CITY COUNCIL WORKSHOP

MEETING TO BE HELD REMOTELY

April 26, 2021

4:00 PM

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AGENDA ITEMS:

45 Brown Street Proposal

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

TO: Kate Snyder, Mayor and Members of the City Council

FROM: Mary P. Davis, HCD Division Director

DATE: April 23, 2021

SUBJECT: 45 Brown Street Affordable Housing Tax Increment Financing Request

I. SUMMARY

The City of Portland's Division of Housing and Community Development received an Affordable Housing Tax Increment Financing (AHTIF) application from Presidium for a project located at 45 Brown Street. The Housing Committee reviewed the initial project proposal at its June 10, 2020 meeting. While the Housing Committee did not take formal action on the request, the members did indicate support for the development of affordable rental housing in the downtown area.

The Housing and Economic Development Committee (HEDC) reviewed the proposal at their January 19, 2021 meeting. Based on the direction received at the January 19th meeting of the 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. A revised project proposal was presented to the HEDC, in executive session at their February 2, 2021 meeting. Staff had additional discussions with the development team and a revised project proposal was presented to the HEDC during the March 2, 2021 committee meeting. The HEDC took public comment on this request at their January 19 and March 2 meetings. The HEDC voted 3-1 (Zarro no) to forward the item to the City Council for consideration.

Subsequent to the March 2, 2021 HEDC, the development team presented a revised project proposal. The revisions are presented in italics throughout this memo. The numbers reflected in this memo reflect the current development proposal.

II. BACKGROUND

The Presidium Real Estate development team proposal will result in *282* 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. *The development team has committed to provide an 8' x 12' shell which would be accessed directly from the street. The shell will have plumbing and power. The City would be responsible for the completion of the interior finish work, fit up and hardware. The City would be responsible for the maintenance, cleaning, security within the bathroom and along the immediate street area facing the bathroom. Staff is working with corporation counsel to determine the best approach to finalize the public restroom arrangement.*

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		June 2020	Nov. 2020	Feb. 2021	Mar 31, 2021
Studio (116)	80% area median income (deed restricted)	0	38	38	*40*
	100% area median income (deed restricted)	103	0	27	27
	120% area median income (deed restricted)	0	13	33	33
	Market Rate	0	65	18	*16*
One-bedroom (*126*)	80% area median income (deed restricted)	0	40	40	*41*
	100% area median income (deed restricted)	11	0	0	0
	120% area median income (deed restricted)	0	0	0	0
	Market Rate	103	85	85	85
Two-bedroom (*40*)	80% area median income (deed restricted)	0	0	0	0
	100% area median income (deed restricted)	7	0	0	0
	120% area median income (deed restricted)	0	0	0	0
	Market Rate	54	34	34	*40*
Total	80% area median income (deed restricted)	0	78	78	*81*
	100% area median income (deed restricted)	121	0	27	27
Total	120% area median income (deed restricted)	0	13	33	33
Total	Market Rate	157	184	137	*141*
Total Units		278	275	275	*282*

Following the March HEDC meeting, the development team provided two documents as additional information. These are included for information purposes (FAQ's 45 Brown Street TIF Application and TIF vs. No TIF Analysis).

III. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The project will create *282* 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 *$54,500,000*, which would yield an estimated *$866,550* in annual assessed property tax revenue using an estimated mill rate (post revaluation). It is noted that the future city mill rate will be determined this Spring associated with the city property revaluation process. For the property tax revenue projections, city staff used *$15.90*/$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 *$54,500,000* or *$1,526,000,000* over the 30 year term of the district.

	Original Assessed Value	Increased Assessed Value	Captured Valuation (Increased Assessed Value x 75%)
March	$1,910,500	$52,500,000	$39,375,000
Revised (April)	$0	$54,500,000	$40,875,000

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 *$849,617 or $25,488,500* over the 30 year term of the district.

The remaining 25% is non-captured general fund revenue with an estimated annual average amount of *$283,206 or $8,496,167* 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
March				
30 Year TIF Total	$24,553,142	$0	$8,184,381	$0
30 Year Average	$818,438	$0	$272,813	$0
Revised (April)				
30 Year TIF Total	$25,488,500	$0	$8,496,167	$0
30 Year Average	$849,617	$0	$283,206	$0

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 *$342,954, or $10,288,633* 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)
March					
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
Revised (April)					
30 Year TIF Total	$1,144,500,000	$8,799,570	$857,685	$631,378	$10,288,633
30 Year Average	$38,150,000	$293,319	$28,589	$21,046	$342,954

V. **STAFF ANALYSIS**

The project will provide *282* units of rental housing. As outlined above in the Unit Affordability Matrix, *141* units or 50% of the total number of units, will be affordable deed restricted units. *Eighty-one or 29%* 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.

To address the concern with the rent associated with the market rate two-bedroom units, the developer decreased the size of the units from 1,120 square feet to 950 square feet. This allowed the developer to reduce the rent on the two-bedroom units from $3,045 to $2,604. In addition, the developer was able to increase the total number of units to 282, an increase of seven units. The Unit Affordability Matrix shown above outlines the changes in the types of units in the development.

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 City Council.

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 *81* 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:

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 approval from the City Council 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
6. Staff Memo re: Downtown Transit Oriented Development TIF District Amendment
7. Developer Provided Materials (FAQ's and TIF vs. No TIF Analysis)


Portland, Maine
amec
45 BROWN ST
275 UNITS | 256 PARKING STALLS | 9-STORY
PRESIDIUM

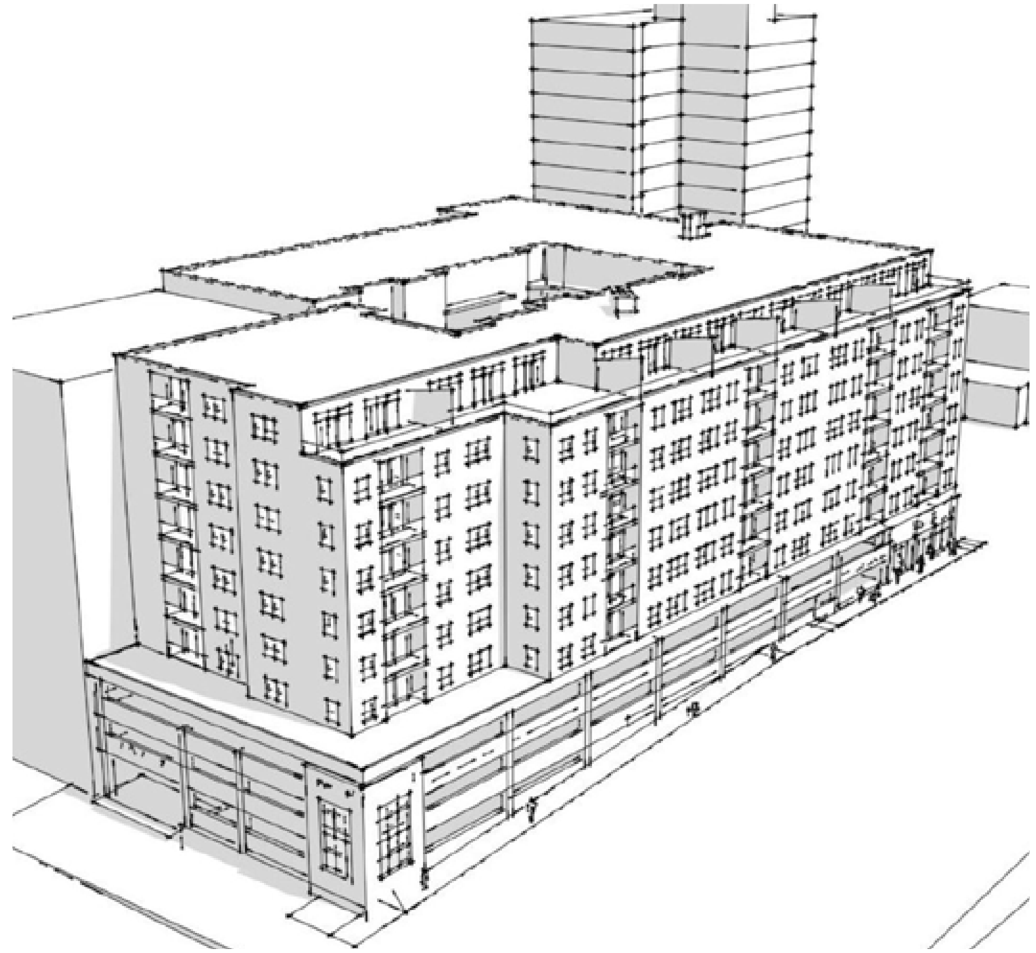
EXECUTIVE SUMMARY

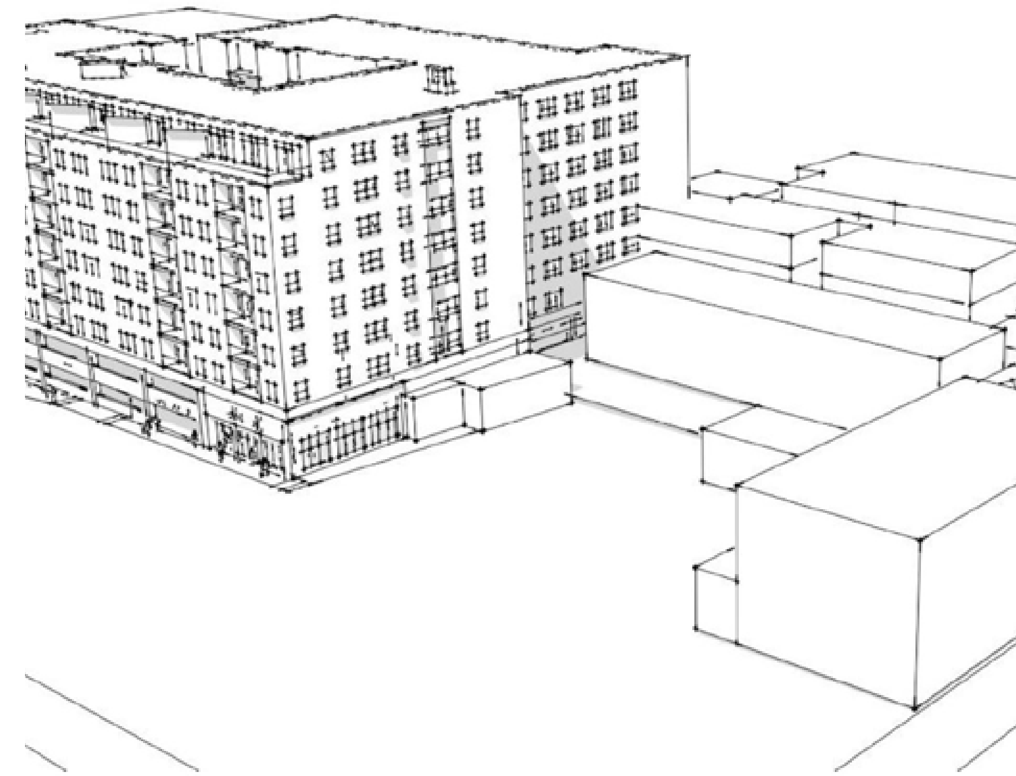
PROJECT SUMMARY

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.

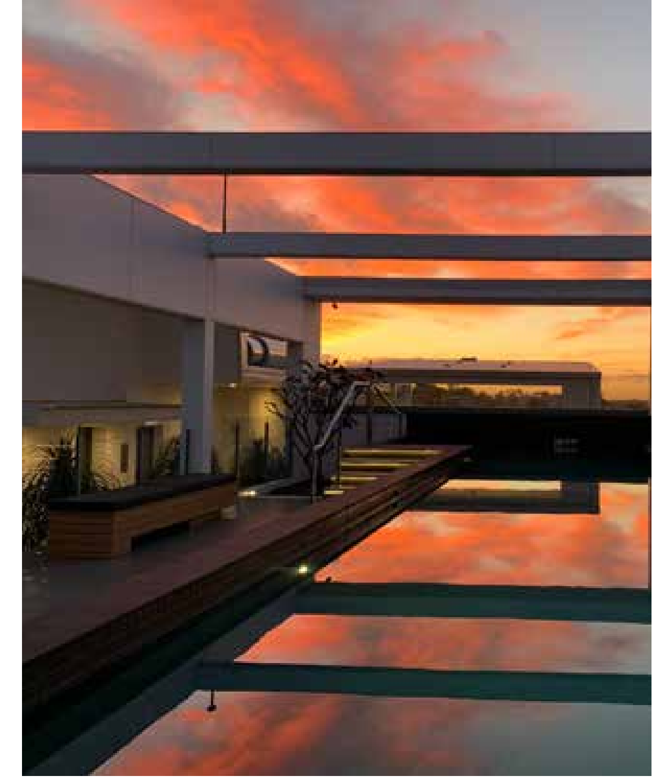
The design of the apartments would deliver 116 studios, 125-1 bedroom units and 34-2 bedroom units. The anticipated amenities delivered to the residents would include a large outdoor terrace located in an atrium setting above the parking garage. This would produce outdoor seating, outdoor game space, 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.

