	\$766,283	\$781,608
Other Income (view fee)	\$48,272	\$49,238	\$50,222	\$51,227	\$52,251	\$53,296	\$54,362	\$55,450	\$56,559	\$57,690
Misc Income	\$149,205	\$152,189	\$155,233	\$158,337	\$161,504	\$164,734	\$168,029	\$171,390	\$174,817	\$178,314
RUBS Income	\$110,221	\$112,426	\$114,674	\$116,968	\$119,307	\$121,693	\$124,127	\$126,610	\$129,142	\$131,725
TIF (inflated at 3%)	\$892,850	\$919,635	\$947,224	\$975,641	\$1,004,910	\$1,035,057	\$1,066,109	\$1,098,092	\$1,131,035	\$1,164,966
Payment on Preferred Equity	(\$740,800)	(\$763,024)	(\$785,915)	(\$809,492)	(\$833,777)	(\$858,791)	(\$884,554)	(\$911,091)	(\$938,424)	(\$966,576)
Effective Gross Income	\$8,249,396	\$8,415,904	\$8,585,788	\$8,759,117	\$8,935,961	\$9,116,391	\$9,300,482	\$9,488,307	\$9,679,943	\$9,875,468

Administrative										
Management Fee	\$235,669	\$242,739	\$250,021	\$257,522	\$265,248	\$273,205	\$281,401	\$289,843	\$298,539	\$307,495
Office Salary (property management 3%)	\$217,127	\$223,641	\$230,350	\$237,261	\$244,379	\$251,710	\$259,261	\$267,039	\$275,050	\$283,302
Marketing Expense	\$92,394	\$95,166	\$98,021	\$100,962	\$103,991	\$107,110	\$110,324	\$113,633	\$117,042	\$120,554
Legal	\$30,574	\$31,491	\$32,436	\$33,409	\$34,411	\$35,444	\$36,507	\$37,602	\$38,730	\$39,892
Audit & Accounting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin "General"	\$80,299	\$82,708	\$85,189	\$87,745	\$90,377	\$93,089	\$95,881	\$98,758	\$101,720	\$104,772
Total Administrative	\$656,064	\$675,746	\$696,018	\$716,899	\$738,405	\$760,558	\$783,374	\$806,876	\$831,082	\$856,014

Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Utilities										
Fuel Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water / Sewer	\$186,804	\$192,409	\$198,181	\$204,126	\$210,250	\$216,557	\$223,054	\$229,746	\$236,638	\$243,737
Other	\$167,990	\$173,029	\$178,220	\$183,567	\$189,074	\$194,746	\$200,588	\$206,606	\$212,804	\$219,188
Total Utilities	\$354,794	\$365,438	\$376,401	\$387,693	\$399,324	\$411,303	\$423,642	\$436,352	\$449,442	\$462,926

Maintenance	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Grounds	\$129,352	\$133,233	\$137,229	\$141,346	\$145,587	\$149,954	\$154,453	\$159,087	\$163,859	\$168,775
Janitorial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831	\$102,826	\$105,911	\$109,088	\$112,361	\$115,731
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$203,267	\$209,365	\$215,646	\$222,116	\$228,779	\$235,643	\$242,712	\$249,993	\$257,493	\$265,218
Maintenance Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Maintenance Salary	\$217,127	\$223,641	\$230,350	\$237,261	\$244,379	\$251,710	\$259,261	\$267,039	\$275,050	\$283,302
Total Maintenance	\$638,445	\$657,598	\$677,326	\$697,646	\$718,575	\$740,133	\$762,337	\$785,207	\$808,763	\$833,026

Taxes & Insurance										
Real Estate Taxes or PILOT	\$1,235,423	\$1,272,486	\$1,310,661	\$1,349,980	\$1,390,480	\$1,432,194	\$1,475,160	\$1,519,415	\$1,564,997	\$1,611,947
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$123,808	\$127,523	\$131,348	\$135,289	\$139,347	\$143,528	\$147,834	\$152,269	\$156,837	\$161,542
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance	\$1,359,232	\$1,400,009	\$1,442,009	\$1,485,269	\$1,529,827	\$1,575,722	\$1,622,994	\$1,671,683	\$1,721,834	\$1,773,489