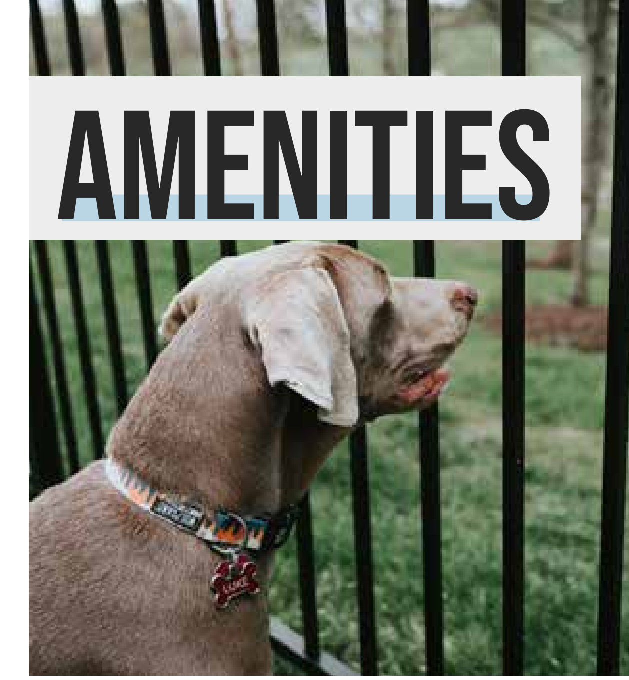
The parking garage located at 45 Brown Street, also referred to as the "Monument Square Garage" was part of the 477 Congress Street parcel that went into foreclosure in 2016. The parking garage, after several years of neglect is in disrepair. The goal of redeveloping the parcel into a new parking garage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





AMENITIES





PROJECT SUMMARY

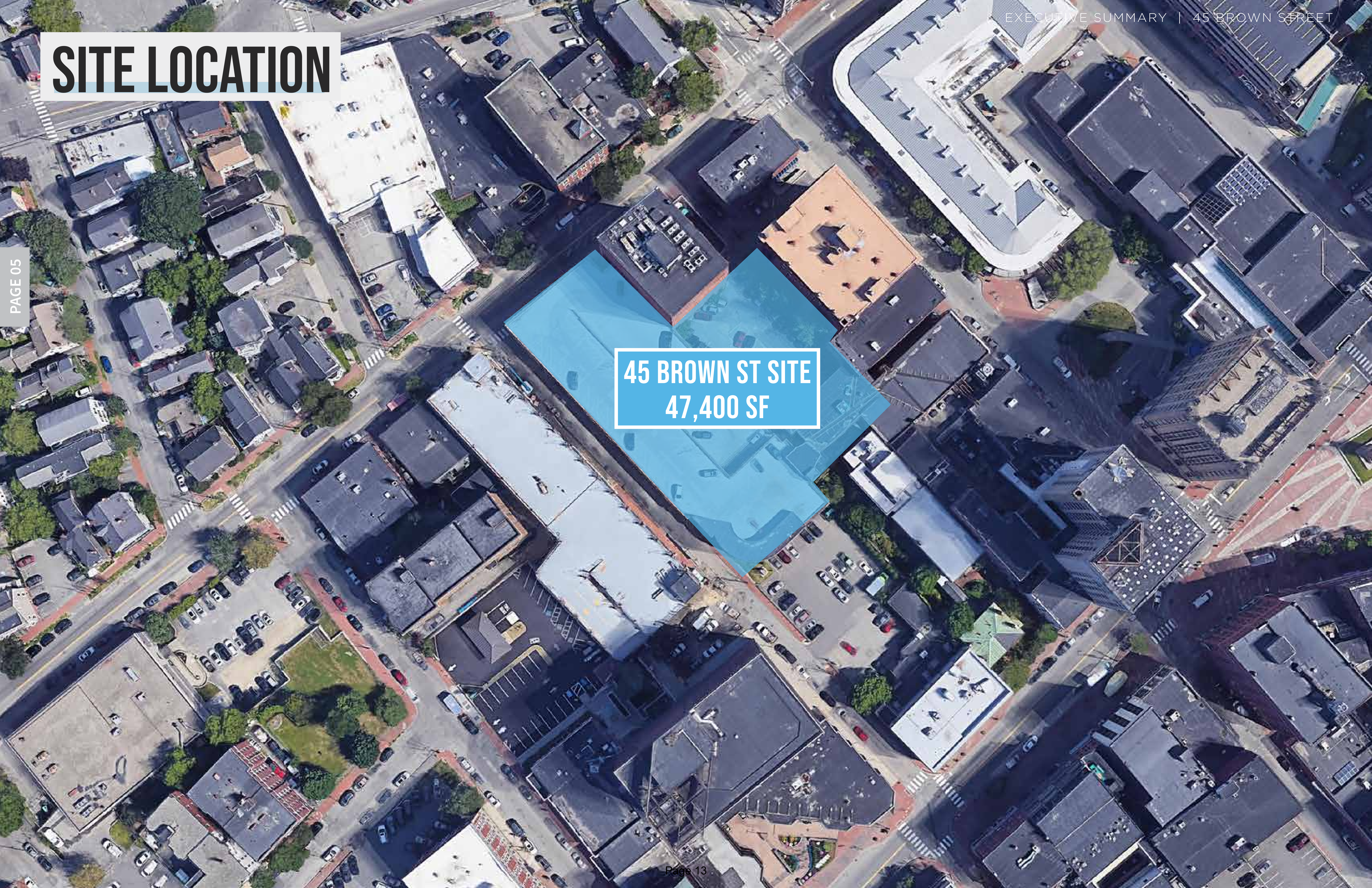
According to a market study completed by Collier's International in April, 2019 there is a tremendous need for new rental housing supply in the Portland market. Based on the analysis at the time of the report, there were 3,893 existing multi family rental units in the immediate market that would be comparable 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.

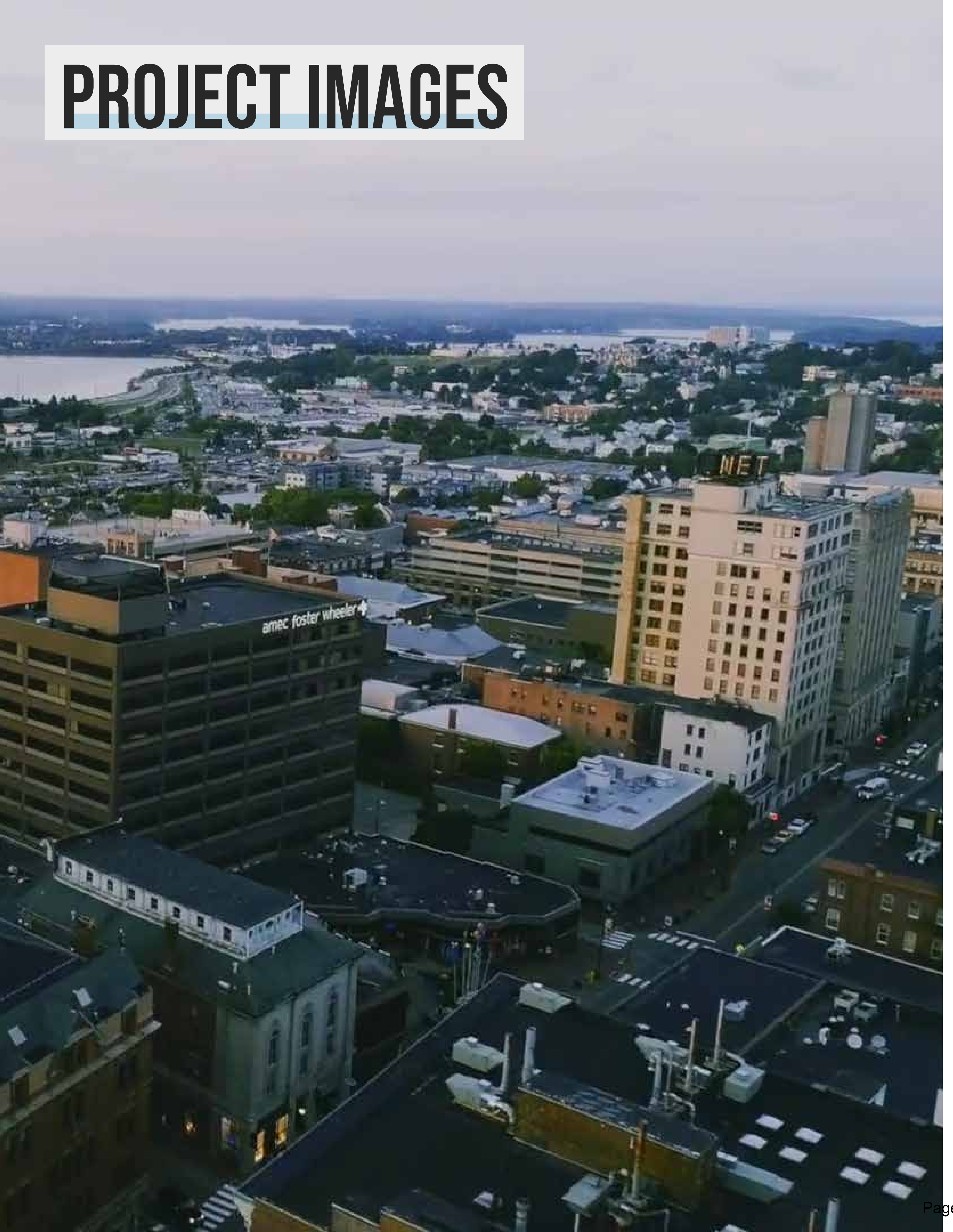
The 45 Brown Street parking garage was part of a parcel that had been deteriorating for several years and left in disrepair. The redevelopment of the subject property will revitalize and invigorate a part of downtown Portland that has witnessed years of neglect and provide rental housing product that 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



PROJECT IMAGES



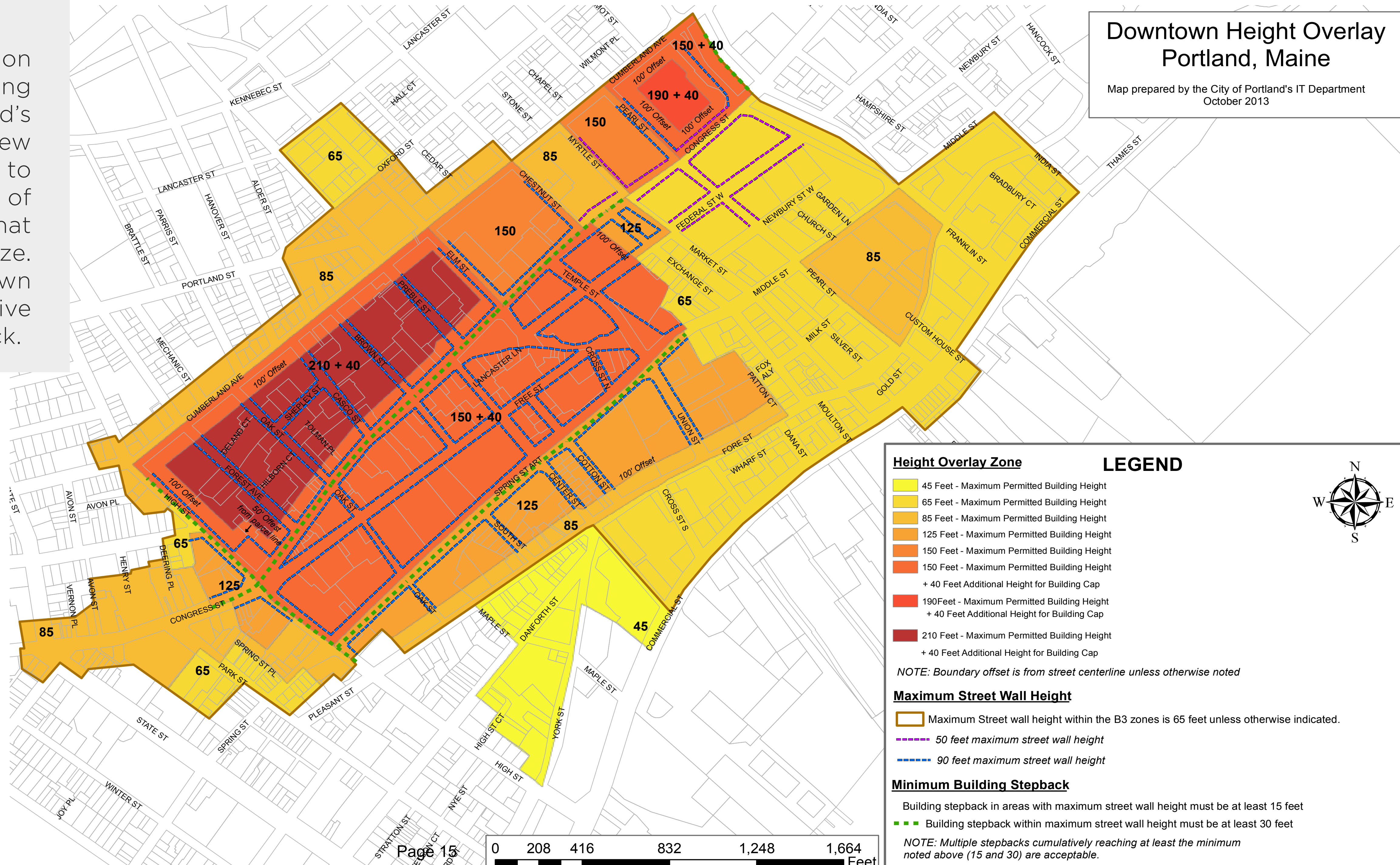
PROJECT SUMMARY

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.

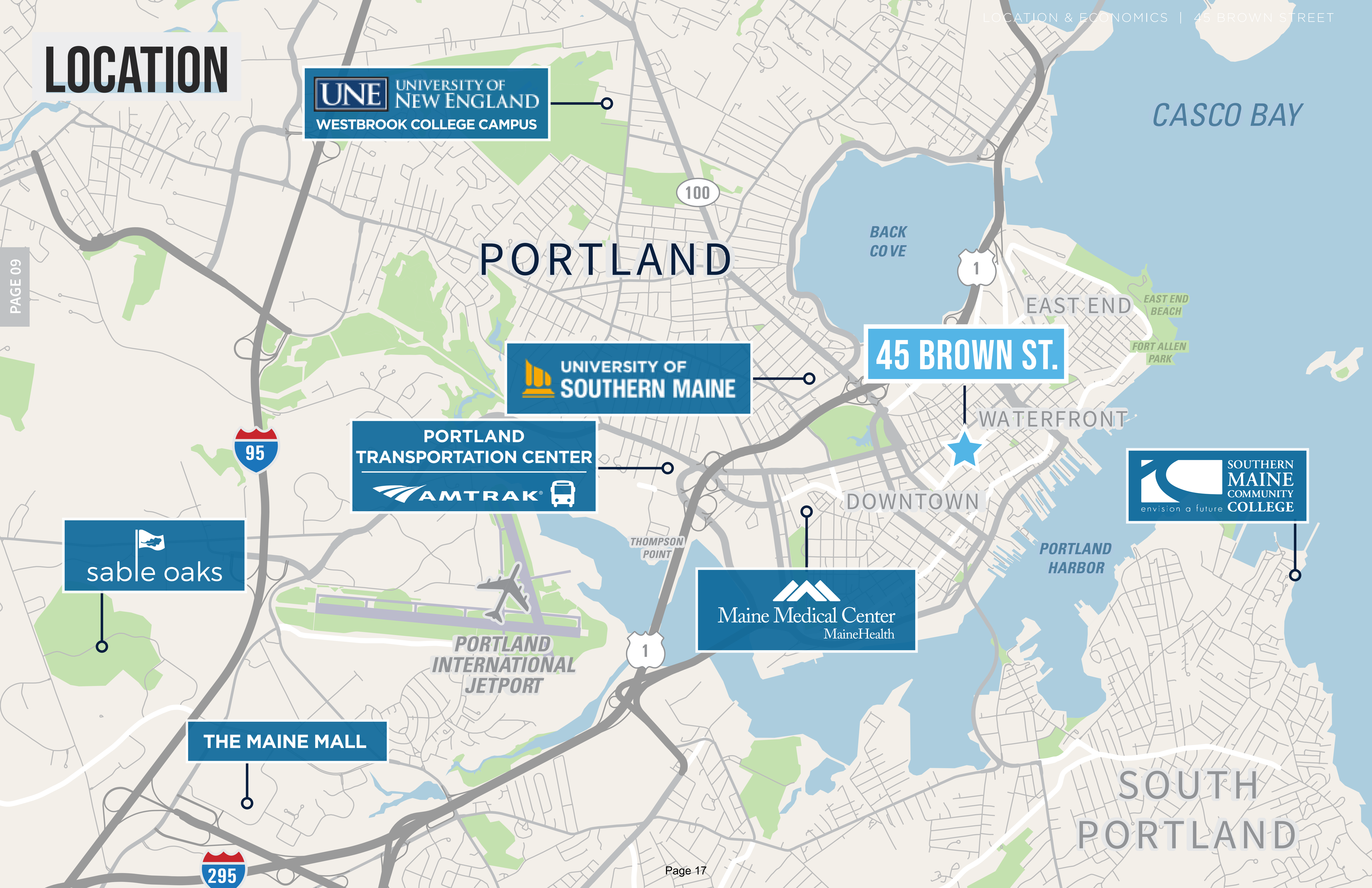
PROJECT CATALYST #2

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
100
PORTLAND
BACK COVE
CASCO BAY
1
EAST END
EAST END BEACH
FORT ALLEN PARK
45 BROWN ST.
UNIVERSITY OF SOUTHERN MAINE
WATERFRONT
PORTLAND TRANSPORTATION CENTER
AMTRAK
95
DOWNTOWN
SOUTHERN MAINE COMMUNITY COLLEGE
envision a future
sable oaks
THOMPSON POINT
PORTLAND HARBOR
Maine Medical Center
MaineHealth
PORTLAND INTERNATIONAL JETPORT
1
THE MAINE MALL
SOUTH PORTLAND
295

STRATEGIC LOCATION

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.

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

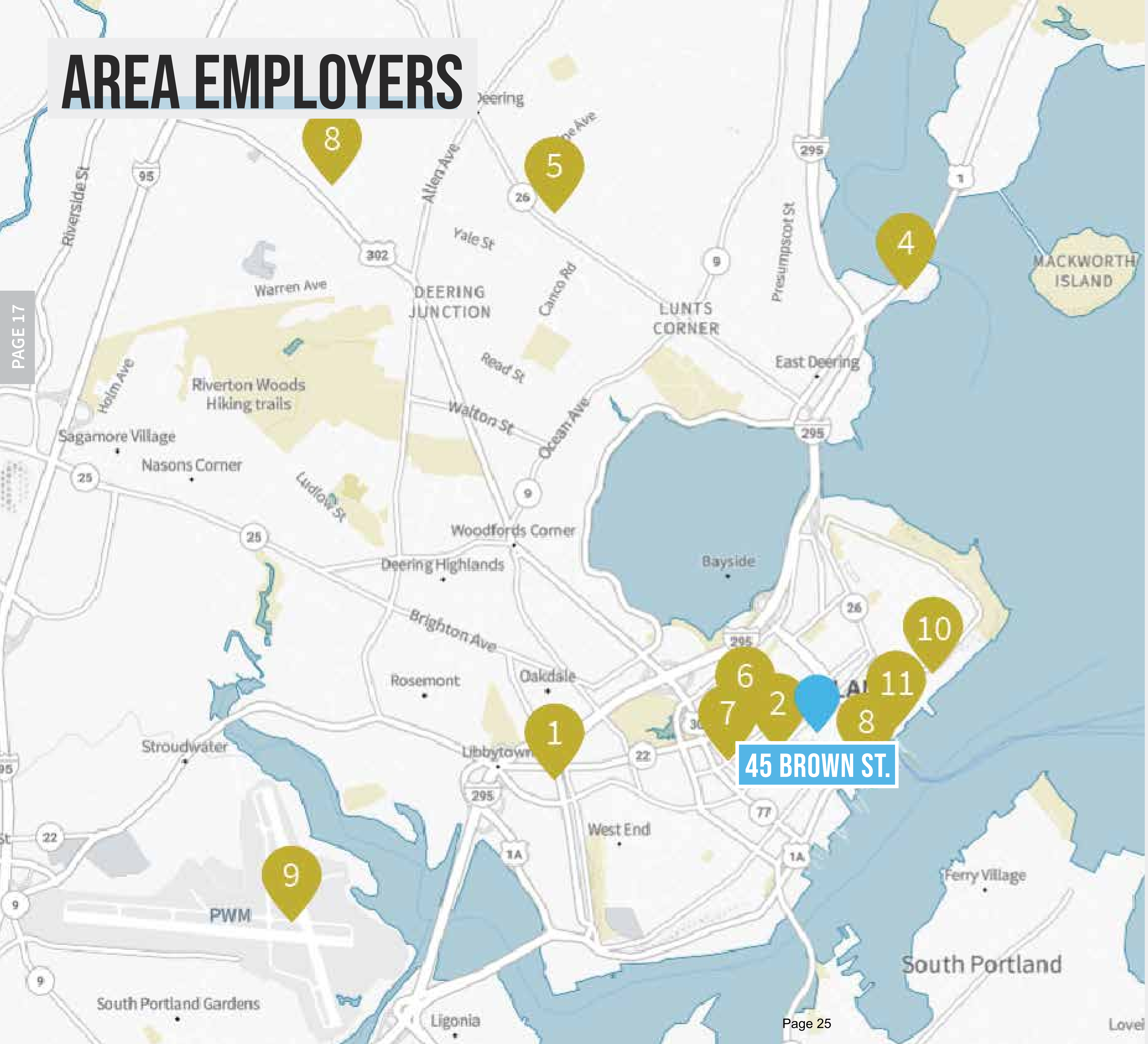
BAYSIDE: PORTLAND'S "NEIGHBORHOOD OF THE FUTURE"