Replacement Reserves	\$110,873	\$114,199	\$117,625	\$121,154	\$124,789	\$128,532	\$132,388	\$136,360	\$140,451	\$144,664
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Expenses	\$3,119,407	\$3,212,990	\$3,309,379	\$3,408,661	\$3,510,920	\$3,616,248	\$3,724,735	\$3,836,478	\$3,951,572	\$4,070,119
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Net Operating Income	\$5,129,988	\$5,202,914	\$5,276,409	\$5,350,456	\$5,425,040	\$5,500,143	\$5,575,746	\$5,651,829	\$5,728,371	\$5,805,349
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Debt Service										
First Lien	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
Second Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681

Cash Flow (after Must Pay Debt)	\$1,333,307	\$1,406,233	\$1,479,728	\$1,553,775	\$1,628,359	\$1,703,462	\$1,779,065	\$1,855,148	\$1,931,690	\$2,008,668
Debt Service Coverage Ratio	1.35	1.37	1.39	1.41	1.43	1.45	1.47	1.49	1.51	1.53

Cash Flow Debt Payments										
City or County	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee Loan	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Retained by Project	\$1,333,307	\$1,406,233	\$1,479,728	\$1,553,775	\$1,628,359	\$1,703,462	\$1,779,065	\$1,855,148	\$1,931,690	\$2,008,668

Development Budget with Permanent Sources

Date Updated 2/15/2021 MPD Reviewed 2/19/2021 AB
 Project Name 45 Brown St
 Project Address _____
 Developer/Sponsor Presidium

Total Units 275
 Total Square Feet 318,780, of which 217,030 is residential
 and 101,750 is parking

Sources of Funds	
Permanent Financing - HUD 1st Lien	
Permanent Financing - City of Portland	
Credit Enhancemen/TIF Proceeds	
Common Equity	
Other	
Other	
Total Sources of Funds	

Excess Sources:

February 2021 Values		
Total	Per Unit	Per Sq Ft
\$73,500,000	\$267,273	\$231
	\$0	\$0
\$6,428,741	\$23,377	\$20
\$11,089,739	\$40,326	\$35
	\$0	\$0
	\$0	\$0
\$91,018,480	\$330,976	\$286

(\$4)

Change Commitment to Final	
\$ -	0%
\$ (768,424)	-11%
\$ 768,424	7%
\$ -	0%

Total Change Initial to Final	
\$73,500,000	#DIV/0!
\$7,197,165	#DIV/0!
\$10,321,315	#DIV/0!
\$91,018,480	#DIV/0!

Uses of Funds

Hard Costs	
Site Improvements	
Rehabilitation	
New Construction	
Contractor's Profit, Overhead, & Gen. Requirements	8.5%
Hazardous Materials abatement (if contracted separately)	
Demolition Cost (as shown on S&U)	
Bond Premium	
Other "WRC Insurance Package"	
Hard Cost Contingency (% of hard costs)	8.8%
Total Hard Costs	

\$1,826,500	\$6,642	\$6
	\$0	\$0
\$53,028,758	\$192,832	\$166
\$4,589,963	\$16,691	\$14
	\$0	\$0
	\$0	\$0
\$299,524	\$1,089	\$1
\$389,525	\$1,416	\$1
\$5,264,162	\$19,142	\$17
\$65,398,432	\$237,812	\$205

\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%

\$1,826,500	#DIV/0!
(\$10,424,183)	-16%
\$3,320,904	262%
\$299,524	#DIV/0!
\$389,525	#DIV/0!
\$4,734,056	893%
\$146,326	0%

Soft Costs	
Building Permit & Fees	
Survey & Engineering	
Design & Permitting (% of const exp)	2.2%
Borrower Legal (all closings, excluding syndication legal)	
Title & Recording	
Accounting	
Construction Period Taxes	
Construction Period Insurance	
Other: FF&E, Security	
Other	
Total Soft Costs	

\$1,149,675	\$4,181	\$4
	\$0	\$0
\$2,312,000	\$8,407	\$7
	\$0	\$0
	\$0	\$0
	\$0	\$0
\$803,064	\$2,920	\$3
	\$0	\$0
\$860,000	\$3,127	\$3
	\$0	\$0
\$5,124,739	\$18,635	\$16