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

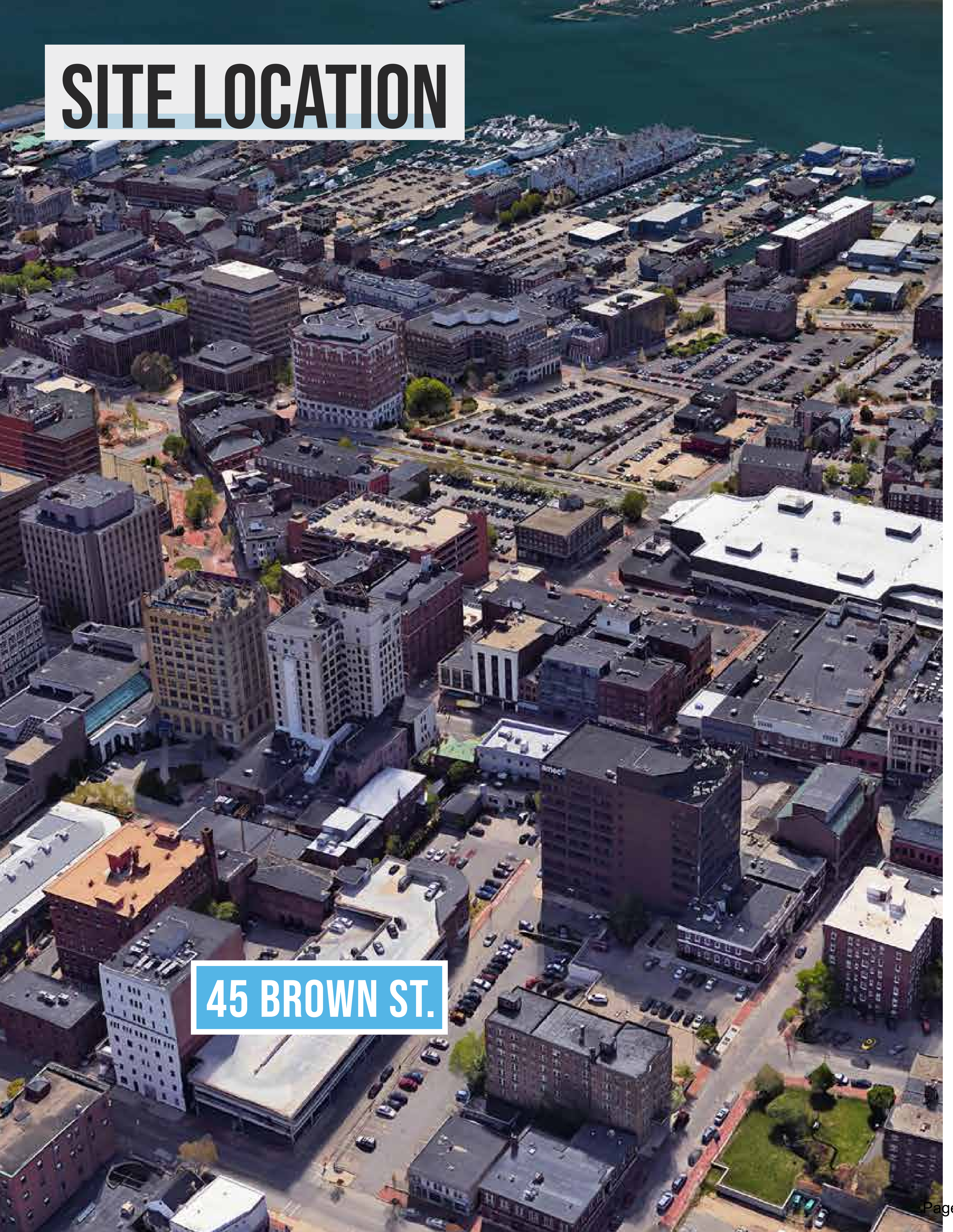
8 **CIEE**
300 Employees

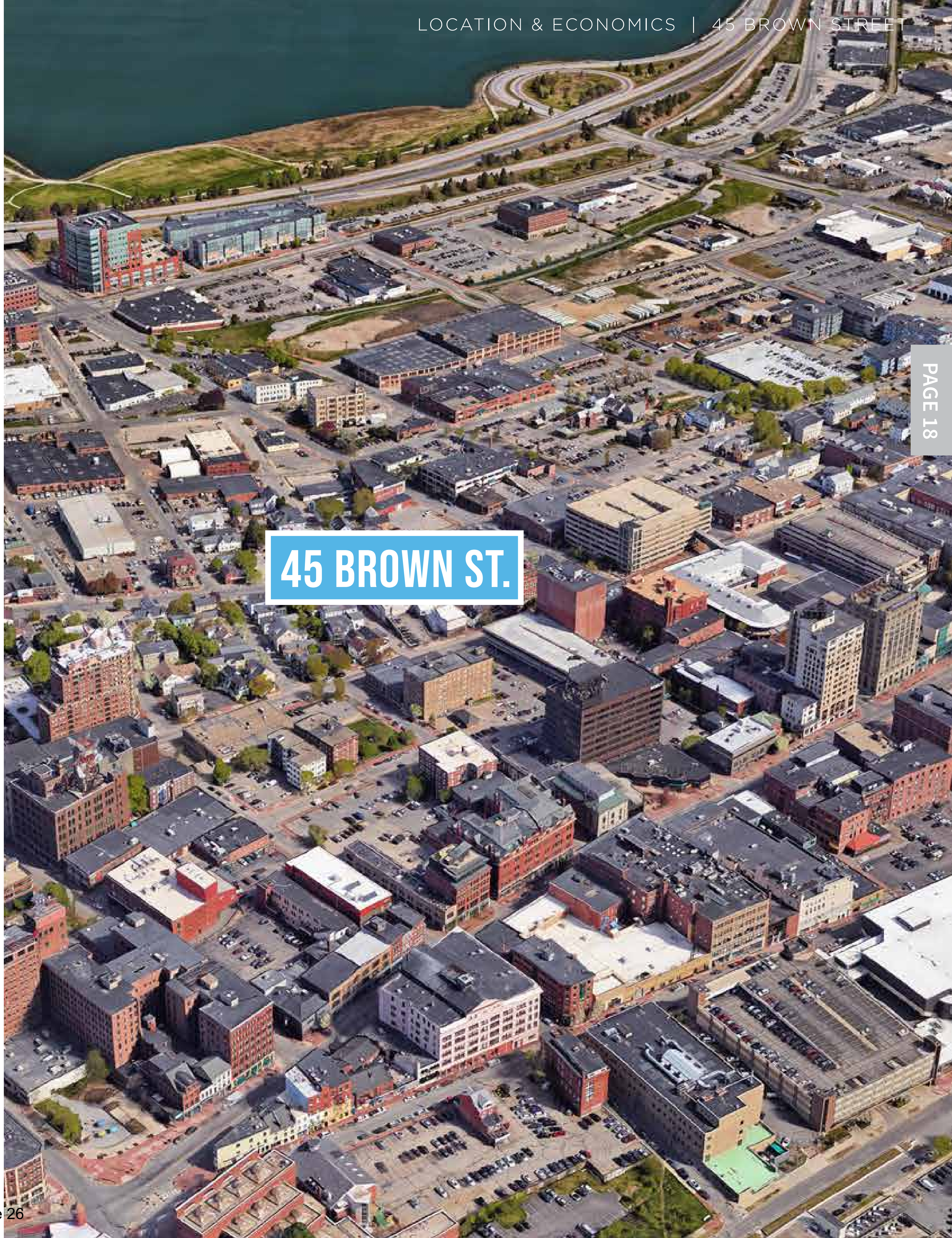
9 **Portland Intl. Airport**
50+ Employees

10 **Wex Inc.**
400+ Employees

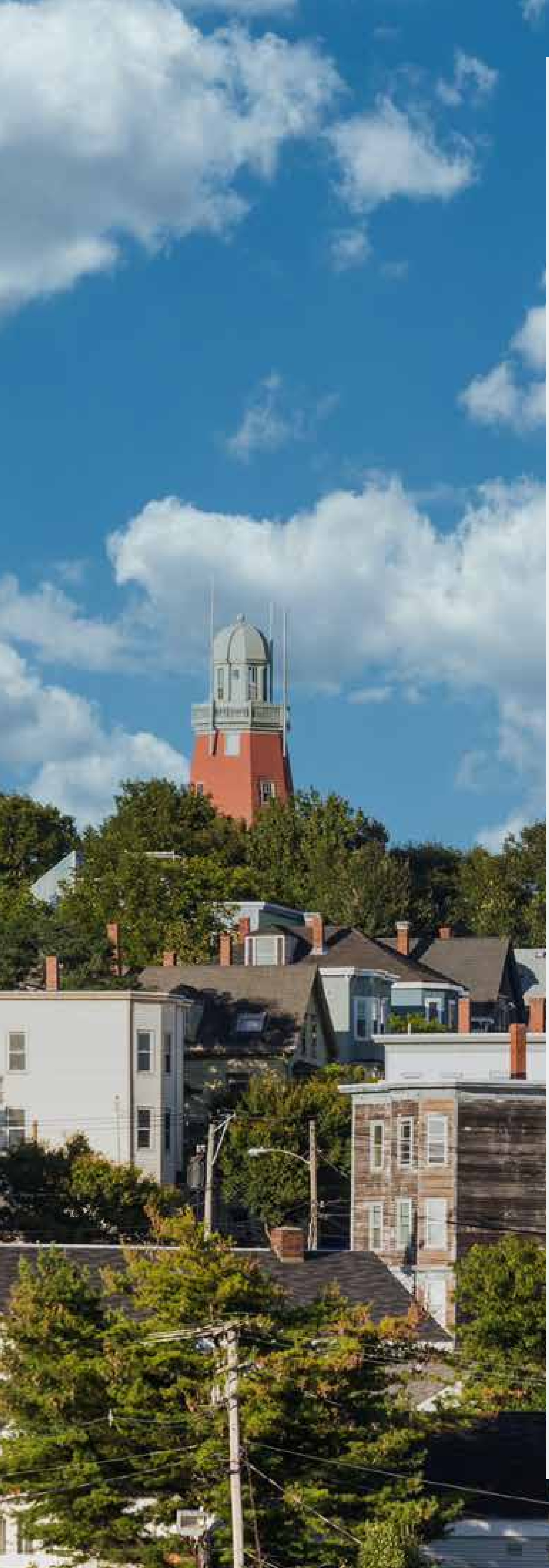
11 **Vets First Choice**
800 Employees

SITE LOCATION





PORTLAND OVERVIEW



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

"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 MICROBREWERIES 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
PRESIDIUM

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	$84,600

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	$1,146
Leasing & Marketing	$68,750	$244
General & Administrative	$82,500	$293
Landscaping / Contract Services	$98,700	$350
Utilities	$330,000	$1,170
Redecorating / Make-Ready	$70,500	$250
Repairs & Maintenance	$84,600	$300
Total Controllable	$1,058,175	$3,752
Management Fee	$175,772	$623
Insurance	$94,470	$335
Real Estate Taxes	$1,151,219	$4,082
Total Non-Controllable	$1,421,461	$5,041
Total Expenses Excluding Capital Reserves	$2,479,636	$8,793
Capital Reserves	$84,600	$300
Total Expenses Including Capital Reserves	$2,564,236	$9,093

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	Units	$/Mo.	Notes
Parking Income			
Hotel Parking	56	$350	
Resi Parking	200	$175	
Visitor Parking	200	$88	
Unit Amenity Income			
View Premium	66	$50	Assumes a portion of the market rate available will pay the view premium
Misc. Income			The 88 rent-restricted units will not be subject to this Misc. Income charge
Admin, Late Fees, Pet Fees, ETC.	174	$30	
Trash & Pest Control Fees	174	$30	
RUBS Income			
RUBS Reimbursements	141	$55	Included as part of the utility allowance calculated on the unit mix tab

PARKING ASSUMPTIONS	
Demand	
MF	200
Hotel	56
Total Parking Demand	256
Supply	
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	16	$1,666	$3.97	5.7%
A	None	1B1B	678	85	$2,152	$3.17	30.1%
B	None	2B1B	950	40	$2,604	$2.74	14.2%
Market SubTotal			102,360	141	$313,711		50.0%
Market Average			726		$2,225	$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	40	$3.97	$1,666	$1,168	-$89	$1,079	$1,079	$2.57	14.2%
A	80% AMI	1B1B	678	41	$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	9.6%
S	120% AMI	EFF	420	33	$3.97	$1,666	$1,801	-$89	$1,712	$1,666	$3.97	11.7%
Affordable SubTotal			69,803	141						$188,182		50.0%
Affordable Average			495							$1,335	$2.70	
TOTAL			172,163	282						$501,893		100.0%
AVERAGE			611							$1,780	$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
	Insepction & 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
	Title and Recording		$120,000
	Cost Certification Audit Fee		$12,000
Non-Mortgageable Costs	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	13	14	15
Income Growth		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%
Expense Growth		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%
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%	94.00%	94.00%	94.00%
Rental Income															
Scheduled Market Rent	$3,764,533	$3,839,824	$3,916,620	$3,994,953	$4,074,852	$4,156,349	$4,239,476	$4,324,265	$4,410,751	$4,498,966	$4,588,945	$4,680,724	$4,774,338	$4,869,825	$4,967,221
Scheduled Affordable Rent	$2,258,184	$2,303,348	$2,349,415	$2,396,403	$2,444,331	$2,493,218	$2,543,082	$2,593,944	$2,645,823	$2,698,739	$2,752,714	$2,807,768	$2,863,924	$2,921,202	$2,979,626
Scheduled Residential Rent	$6,022,717	$6,143,172	$6,266,035	$6,391,356	$6,519,183	$6,649,567	$6,782,558	$6,918,209	$7,056,573	$7,197,705	$7,341,659	$7,488,492	$7,638,262	$7,791,027	$7,946,848
LESS: Loss to Lease	-$60,227	-$61,432	-$62,660	-$63,914	-$65,192	-$66,496	-$67,826	-$69,182	-$70,566	-$71,977	-$73,417	-$74,885	-$76,383	-$77,910	-$79,468
LESS: Market Vacancy	-$225,872	-$230,389	-$234,997	-$239,697	-$244,491	-$249,381	-$254,369	-$259,456	-$264,645	-$269,938	-$275,337	-$280,843	-$286,460	-$292,189	-$298,033
LESS: Affordable Vacancy	-$135,491	-$138,201	-$140,965	-$143,784	-$146,660	-$149,593	-$152,585	-$155,637	-$158,749	-$161,924	-$165,163	-$168,466	-$171,835	-$175,272	-$178,778
Effective Rent	$5,601,127	$5,713,150	$5,827,413	$5,943,961	$6,062,840	$6,184,097	$6,307,779	$6,433,934	$6,562,613	$6,693,865	$6,827,743	$6,964,297	$7,103,583	$7,245,655	$7,390,568
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	$298,290	$304,256	$310,341
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	-$44,744	-$45,638	-$46,551
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	$253,547	$258,618	$263,790
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	$798,992	$814,972	$831,272
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	-$119,849	-$122,246	-$124,691
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	$50,222	$51,227	$52,251
Misc. Income	$125,280	$127,786	$130,341	$132,948	$135,607	$138,319	$141,086	$143,907	$146,785	$149,721	$152,716	$155,770	$158,885	$162,063	$165,304
RUBS Income	$93,060	$94,921	$96,820	$98,756	$100,731	$102,746	$104,801	$106,897	$109,035	$111,215	$113,440	$115,708	$118,023	$120,383	$122,791
Other Income	$793,440	$809,309	$825,495	$842,005	$858,845	$876,022	$893,542	$911,413	$929,641	$948,234	$967,199	$986,543	$1,006,274	$1,026,399	$1,046,927
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	$1,165,858	$1,189,176	$1,212,959
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	$842,574	$859,426	$876,614
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	-$664,113	-$659,413	-$659,188
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**	**$178,461**	**$200,013**	**$217,426**
Total Revenue	**$6,707,626**	**$6,841,215**	**$6,978,495**	**$7,119,525**	**$7,259,364**	**$7,408,334**	**$7,551,233**	**$7,703,650**	**$7,860,388**	**$8,016,511**	**$8,187,349**	**$8,362,444**	**$8,541,865**	**$8,730,685**	**$8,918,712**
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	-$460,699	-$474,520	-$488,756
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	-$98,021	-$100,962	-$103,991
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	-$117,625	-$121,154	-$124,789
Landscaping / Contracted Services	-$98,700	-$101,661	-$104,711	-$107,852	-$111,088	-$114,420	-$117,853	-$121,389	-$125,030	-$128,781	-$132,645	-$136,624	-$140,723	-$144,944	-$149,293
Utilities	-$252,771	-$260,354	-$268,164	-$276,209	-$284,496	-$293,030	-$301,821	-$310,876	-$320,202	-$329,808	-$339,703	-$349,894	-$360,390	-$371,202	-$382,338
Redecorating / Make-Ready	-$70,500	-$72,615	-$74,793	-$77,037	-$79,348	-$81,729	-$84,181	-$86,706	-$89,307	-$91,987	-$94,746	-$97,588	-$100,516	-$103,532	-$106,638
Repairs & Maintenance	-$84,600	-$87,138	-$89,752	-$92,445	-$95,218	-$98,075	-$101,017	-$104,047	-$107,169	-$110,384	-$113,695	-$117,106	-$120,619	-$124,238	-$127,965
Total Controllable	-$980,946	-$1,010,374	-$1,040,685	-$1,071,906	-$1,104,063	-$1,137,185	-$1,171,300	-$1,206,439	-$1,242,633	-$1,279,912	-$1,318,309	-$1,357,858	-$1,398,594	-$1,440,552	-$1,483,768
Management Fee	-$175,772	-$179,287	-$182,873	-$186,531	-$190,261	-$194,067	-$197,948	-$201,907	-$205,945	-$210,064	-$214,265	-$218,550	-$222,921	-$227,380	-$231,927
Insurance	-$94,470	-$97,304	-$100,223	-$103,230	-$106,327	-$109,517	-$112,802	-$116,186	-$119,672	-$123,262	-$126,960	-$130,769	-$134,692	-$138,732	-$142,894
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	-$1,165,858	-$1,189,176	-$1,212,959
Total Non-Controllable	-$1,189,513	-$1,214,249	-$1,239,506	-$1,265,299	-$1,291,637	-$1,318,533	-$1,345,999	-$1,374,047	-$1,402,690	-$1,431,940	-$1,461,812	-$1,492,317	-$1,523,471	-$1,555,288	-$1,587,781
Total Expense	**-$2,170,459**	**-$2,224,623**	**-$2,280,192**	**-$2,337,204**	**-$2,395,700**	**-$2,455,718**	**-$2,517,299**	**-$2,580,486**	**-$2,645,322**	**-$2,711,851**	**-$2,780,121**	**-$2,850,175**	**-$2,922,065**	**-$2,995,840**	**-$3,071,549**
Net Operating Income	**$4,537,167**	**$4,616,592**	**$4,698,304**	**$4,782,321**	**$4,863,664**	**$4,952,616**	**$5,033,933**	**$5,123,163**	**$5,215,065**	**$5,304,660**	**$5,407,228**	**$5,512,269**	**$5,619,800**	**$5,734,845**	**$5,847,163**
LESS: Capital Reserves	-$84,600	-$87,138	-$89,752	-$92,445	-$95,218	-$98,075	-$101,017	-$104,047	-$107,169	-$110,384	-$113,695	-$117,106	-$120,619	-$124,238	-$127,965
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	-$3,796,681	-$3,796,681	-$3,796,681
Net Cash Flow	**$655,886**	**$732,773**	**$811,870**	**$893,195**	**$971,765**	**$1,057,860**	**$1,136,235**	**$1,222,435**	**$1,311,215**	**$1,397,595**	**$1,496,852**	**$1,598,481**	**$1,702,500**	**$1,813,926**	**$1,922,516**
DSCR	1.20x	1.22x	1.24x	1.26x	1.28x	1.30x	1.33x	1.35x	1.37x	1.40x	1.42x	1.45x	1.48x	1.51x	1.54x

45 Brown St

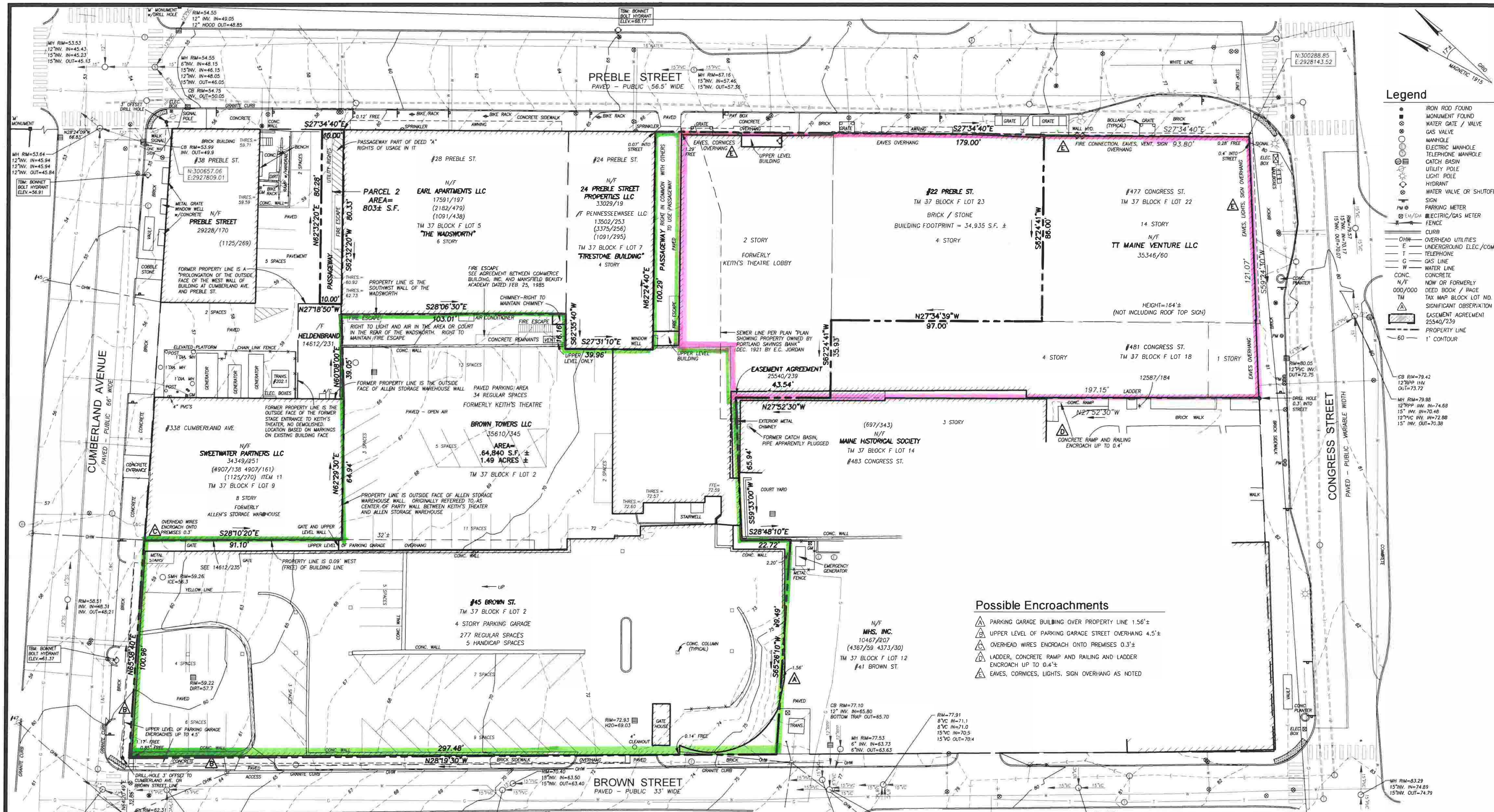
Annual Cash Flow

Proforma

Year After Stabilization	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Income Growth	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%
Expense Growth	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%	4.00%
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%	94.00%	94.00%	94.00%
Rental Income															
Scheduled Market Rent	$5,066,566	$5,167,897	$5,271,255	$5,376,680	$5,484,214	$5,593,898	$5,705,776	$5,819,892	$5,936,289	$6,055,015	$6,176,116	$6,299,638	$6,425,631	$6,554,143	$6,685,226
Scheduled Affordable Rent	$3,039,219	$3,100,003	$3,162,003	$3,225,243	$3,289,748	$3,355,543	$3,422,654	$3,491,107	$3,560,929	$3,632,148	$3,704,790	$3,778,886	$3,854,464	$3,931,553	$4,010,184
Scheduled Residential Rent	$8,105,784	$8,267,900	$8,433,258	$8,601,923	$8,773,962	$8,949,441	$9,128,430	$9,310,998	$9,497,218	$9,687,163	$9,880,906	$10,078,524	$10,280,095	$10,485,697	$10,695,411
LESS: Loss to Lease	-$81,058	-$82,679	-$84,333	-$86,019	-$87,740	-$89,494	-$91,284	-$93,110	-$94,972	-$96,872	-$98,809	-$100,785	-$102,801	-$104,857	-$106,954
LESS: Market Vacancy	-$303,994	-$310,074	-$316,275	-$322,601	-$329,053	-$335,634	-$342,347	-$349,193	-$356,177	-$363,301	-$370,567	-$377,978	-$385,538	-$393,249	-$401,114
LESS: Affordable Vacancy	-$182,353	-$186,000	-$189,720	-$193,515	-$197,385	-$201,333	-$205,359	-$209,466	-$213,656	-$217,929	-$222,287	-$226,733	-$231,268	-$235,893	-$240,611
Effective Rent	$7,538,380	$7,689,147	$7,842,930	$7,999,789	$8,159,784	$8,322,980	$8,489,440	$8,659,229	$8,832,413	$9,009,061	$9,189,243	$9,373,028	$9,560,488	$9,751,698	$9,946,732
Commercial income-Hotel															
Hotel Parking Income	$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
LESS: Parking Mgmt Fee	-$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
Commercial income-Hotel	$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
Ancillary-resident income															
Parking Income	$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
LESS: Parking Mgmt Fee	-$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
Unit Amenity Income	$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
Misc. Income	$168,610	$171,983	$175,422	$178,931	$182,509	$186,159	$189,883	$193,680	$197,554	$201,505	$205,535	$209,646	$213,839	$218,116	$222,478
RUBS Income	$125,247	$127,751	$130,306	$132,913	$135,571	$138,282	$141,048	$143,869	$146,746	$149,681	$152,675	$155,728	$158,843	$162,020	$165,260
Other Income	$1,067,866	$1,089,223	$1,111,008	$1,133,228	$1,155,892	$1,179,010	$1,202,590	$1,226,642	$1,251,175	$1,276,198	$1,301,722	$1,327,757	$1,354,312	$1,381,398	$1,409,026
Property Taxes	$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
Net Proj. TIF Revenue (75% returned)	$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
Credit Enhancement/TIF Bond Repayment	-$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
Net TIF Revenue	**$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**
Total Revenue	**$9,106,283**	**$9,303,734**	**$9,500,881**	**$9,703,063**	**$9,915,362**	**$10,122,596**	**$10,340,371**	**$10,558,511**	**$10,787,364**	**$11,011,757**	**$11,247,302**	**$11,483,193**	**$11,712,857**	**$11,947,114**	**$12,186,056**
Expense															
Payroll and Related	-$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
Leasing & Marketing	-$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
General & Administrative	-$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
Landscaping / Contracted Services	-$153,771	-$158,385	-$163,136	-$168,030	-$173,071	-$178,263	-$183,611	-$189,119	-$194,793	-$200,637	-$206,656	-$212,856	-$219,241	-$225,818	-$234,851
Utilities	-$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
Redecorating / Make-Ready	-$109,837	-$113,132	-$116,526	-$120,022	-$123,622	-$127,331	-$131,151	-$135,085	-$139,138	-$143,312	-$147,611	-$152,040	-$156,601	-$161,299	-$167,751
Repairs & Maintenance	-$131,804	-$135,758	-$139,831	-$144,026	-$148,347	-$152,797	-$157,381	-$162,102	-$166,965	-$171,974	-$177,134	-$182,448	-$187,921	-$193,559	-$201,301
Total Controllable	-$1,528,281	-$1,574,130	-$1,621,354	-$1,669,994	-$1,720,094	-$1,771,697	-$1,824,848	-$1,879,593	-$1,935,981	-$1,994,061	-$2,053,882	-$2,115,499	-$2,178,964	-$2,244,333	-$2,334,106
Management Fee	-$236,566	-$241,297	-$246,123	-$251,046	-$256,067	-$261,188	-$266,412	-$271,740	-$277,175	-$282,718	-$288,373	-$294,140	-$300,023	-$306,023	-$312,144
Insurance	-$147,181	-$151,597	-$156,145	-$160,829	-$165,654	-$170,623	-$175,742	-$181,014	-$186,445	-$192,038	-$197,799	-$203,733	-$209,845	-$216,141	-$224,786
Real Estate Taxes	-$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
Total Non-Controllable	-$1,620,965	-$1,654,857	-$1,689,470	-$1,724,821	-$1,760,925	-$1,797,800	-$1,835,463	-$1,873,929	-$1,913,217	-$1,953,346	-$1,994,334	-$2,036,198	-$2,078,960	-$2,122,637	-$2,169,413
Total Expense	**-$3,149,247**	**-$3,228,987**	**-$3,310,823**	**-$3,394,815**	**-$3,481,019**	**-$3,569,497**	**-$3,660,311**	**-$3,753,523**	**-$3,849,199**	**-$3,947,407**	**-$4,048,216**	**-$4,151,697**	**-$4,257,923**	**-$4,366,970**	**-$4,503,519**
Net Operating Income	**$5,957,037**	**$6,074,747**	**$6,190,057**	**$6,308,249**	**$6,434,343**	**$6,553,099**	**$6,680,061**	**$6,804,988**	**$6,938,165**	**$7,064,350**	**$7,199,086**	**$7,331,496**	**$7,454,934**	**$7,580,144**	**$7,682,538**
LESS: Capital Reserves	-$131,804	-$135,758	-$139,831	-$144,026	-$148,347	-$152,797	-$157,381	-$162,102	-$166,965	-$171,974	-$177,134	-$182,448	-$187,921	-$193,559	-$201,301
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	-$3,796,681	-$3,796,681	-$3,796,681
Net Cash Flow	**$2,028,552**	**$2,142,308**	**$2,253,545**	**$2,367,542**	**$2,489,315**	**$2,603,621**	**$2,725,998**	**$2,846,205**	**$2,974,519**	**$3,095,694**	**$3,225,271**	**$3,352,367**	**$3,470,332**	**$3,589,904**	**$3,684,556**
DSCR	1.57x	1.60x	1.63x	1.66x	1.69x	1.73x	1.76x	1.79x	1.83x	1.86x	1.90x	1.93x	1.96x	2.00x	2.02x