\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%
\$ -	0%

(\$316,992)	-22%
\$912,000	65%
\$52,098	7%
\$0	0%
\$647,106	14%

Financing Costs

Construction Loan Origination Fees		\$0	\$0				
Construction Period Interest	\$2,781,270	\$10,114	\$9	\$ -	0%	\$959,355	53%
Lender Inspection Fees		\$0	\$0				
Letter of Credit Fee		\$0	\$0				
Permanent Loan Fee -- HUD Related Financing Fees	\$2,475,500	\$9,002	\$8	\$ -	0%	\$209,255	9%
"Equity placement fee" to developer	\$270,277	\$983	\$1	\$ -	0%	\$270,277	#DIV/0!
Other -- Misc. Closing Costs	\$878,020	\$3,193	\$3	\$ -	0%	\$0	0%
Total Financing Costs	\$6,405,067	\$23,291	\$20	\$ -	0%	\$1,438,887	29%

Miscellaneous

Market Survey		\$0	\$0				
Appraisal		\$0	\$0				
Environmental Study		\$0	\$0				
LIHTC Fees		\$0	\$0				
Other: Commissioning		\$0	\$0				
Relocation Costs		\$0	\$0				
Other		\$0	\$0				
Soft Cost Contingency (% of soft costs excl Dev Fee)	1.87%	\$311,983	\$1,134	\$ -	0%	\$54,469	21%
Total Miscellaneous:		\$311,983	\$1,134	\$ -	0%	(\$59,383)	-16%

Acquisition

Acquisition: Buildings		\$0	\$0				
Acquisition: Land	\$4,800,000	\$17,455	\$15	\$ -	0%	\$0	0%
Acquisition: Legal		\$0	\$0				
Other		\$0	\$0				
Total Acquisition	\$4,800,000	\$17,455	\$15	\$ -	0%	\$0	0%

Reserves and Developer Fee

Operating Deficit Escrow	\$3,363,518	\$12,231	\$11	\$ -	0%	\$456,136	16%
Prefunded Replacement Reserve		\$0	\$0				
Taxes & Insurance Escrow		\$0	\$0				
Developer Overhead		\$0	\$0				
Developer Profit	\$2,674,737	\$9,726	\$8	\$ -	0%	\$9,713	0%
Rent Up Reserve & Marketing	\$1,470,000	\$5,345	\$5	\$ -	0%	\$96,518	7%
Other "Working Capital -- Contingency"	\$1,470,000	\$5,345	\$5	\$ -	0%	\$96,518	7%
Total Reserves and Developer Fee	\$8,978,255	\$32,648	\$28	\$ -	0%	\$658,885	8%

Total Uses of Funds

\$91,018,476	\$330,976	\$306	\$ -	0%	\$2,831,821	3%
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Developer Fee Analysis:
(excluding reserves & developer fee)

Total Fees: \$2,674,737
Percent of TDC: 3.26%



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

TO:	Councilor Spencer Thibodeau, Chair Members of the Housing and Economic Development Committee
FROM:	Mary Davis, Division Director Housing and Community Development Division
DATE:	February 26, 2021
SUBJECT:	COMMUNICATION ITEM: Revisions to HomePort Program Guidelines

I. BACKGROUND

When the City began receiving HUD HOME Program funding in 1992, one of the programs offered was a first-time home buyer program called the HomePort Program. The program provided down payment, closing costs and repair assistance for eligible households purchasing a single family home or condominium unit in the City of Portland. The HomePort Program was extended throughout Cumberland County when the Cumberland County HOME Consortium was created in 2009. In FY 2015, the program was discontinued for several reasons, including a continued reduction of HOME funding received each year. In addition, the rising home costs throughout Portland and Cumberland County combined with HOME Program regulations on allowable purchase price made it difficult for applicants to find housing that fit the program parameters. Lastly, the City expanded programming to include Tenant Based Rental Assistance and chose to focus more funding on the construction of new affordable housing. The HomePort Program had a repayment structure which included repayment of the original investment made by the City plus a share of any net equity in the property at the time of sale. These terms were in place until the borrower sold the home or no longer occupied the property as their primary residence.

In 2019 the City was contacted by a family who purchased a home in Portland in 1998 through the HomePort Program. As an elderly, disabled couple living on a fixed income, they were hoping to sell their home and purchase another more accessible home in Portland. The family was seeking a waiver of the recapture provisions so that they could afford to purchase a new home in Portland.

HCD staff sought guidance from the HUD field office to determine whether the City would be able to provide the waiver. After a review of the HomePort Program information, the field office sought guidance from HUD headquarters in Washington D.C. Even though the HOME program has been monitored by HUD field office staff many times since 1992, HUD headquarters determined that the City's HomePort program guidelines were not in compliance with HOME regulations.

“The City of Portland’s recapture provision is not compliant with the HOME requirements at 24 CFR 92.254(a) (5)(ii). Specifically, it did not establish a HOME period of affordability (POA) and it included noncompliance with principal residency as a trigger of the recapture provisions. The City must correct them and submit revised provisions to the HUD field office for review and approval. This will give them an opportunity to address the “shared appreciation” question they originally posed.”

The City was required to present amended program guidelines for HUD review and approval. HCD staff had many conversations with HUD staff and responded several times with additional revisions as requested by HUD. The pandemic slowed things down and distracted HUD for a while but staff recently received approval from HUD to move forward with revised program guidelines.

The original shared appreciation provisions were such that in the event the borrower sold their property, no longer used the property as their primary residence, refinanced the loan, or wanted to prepay the note in full, they had to repay the principal amount of the City loan plus a percentage of the net gain/equity in the property, regardless of how long they lived in the property as their primary residence. This was one of the areas of non-compliance with HUD regulations. HOME regulations set a minimum 10 year affordability period when the HOME investment is between \$15,000 and \$40,000. A HOME entitlement jurisdiction can impose a longer affordability period but must document the longer time frame in its agreement with the borrower. This was the other area of non-compliance with HOME regulations.

The modified loan terms would be:

1. If the home is sold or transferred after the affordability period which is ten (10) years from the date of the mortgage, the homeowner will pay the original amount borrowed from the City only.
2. If the home is sold or transferred within the affordability period, and the proceeds from sale cover the original loan amount as well as homeowners equity, the homeowner will pay the City the original loan amount plus a share of the net gain, with no more than 30% of the net gain to the City.
3. If the home is sold or transferred within the affordability period, and the proceeds from the sale do not cover the amount of the original loan amount, the city receives a prorated share of the net proceeds as payment in full.
4. If the homeowner retains ownership and continues to reside in the property for 30 years, the City loan would be forgiven.

HUD approved these changes retroactive to May 1, 2019.

II. FINANCIAL IMPACT

The HomePort portfolio contains 65 City of Portland loans. The total principal amount receivable on all City of Portland HomePort loans is \$1,775,357. Since May 1, 2019, nine HomePort loans have been paid off. The total principal repaid on those loans was \$247,433

with an additional \$113,912 as the City's portion of the shared appreciation. Under the revised program terms, the shared appreciation will be returned to these nine HomePort borrowers. Notices of the program provisions along with a loan modification agreement will be mailed to all HomePort borrowers with active loans in the city's portfolio.

When a HOME loan is repaid, the repayment is considered program income and is required to be used in accordance with all HOME program regulations. Program income is incorporated in the housing program budget each year.

III. STAFF ANALYSIS

HCD Staff has been working with HUD since 2019 to create guidelines that will meet the HUD requirements and remain beneficial to the City's HOME Program, as well as the low income home owners the program serves. The balance between HUD, the City, and Homeport recipients proved to be difficult and involved multiple revisions.

HCD Staff presented many options to HUD staff and the guidelines referenced above were the only option that received the HUD stamp of approval. Overall these guidelines create a balance between federal and local interests. The City will continue to receive back the initial HomePort investment when a homeowner sells their home. In addition, if a homeowner chooses to sell their home in a "hot" market within ten years after purchasing, the City will benefit from that market increase as well. For homeowners who have made the home their long term residence, they will repay the original investment provided by the City of Portland and will receive the benefit of their long term commitment to their home.

IV. COMMITTEE ACTION REQUIRED

This is presented as a communication item to the Housing and Economic Development Committee. The Committee may decide to take public comment. The City Manager has been updated on these discussions with HUD as they have occurred and is in support of the changes to the program guidelines. The revised guidelines will be included as part of the 2021-2022 Annual Action Plan that will be reviewed by the City Council in April and submitted to HUD in May.



CITY OF PORTLAND
Housing and Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: Housing and Economic Development Committee

From: Greg Mitchell

Date: February 24, 2021

**Subject: Housing and Economic Development Committee
2021 Work Plan – Quarterly Check-in**

The Housing and Economic Development Committee 2021 Work Plan is being presented at the end of the first quarter for review and discussion.

Changes to this year's Work Plan are noted in an underline format along with progress related to completed or active items.

Future Work Plan check-ins will occur in June, September and November.