Year	1	2	3	4	5
With TIF					
Net Cash Flow	$655,886	$732,773	$811,870	$893,195	$971,765
Equity Investment	$11,089,739	$11,089,739	$11,089,739	$11,089,739	$11,089,739
Net Cash Flow / Equity	5.91%	6.61%	7.32%	8.05%	8.76%
Debt Service Coverage Ratio (DSCR)	1.20x	1.22x	1.24x	1.26x	1.28x
Without TIF					
Net Cash Flow	$655,886	$732,773	$811,870	$893,195	$971,765
Less: Net TIF Revenue	$113,139	$114,838	$117,591	$121,403	$121,279
Adjusted Net Cash Flow	$542,747	$617,935	$694,279	$771,792	$850,486
Equity Investment	$17,518,480	$17,586,474	$17,586,558	$17,586,558	$17,586,558
Net Cash Flow / Equity	3.10%	3.51%	3.95%	4.39%	4.84%
Debt Service Coverage Ratio (DSCR)	1.165x	1.19x	1.21x	1.23x	1.25x
HUD DSCR Test - Fail	1.178x				

45 Brown Street Proposed AHTIF District Highlighted in Green



Utility Note

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES. CALL 1-888-DIGSAFE AT LEAST THREE BUSINESS DAYS BEFORE PERFORMING ANY CONSTRUCTION. DUE TO OSHA CONFINED SPACE REQUIREMENTS, ALL INVERTS AND PIPE SIZES MUST BE VERIFIED PRIOR TO ANY CONSTRUCTION.

SCALE : 1" = 20'

0' 10' 20' 40'

Plan References

1. "ALTA/ACSM LAND TITLE SURVEY ON CUMBERLAND AVE., PREBLE ST., CONGRESS ST., & BROWN ST., PORTLAND, MAINE MADE FOR ISRAEL M. DOLGIN ASSOCIATES LLC" NOV. 13, 2006 BY OWEN HASKELL, INC.

2. "PLAN OF PROPERTY IN PORTLAND, MAINE MADE FOR MONUMENT SQUARE ASSOCIATES, INC. 20 APRIL 1983 H.I. & E.C. JORDAN–SURVEYORS"

3. "ATLA/ACSM LAND TITLE SURVEY, CWC2016 PROJECT, TIME & TEMPERATURE BUILDING AND MONUMENT SQUARE PARKING GARAGE, 477-481 CONGRESS STREET, 22 PREBLE STREET AND 45 BROWN STREET, PORTLAND, ME 04101" FOR BOCK & LCARK'S NATIONAL SURVEYORS NETWORK DATED MARCH 16, 2016 BY OWEN HASKELL, INC

4. "ALTA/NSPS LAND TITLE SURVEY, TIME AND TEMPERATURE BUILDING, MONUMENT SQUARE PARKING GARAGE, 477-481 CONGRESS STREET, 22 PREBLE STREET, 45 BROWN STREET, PORTLAND, CUMBERLAND COUNTY, MAINE MADE FOR TT MAINE VENTURE, LLC" NOVEMBER 20, 2018 BY OWEN HASKELL, INC.

General Notes

1. OWNER OF RECORD: BROWN TOWERS, LLC, RECORDED IN CUMBERLAND COUNTY REGISTRY OF DEEDS IN BOOK 35610, PAGE 345.
2. LOCUS IS SHOWN ON PORTLAND PROPERTY MAPS AS MAP 37 BLOCK F LOTS 2, 18, 22 & 23.
4. ELEVATIONS ARE BASED ON OFFICIAL CITY OF PORTLAND BENCHMARK: L 757-34-112 "M" MONUMENT AT THE NORTHWESTERLY CORNER OF FOREST AVE. & CUMBERLAND AVE. ELEVATION = 80.66' (REF. CITY L.B. 725 PG 99-100)
4. THE PARKING GARAGE AND THE PAVED PARKING AREA HAVE A COMBINED TOTAL OF 311 REGULAR AND 5 HANDICAPPED DELINEATED PARKING SPACES.
5. THE PROPERTY IS SERVICED BY VARIOUS UTILITIES THROUGH ADJACENT PUBLIC STREETS.
6. PARTY WALL IN 1125/270 IS NOW ONLY WALL OF SWEETWATER PARTNERS LLC AND IS NOT A WALL FOR PREMISES BUILDING.
7. STREET LINES ARE BASED ON PLAN REFERENCE 2 WHICH WAS BASED ON ADDITIONAL MONUMENTS ON CUMBERLAND AVENUE AND PREBLE STREET WHICH NO LONGER EXIST.
8. SUBJECT PROPERTY HAS DIRECT ACCESS TO CUMBERLAND AVENUE, PREBLE STREET, AND BROWN STREET, PUBLIC RIGHTS OF WAY.
9. BEARINGS ARE BASED ON MAGNETIC 1915 PER RECORD DEEDS AND PLANS. COORDINATES ARE BASED ON MAINE STATE PLANE COORDINATE SYSTEM WET ZONE NAD 83 PER CITY CONTROL POINTS:

T124-11-1087	T124-12-1096
N: 300446.78	N: 299913.92
E: 2927558.71	E: 2926805.42

CERTIFICATE

OWEN HASKELL, INC. HEREBY CERTIFIES THAT THIS PLAN IS BASED ON, AND THE RESULT OF, AN ON THE GROUND FIELD SURVEY AND THAT TO THE BEST OF OUR KNOWLEDGE, INFORMATION AND BELIEF, IT CONFORMS TO THE BOARD OF LICENSURE FOR PROFESSIONAL LAND SURVEYORS CURRENT STANDARDS OF PRACTICE

01/09/2020
DATE

RANDY R. LOUBIER, PLS #2407

STATE OF MAINE · RANDY R. LOUBIER 2407 · PROFESSIONAL LAND SURVEYOR

Boundary & Topographic Survey

Time and Temperature Building
Monument Square Parking Garage
477-481 Congress Street, 22 Preble Street,
45 Brown Street, Portland, Maine
Made For
45 Brown Street, LLC

OWEN HASKELL, INC.
PROFESSIONAL LAND SURVEYORS
390 U.S. ROUTE ONE, UNIT 10, FALMOUTH, MAINE 04105

DRAWN BY: RRL / JLW	DATE: JAN. 9, 2020	JOB NO. 2019-348P
CHECKED BY: RRL	SCALE: 1" = 20'	DRWG. NO. 1

City of Portland - Affordable Housing (AH) TIF Model
45 Brown Street, 037-F002-001
OAV: $0 ao 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	$0
2	2022	$0	75.00%	$0	16.50	$0	$0	$0	$0	$0
3	2023	$54,500,000	75.00%	$40,875,000	16.83	$687,926	$687,926	$0	$229,309	$0
4	2024	$54,500,000	75.00%	$40,875,000	17.17	$701,685	$701,685	$0	$233,895	$0
5	2025	$54,500,000	75.00%	$40,875,000	17.51	$715,718	$715,718	$0	$238,573	$0
6	2026	$54,500,000	75.00%	$40,875,000	17.86	$730,033	$730,033	$0	$243,344	$0
7	2027	$54,500,000	75.00%	$40,875,000	18.22	$744,633	$744,633	$0	$248,211	$0
8	2028	$54,500,000	75.00%	$40,875,000	18.58	$759,526	$759,526	$0	$253,175	$0
9	2029	$54,500,000	75.00%	$40,875,000	18.95	$774,717	$774,717	$0	$258,239	$0
10	2030	$54,500,000	75.00%	$40,875,000	19.33	$790,211	$790,211	$0	$263,404	$0
11	2031	$54,500,000	75.00%	$40,875,000	19.72	$806,015	$806,015	$0	$268,672	$0
12	2032	$54,500,000	75.00%	$40,875,000	20.11	$822,136	$822,136	$0	$274,045	$0
13	2033	$54,500,000	75.00%	$40,875,000	20.52	$838,578	$838,578	$0	$279,526	$0
14	2034	$54,500,000	75.00%	$40,875,000	20.93	$855,350	$855,350	$0	$285,117	$0
15	2035	$54,500,000	75.00%	$40,875,000	21.34	$872,457	$872,457	$0	$290,819	$0
16	2036	$54,500,000	75.00%	$40,875,000	21.77	$889,906	$889,906	$0	$296,635	$0
17	2037	$54,500,000	75.00%	$40,875,000	22.21	$907,704	$907,704	$0	$302,568	$0
18	2038	$54,500,000	75.00%	$40,875,000	22.65	$925,858	$925,858	$0	$308,619	$0
19	2039	$54,500,000	75.00%	$40,875,000	23.10	$944,375	$944,375	$0	$314,792	$0
20	2040	$54,500,000	75.00%	$40,875,000	23.57	$963,263	$963,263	$0	$321,088	$0
21	2041	$54,500,000	75.00%	$40,875,000	24.04	$982,528	$982,528	$0	$327,509	$0
22	2042	$54,500,000	75.00%	$40,875,000	24.52	$1,002,179	$1,002,179	$0	$334,060	$0
23	2043	$54,500,000	75.00%	$40,875,000	25.01	$1,022,222	$1,022,222	$0	$340,741	$0
24	2044	$54,500,000	75.00%	$40,875,000	25.51	$1,042,667	$1,042,667	$0	$347,556	$0
25	2045	$54,500,000	75.00%	$40,875,000	26.02	$1,063,520	$1,063,520	$0	$354,507	$0
26	2046	$54,500,000	75.00%	$40,875,000	26.54	$1,084,790	$1,084,790	$0	$361,597	$0
27	2047	$54,500,000	75.00%	$40,875,000	27.07	$1,106,486	$1,106,486	$0	$368,829	$0
28	2048	$54,500,000	75.00%	$40,875,000	27.61	$1,128,616	$1,128,616	$0	$376,205	$0
29	2049	$54,500,000	75.00%	$40,875,000	28.16	$1,151,188	$1,151,188	$0	$383,729	$0
30	2050	$54,500,000	75.00%	$40,875,000	28.73	$1,174,212	$1,174,212	$0	$391,404	$0
30 Year TIF Total		**$1,526,000,000**		**$1,144,500,000**		**$25,488,500**	**$25,488,500**	**$0**	**$8,496,167**	**$0**
30 Year Average				**$38,150,000**		**$849,617**	**$849,617**		**$283,206**	**$0**

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

				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered 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	$54,500,000	$40,875,000	$0	$30,632	$22,549	$53,181
4	2024	$54,500,000	$40,875,000	$112,815	$30,632	$22,549	$165,996
5	2025	$54,500,000	$40,875,000	$225,630	$30,632	$22,549	$278,811
6	2026	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
7	2027	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
8	2028	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
9	2029	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
10	2030	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
11	2031	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
12	2032	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
13	2033	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
14	2034	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
15	2035	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
16	2036	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
17	2037	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
18	2038	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
19	2039	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
20	2040	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
21	2041	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
22	2042	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
23	2043	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
24	2044	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
25	2045	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
26	2046	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
27	2047	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
28	2048	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
29	2049	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
30	2050	$54,500,000	$40,875,000	$338,445	$30,632	$22,549	$391,626
30 Year TIF Total		**$1,526,000,000**	**$1,144,500,000**	**$8,799,570**	**$857,685**	**$631,378**	**$10,288,633**
30 Year TIF Avg.		**$50,866,667**	**$38,150,000**	**$293,319**	**$28,589**	**$21,046**	**$342,954**

45 Brown St TIF Model at 75% for 30 Years New TAV at $54.5M &OAVat$0 w FY22 Est Mil Rate 4-23-2021.xls

Urban Ventures

To:	Mary Davis, City of Portland
From:	Anne Boynton, Urban Ventures, Inc.
Re:	45 Brown Street, a Presidium project
Date:	Updated 4/22/2021

Presidium requests a 75% 30 year Affordable Housing TIF for 45 Brown Street, a proposed new construction 282 unit rental housing development with 256 space parking garage. Presidium proposes that of the 282 residential units, 81 units (29%) will be affordable to households at 80% AMI, 27 units (10%) will be affordable to households at 100% AMI, 33 units (12%) will be affordable to households at 120% AMI, and the remaining 141 units (50%) will 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	$11,089,739	Hard & Soft Contingency	$5,576,145
		Soft costs	$11,529,806
		Capitalized Reserves	$6,303,518
		Developer Fee	$2,674,737
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 282 residential units is $231,909, 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 $22,713 per unit and typically run less than $9,000 for affordable transactions. Reserves and developer fee are higher than typical affordable projects primarily because of high prefunded reserves and lease up/marketing expenses. 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 $17,021 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 81 units at 80% AMI, 27 units at 100% AMI, 33 units at 120% AMI, and 141 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 45% of the unit mix (a total of 126 units of which 67% are market rate), efficiency units make up 41% (a total of 116 units of which 14% are market rate) and 2 bedroom units are 14% (a total of 40 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 $8,271, which appears high. However, $3,260 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 81 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	4/20/2021 (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	40	420	16800	80%	$1,168	$89		$1,079	2.57	$43,160	$517,920	
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	*adjusted to reflect market rate equivalen
1 BR	41	678	27798	80%	$1,374	$107		$1,267	1.87	$51,947	$623,364	
0 BR	16	420	6720	Market	$1,666	$0		$1,666	3.97	$26,656	$319,872	
1 BR	85	678	57630	Market	$2,152	$0		$2,152	3.17	$182,920	$2,195,040	
2 BR	40	950	38000	Market	$2,604	$0		$2,604	2.74	$104,160	$1,249,920	
Total:	**282**		**2E+05**							**$501,945**	**$6,023,340**	

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 - Residenti	$6,023,340	$21,359	$6,143,807	$6,266,683	$6,392,017	$6,519,857	$6,650,254	$6,783,259	$6,918,924	$7,057,303	$7,198,449
Vacancy Loss 6.0%	($361,400)	($1,282)	($368,628)	($376,001)	($383,521)	($391,191)	($399,015)	($406,996)	($415,135)	($423,438)	($431,907)
Hotel Parking Income (net fee)	$199,920	$709	$203,918	$207,997	$212,157	$216,400	$220,728	$225,142	$229,645	$234,238	$238,923
Resident Parking Income (net)	$535,500	$1,899	$546,210	$557,134	$568,277	$579,642	$591,235	$603,060	$615,121	$627,424	$639,972
Other income (view fee)	$39,600	$140	$40,392	$41,200	$42,024	$42,864	$43,722	$44,596	$45,488	$46,398	$47,326
Misc Income	$125,280	$444	$127,786	$130,341	$132,948	$135,607	$138,319	$141,086	$143,907	$146,785	$149,721
RUBS Income	$93,060	$330	$94,921	$96,820	$98,756	$100,731	$102,746	$104,801	$106,897	$109,035	$111,215
TIF (inflated at 3%)	$664,364	$2,356	$684,295	$704,824	$725,968	$747,748	$770,180	$793,285	$817,084	$841,596	$866,844
Credit Enhancement/TIF Bond	($551,225)	($1,955)	($567,762)	($584,795)	($602,338)	($620,409)	($639,021)	($658,191)	($677,937)	($698,275)	($719,224)
Effective Gross Income	**$6,768,439**	**$24,002**	**$6,904,939**	**$7,044,203**	**$7,186,287**	**$7,331,249**	**$7,479,148**	**$7,630,042**	**$7,783,994**	**$7,941,065**	**$8,101,320**
Administrative											
Management Fee	$175,772	$623	$181,045	$186,477	$192,071	$197,833	$203,768	$209,881	$216,177	$222,663	$229,343
Office Salary (property manage	$161,563	$573	$166,410	$171,402	$176,544	$181,841	$187,296	$192,915	$198,702	$204,663	$210,803
Marketing Expense	$68,750	$244	$70,813	$72,937	$75,125	$77,379	$79,700	$82,091	$84,554	$87,090	$89,703
Legal	$22,750	$81	$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	$212	$61,543	$63,389	$65,290	$67,249	$69,267	$71,345	$73,485	$75,690	$77,960
Total Administrative	$488,585	$1,733	$503,243	$518,340	$533,890	$549,907	$566,404	$583,396	$600,898	$618,925	$637,493
Supportive Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
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	$493	$143,170	$147,465	$151,889	$156,446	$161,139	$165,973	$170,952	$176,081	$181,363
Other -- Common Areas, Vacar	$125,000	$443	$128,750	$132,613	$136,591	$140,689	$144,909	$149,257	$153,734	$158,346	$163,097
Total Utilities	$264,000	$936	$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	$98,700	$350	$101,661	$104,711	$107,852	$111,088	$114,420	$117,853	$121,389	$125,030	$128,781
Janitorial		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Trash Removal	$66,000	$234	$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	$155,100	$550	$159,753	$164,546	$169,482	$174,566	$179,803	$185,198	$190,753	$196,476	$202,370
Maintenance Contracts		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other - Maintenance Salary	$161,563	$573	$166,410	$171,402	$176,544	$181,841	$187,296	$192,915	$198,702	$204,663	$210,803
Total Maintenance	$481,363	$1,707	$495,804	$510,678	$525,998	$541,778	$558,032	$574,773	$592,016	$609,776	$628,070
Taxes & Insurance	$3,342.80										
Real Estate Taxes or PILOT	$919,271	$3,260	$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)	$94,470	$335	$97,304	$100,223	$103,230	$106,327	$109,517	$112,802	$116,186	$119,672	$123,262
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance	$1,013,741	$3,595	$1,044,153	$1,075,478	$1,107,742	$1,140,974	$1,175,204	$1,210,460	$1,246,774	$1,284,177	$1,322,702
Replacement Reserves	$84,600	$300	$87,138	$89,752	$92,445	$95,218	$98,075	$101,017	$104,047	$107,169	$110,384
Operating Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$2,332,289**	**$8,271**	**$2,402,258**	**$2,474,325**	**$2,548,555**	**$2,625,012**	**$2,703,762**	**$2,784,875**	**$2,868,421**	**$2,954,474**	**$3,043,108**
	$8,270.53										
Net Operating Income	**$4,436,150**	**$15,731**	**$4,502,681**	**$4,569,877**	**$4,637,732**	**$4,706,237**	**$4,775,385**	**$4,845,167**	**$4,915,573**	**$4,986,591**	**$5,058,212**
Debt Service											
First Lien (including MIP)	$3,796,681	$13,463	$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	$13,463	$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)	$639,469	$2,268	$706,000	$773,196	$841,051	$909,556	$978,704	$1,048,486	$1,118,892	$1,189,910	$1,261,531
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	$0
Developer Fee Loan 0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project	**$639,469**	**$2,268**	**$706,000**	**$773,196**	**$841,051**	**$909,556**	**$978,704**	**$1,048,486**	**$1,118,892**	**$1,189,910**	**$1,261,531**

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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		$7,342,418	$7,489,266	$7,639,052	$7,791,833	$7,947,669	$8,106,623	$8,268,755	$8,434,130	$8,602,813	$8,774,869
Vacancy Loss	6.0%	($440,545)	($449,356)	($458,343)	($467,510)	($476,860)	($486,397)	($496,125)	($506,048)	($516,169)	($526,492)
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)		$652,772	$665,827	$679,143	$692,726	$706,581	$720,712	$735,127	$749,829	$764,826	$780,122
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		$152,716	$155,770	$158,885	$162,063	$165,304	$168,610	$171,983	$175,422	$178,931	$182,509
RUBS Income		$113,440	$115,708	$118,023	$120,383	$122,791	$125,247	$127,751	$130,306	$132,913	$135,571
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		**$8,264,822**	**$8,431,639**	**$8,601,838**	**$8,775,488**	**$8,952,659**	**$9,133,424**	**$9,317,855**	**$9,506,028**	**$9,698,018**	**$9,893,905**
Administrative											
Management Fee		$236,223	$243,310	$250,609	$258,127	$265,871	$273,847	$282,062	$290,524	$299,240	$308,217
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		$656,617	$676,316	$696,605	$717,504	$739,029	$761,200	$784,035	$807,557	$831,783	$856,737
Supportive Services		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
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		$132,645	$136,624	$140,723	$144,944	$149,293	$153,771	$158,385	$163,136	$168,030	$173,071
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		$208,441	$214,695	$221,136	$227,770	$234,603	$241,641	$248,890	$256,357	$264,047	$271,969
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		$646,912	$666,319	$686,309	$706,898	$728,105	$749,948	$772,446	$795,620	$819,488	$844,073
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)		$126,960	$130,769	$134,692	$138,732	$142,894	$147,181	$151,597	$156,145	$160,829	$165,654
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance		$1,362,383	$1,403,255	$1,445,352	$1,488,713	$1,533,374	$1,579,375	$1,626,757	$1,675,559	$1,725,826	$1,777,601
Replacement Reserves		$113,695	$117,106	$120,619	$124,238	$127,965	$131,804	$135,758	$139,831	$144,026	$148,347
Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses		**$3,134,401**	**$3,228,433**	**$3,325,286**	**$3,425,045**	**$3,527,796**	**$3,633,630**	**$3,742,639**	**$3,854,918**	**$3,970,566**	**$4,089,683**
Net Operating Income		**$5,130,421**	**$5,203,206**	**$5,276,552**	**$5,350,443**	**$5,424,863**	**$5,499,794**	**$5,575,216**	**$5,651,109**	**$5,727,452**	**$5,804,222**
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)		$1,333,740	$1,406,525	$1,479,871	$1,553,762	$1,628,182	$1,703,113	$1,778,535	$1,854,428	$1,930,771	$2,007,541
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	$0
Developer Fee Loan	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project		**$1,333,740**	**$1,406,525**	**$1,479,871**	**$1,553,762**	**$1,628,182**	**$1,703,113**	**$1,778,535**	**$1,854,428**	**$1,930,771**	**$2,007,541**

Development Budget with Permanent Sources

Date	Updated 4/20/2021 MPD Unchanged from 2/19/2021
Project Name	45 Brown St
Project Address	
Developer/Sponsor	Presidium

Total Units	282	
Total Square Feet	318,780	of which 217,030 is residential and 101,750 is parking