CITY OF PORTLAND
Housing and Economic Development Department
Gregory A. Mitchell, Director

2021 Housing and Economic Development Committee Work Plan
As Approved at the January 19, 2021, Committee Meeting

Below is the Housing and Economic Development Committee (HEDC) Work Plan for Calendar Year 2021 as approved at the January 19, 2021, HEDC meeting, with the caveat that it may evolve throughout the year based on issues arising. Marked revisions are updates/additions post the January 19, 2021, HEDC meeting.

Economic Development Policy

- City/School-wide approach to procurement that focuses on locally owned businesses (Phoenix, AZ as example).
- Explore Neighborhood Identity/Branding
- Explore Post-Pandemic Business Retention programs and approaches including outdoor dining and retail. HEDC reviewed and provided staff direction at their 1/5/2021 and 2/16/2021 meetings.
- Continue Tax Increment Financing (TIF) investment in workforce training
- Explore TIF investment options to increase TIF annual support to Creative Portland and to support performing art centers and the arts eco-system which makes Portland unique as a destination for visitors and local residents. A presentation on this item will occur at the March 2nd HEDC meeting.

Rent Control Referenda

- Presentation, Overview, and Discussion with the Rental Housing Advisory Committee (RHAC) for Committee input and Committee Direction to the RHAC.

Affordable Housing Policy and Budgets

- Housing Program Budget/Completed at 2/2/2021 HEDC Meeting and forwarded to City Council for approval.
- 2021 Housing Trust Fund Annual Plan/Completed at 2/2/2021 HEDC Meeting and

forwarded to City Council for approval.

- Affordable Housing TIF CEA and Affordable Housing Development Fund Applications for City Housing Trust and HOME Funds - with a focus on developing housing for households between 60% and 100% of the area median income/Completed at 2/2/2021 HEDC Meeting and forwarded to City Council for approval.
- Encourage developers seeking assistance through the City's Affordable Housing Development and/or TIF Programs to participate in the Section 8 Family Self Sufficiency Program/Completed at 2/2/2021 HEDC meeting, included in Affordable Housing Development Application and Housing Trust Fund Annual Plan.
- Encourage housing development that supports the Comprehensive Plan goal for development along major thoroughfares off peninsula/Completed at 2/2/2021 HEDC meeting, included in Affordable Housing Development Application and Housing Trust Fund Annual Plan.
- Review and Discussion of Possible City TIF Policy Amendments consistent with the Green New Deal Referendum and Other Staff Recommendations/Completed at 1/19/2021 HEDC meeting and forwarded to City Council for approval.
- Evaluate the use of the American Community Survey Portland Family Median Income vs. the HUD Portland Metro Area Median Income as the income metric for city funding resources.
- Communication: HomePort Program Guidelines Amendment Update to be presented at 3/2/2021 HEDC meeting.

Affordable Housing Public-Private Partnerships

- 45 Brown Street Affordable Housing Tax Increment Financing (TIF) Credit Enhancement Agreement (CEA) Request/Review and tabled at 1/19/2021 meeting; being taken up at 3/2/2021 HEDC meeting.
- Other Affordable Housing TIF CEA Requests
- ~~Possible City TIF Policy Amendments consistent with the Green New Deal Referendum and Other Staff Recommendations~~
- Review and Vote to Approve Funding Requests Received from the Affordable Housing Development Fund Applications for City Housing Trust and HOME Funds
- Review city surplus property to sell/lease to support affordable housing.
- Possible amendment to 377 Cumberland Avenue Affordable Housing TIF District to include a new authorized project cost for child care.

Real Estate Transactions

- 21 Randall Street Purchase & Sale (P&S) Agreement
- 43/91 Douglass Street P&S Agreement
- Proposal Review and Developer Selection for the City-owned 622 Auburn Street and 0 Gray Road Property followed by P&S Agreement
- Portland Technology Park Sale of Condo Lots/Executive session with the HEDC on 3/2/2021 to review interest in purchase lots 6 and 7.

Annual Reports and Actions

- Presentation of 2021 Housing Report
- Communication Item - FY21 HUD Annual Allocation Plan
- City TIF District Annual Activity Report
- Committee Annual Accomplishment Report
- Presentation, Annual Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report
- Portland Downtown Annual Budget, Work Plan and City Agreement
- Communication Item: Community Development Week – April 5-9, 2021/Fair Housing Month