		March 2021 Values			Change	
		Total	Per Unit	Per Sq Ft	February to March 2021	
Sources of Funds						
Permanent Financing - HUD 1st Lien		$73,500,000	$260,638	$231	$ -	0%
Permanent Financing - City of Portland			$0	$0		
Credit Enhancemen/TIF Proceeds		$6,428,741	$22,797	$20	$ -	0%
Common Equity		$11,089,739	$39,325	$35	$ -	0%
Other			$0	$0		
Other			$0	$0		
Total Sources of Funds		**$91,018,480**	**$322,761**	**$286**	$ -	0%
	Excess Source	($4)				
Uses of Funds						
Hard Costs						
Site Improvements		$1,826,500	$6,477	$6	$ -	0%
Rehabilitation			$0	$0		
New Construction		$53,028,758	$188,045	$166	$ -	0%
Contractor's Profit, Overhead, & Gen. Requirements	8.5%	$4,589,963	$16,276	$14	$ -	0%
Hazardous Materials abatement (if contracted separately)			$0	$0		
Demolition Cost (as shown on S&U)			$0	$0		
Bond Premium		$299,524	$1,062	$1	$ -	0%
Other "WRC Insurance Package"		$389,525	$1,381	$1	$ -	0%
Hard Cost Contingency (% of hard costs)	8.8%	$5,264,162	$18,667	$17	$ -	0%
Total Hard Costs		**$65,398,432**	**$231,909**	**$205**	$ -	0%
Soft Costs						
Building Permit & Fees		$1,149,675	$4,077	$4	$ -	0%
Survey & Engineering			$0	$0		
Design & Permitting (% of const exp)	2.2%	$2,312,000	$8,199	$7	$ -	0%
Borrower Legal (all closings, excluding syndication legal)			$0	$0		
Title & Recording			$0	$0		
Accounting			$0	$0		
Construction Period Taxes		$803,064	$2,848	$3	$ -	0%
Construction Period Insurance			$0	$0		
Other: FF&E, Security		$860,000	$3,050	$3	$ -	0%
Other			$0	$0		
Total Soft Costs		**$5,124,739**	**$18,173**	**$16**	$ -	0%

Financing Costs						
Construction Loan Origination Fees			$0	$0		
Construction Period Interest		$2,781,270	$9,863	$9	$ -	0%
Lender Inspection Fees			$0	$0		
Letter of Credit Fee			$0	$0		
Permanent Loan Fee -- HUD Related Financing Fees		$2,475,500	$8,778	$8	$ -	0%
"Equity placement fee" to developer		$270,277	$958	$1	$ -	0%
Other -- Misc. Closing Costs		$878,020	$3,114	$3	$ -	0%
Total Financing Costs		**$6,405,067**	**$22,713**	**$20**	$ -	0%
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	$1,106	$1	$ -	0%
Total Miscellaneous:		**$311,983**	**$1,106**	**$21**	$ -	0%
Acquisition						
Acquisition: Buildings			$0	$0		
Acquisition: Land		$4,800,000	$17,021	$15	$ -	0%
Acquisition: Legal			$0	$0		
Other			$0	$0		
Total Acquisition		**$4,800,000**	**$17,021**	**$15**	$ -	0%
Reserves and Developer Fee						
Operating Deficit Escrow		$3,363,518	$11,927	$11	$ -	0%
Prefunded Replacement Reserve			$0	$0		
Taxes & Insurance Escrow			$0	$0		
Developer Overhead			$0	$0		
Developer Profit		$2,674,737	$9,485	$8	$ -	0%
Rent Up Reserve & Marketing		$1,470,000	$5,213	$5	$ -	0%
Other "Working Capital -- Contingency"		$1,470,000	$5,213	$5	$ -	0%
Total Reserves and Developer Fee		**$8,978,255**	**$31,838**	**$28**	$ -	0%
Total Uses of Funds		**$91,018,476**	**$322,761**	**$306**	$ -	0%

Developer Fee Analysis:	Total Fees:	$2,674,737
(excluding reserves & developer fee)	Percent of TDC:	3.26%

MEMORANDUM
City Council Agenda Item

FROM: Greg Mitchell, Director

DATE: April 20, 2021

SUBJECT: Order Amending the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Support Establishment of an Affordable Housing Tax Increment Financing (TIF) District at 45 Brown Street and to Allow City TIF Funding for Public Restrooms - Sponsored by Councilor Spencer Thibodeau, Chair/Housing and Economic Development Committee

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

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

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading 5/3/2021 **Final Action 5/17/2021**

Can action be taken at a later date: No Action is needed on May 17, 2021, as this was publicly advertised in the Portland Press Herald.

PRESENTATION: Greg Mitchell/3 Minutes

I. SUMMARY

Amending the Downtown TOD TIF District is proposed to support the establishment of an Affordable Housing District at 45 Brown

II. AGENDA DESCRIPTION

This is a companion Order to the Affordable Housing TIF Request for the 45 Brown Street project.

City Council approval is requested to amend the Downtown TOD TIF District to establish an Affordable Housing District for the 45 Brown Street affordable housing project, as well as to allow use of City TIF Funding to support public restrooms.

The proposed project is a two-unit condominium, including an at grade multi-level parking garage (Unit 1) and upper floor affordable housing units (Unit 2).

The ground level Condominium Unit 1 (parking garage) is proposed to remain in the existing City Council approved Downtown TOD TIF District and Unit 2 (upper floors for the affordable housing project) is proposed to be included as its own Affordable Housing TIF District. The affordable housing project is the subject of an affordable housing TIF District proposal.

This item must be read on two separate days. This is its first reading.

III. BACKGROUND

City Council approval is requested to amend the Downtown TOD TIF District to establish an Affordable Housing District for the 45 Brown Street affordable housing project, as well as to allow use of City TIF Funding to support public restrooms.

The proposed project is a two-unit condominium, including an at grade multi-level parking garage (Unit 1) and upper floor affordable housing units (Unit 2).

The ground level Condominium Unit 1 (parking garage) is proposed to remain in the existing City Council approved Downtown TOD TIF District and Unit 2 (upper floors for the affordable housing project) is proposed to be included as its own Affordable Housing TIF District. The affordable housing project is the subject of an affordable housing TIF District proposal.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result is approval of the Downtown TOD TIF District Amendments to support establishment of an Affordable Housing District for the 45 Brown Street affordable housing project and the use of City TIF funds to support public restrooms.

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

Staff analysis is to approve the amendments as presented in support of an Affordable Housing Project at 45 Brown Street and the use of City TIF Funds to support public restrooms.

VII. RECOMMENDATION

The Housing and Economic Development Committee voted unanimously (4-0) at its March 2, 2021, meeting to recommend to the City Council approval of these amendments.

VIII. LIST ATTACHMENTS

1. Narrative LP Redlined 4-21-2021 for 45 Brn-Public RR
2. Narrative LP Cln 4-21-2021 for 45 Brn-Public RR

Prepared by:

Greg Mitchell, Director
Date: 4/20/2021

2021~~0~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4~~-~~5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS~~REMOVING ASSESSOR LOT 28-O-17 AND 28-O-3 AND TECHNICAL AMENDMENTS~~

I. Introduction – Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District Amendment #5~~4~~

On February 9, 2015, the City of Portland (the "City") designated the Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District (the "District") and adopted this Development Program (the "Development Program") for the District in an effort to fully realize the visions and goals of the City of Portland Downtown Revitalization Investment Plan ("Downtown Plan"); the Downtown Plan is attached as Exhibit A. The duration of this District will be 30 years beginning July 1, 2015 (Tax Year 4/1/2015; FY2015-16) ending June 30, 2045 (Tax Year 4/1/2044; FY2044-45).

a. District Amendment #1 Approved by MDECD February 27, 2018: The purpose of this District amendment was to remove the parcel designated by the City Assessor as 22-F-1 at 54 Lancaster – a tax exempt parcel (so no value attributed to the Original Assessed Value) with approximately .48 acres, which will be turned into a free-standing Affordable Housing TIF District. Portland's amended District remained the same at approximately 422 acres and bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded.

b. District Amendment #2 approved by MDECD February 11, 2019: The purpose of this District Amendment was to increase the allowable uses for Municipal TIF Revenue and increase the percentage capture from up to 22% to up to 100%, all as more detailed in Section II below.

c. District Amendment #3 approved by MDECD September 18, 2019: The purpose of District Amendment #3 is to remove the parcel designated by the City Assessor as 44-H-1 at 66 State Street – a tax exempt parcel (so no value attributed to the Original Assessed Value), with approximately .5087 acres, which will be turned into a free-standing Affordable Housing TIF District. Portland's amended District, with Amendment #3, reduced it from approximately 422 to 421.01 acres. The boundaries remain the same, i.e., bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded. The Downtown Plan includes a listing of current projects and categories of future investment. It is recognized that meeting the infrastructure needs of Portland's downtown will be a dynamic process that will be updated locally on an annual basis or as needed. Though the specific public projects prioritized and undertaken from year to year will change, with the exception of this District funding up to $100,000 annually for the Creative Portland Corporation, categories of investment for the purpose of eligible uses of the TIF Revenues will remain consistent. Actual project selections and prioritization for funding will continue to be made on an annual basis during the City budget and Capital Improvements Plan (CIP) process, based on categories contained in Table 1 hereinbelow. The CIP is the document that presents the City's capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document; the FY2015 to 2019 CIP document is included in the Downtown Plan as an appendix.

d. ~~Proposed~~ District Amendment #4 approved by MDECD September 16, 2020:
The purpose of District Amendment #4 is to remove the parcels designated by the City Assessor as 28-O-17 at 83 Middle Street – a tax exempt parcel (so no value attributed to the Original Assessed Value), with approximately .2183 acres, and 28-O-3 at 160 Newbury Street with an OAV of $281,100 with approximately .0665 acres, which parcels will be turned into a free-standing Affordable Housing TIF District.

Proposed District Amendment #4 also includes technical amendments as follows:

- CBL 37-B-14, 17 Shepley Street, a tax exempt parcel, was on the original map but needs to be added to original CBL listing attached to the Assessor's Certificate – increasing acreage by .1512, with no change in OAV as tax exempt;

- CBL 39-A-38, 612 Congress Street, was on original map but needs to be added to original CBL listing attached to the Assessor's Certificate, - increasing acreage by .0449, and increasing the OAV by $282,400;

- CBL 38-G-1, 486 Fore Street, not on original map and needs to be deleted from listing attached to the Assessor's Certificate – decreasing acreage by 1.8419, and decreasing the OAV by $3,130,830, and it is now in the Waterfront TIF District as approved by MDECD on August 26, 2019; and,

- CBL 43-C-6, 431 Commercial Street, a tax exempt parcel, was on original map and listing attached to the Assessor's Certificate but was transferred to the Waterfront TIF District as approved by MDECD on April 5, 2019 – decreasing acreage by 1.2912, with no change in OAV as tax exempt.

With the above removal of 83 Middle Street and 160 Newbury Street, and the technical amendments, the net change to the District's OAV is reduced from

$968,136,850 to $965,007,320, and the District's acreage is reduced from 421.010 to 417.7882.

e. Proposed District Amendment #5:

(1) **45 Brown Street:** 45 Brown Street is a single property in the Downtown TOD TIF District, Assessor Chart, Block, and Lot Number 037 F002001. The developer of this property proposes an affordable housing project on that property with two condominium units. Unit 1 would be the at grade multi-level parking garage with public restrooms in the Downtown TOD TIF District, and Unit 2 (air rights above Unit 1) is proposed to be the affordable housing project included in an Affordable Housing TIF District.

This Amendment will exclude all floors above Unit 1 in a multi-story building to be constructed on the site, presently owned by Brown Tower LLC, c/o Presidium. It is the intention of the Developer to declare this specified area as Unit 2 in the Condominium.

This Amendment provides that the following specified area will remain in the Downtown TOD TIF District as Unit 1 of the Condominium: the multi-level parking garage with public restrooms on the property. It is the intention of the Developer to declare this specified area as Unit 1 in the Condominium.

(2) **Public Restroom Facilities in Unit 1:** The City of Portland proposes to use Downtown TOD TIF revenue to support the public restroom facilities investment in Unit 1.

II. Development Program Narrative

A. The Development Program as Amended with Amendment #5~~4~~

The Amended Development Program for the Downtown Transit Oriented Municipal Development and Omnibus TIF District is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised TIF Statutes, as amended (the "TIF Statute"). The City's designation of the District, combined with the adoption of this Amended Development Program, creates a single municipal TIF district in order to capture the value of the real property improvements made within the District and enable the use of TIF revenues for various municipal and other development projects.

Under this Amended Development Program, the City captured 12% in year one (City Fiscal Year 2015/2016), 22% in years 2 through 4~~, and~~ 25% in year 5, and 30% in year 6. This Amended Development Program now allows for the City to capture up to 100% of the new real property value located in the District for remainder of the term of the District, or through Tax Year April 1, 2044/City Fiscal Year 2044/2045. The City may retain those tax revenues generated by the captured assessed value (the "TIF Revenues") to fund infrastructure improvements and other administrative costs, all as further described in Table 1 hereinbelow. The City reserves the right to capture less than the full 100% in years 7~~5~~ through 30, depending on the then-current needs of the City with respect to the approved project costs. Any reduction in the captured value percentage shall adjust the amount of assessed value eligible for sheltering with respect to the tax shift benefit correspondingly. Although all TIF Revenues will be retained by the City at this time, the City reserves the right in the future to negotiate and execute commercial credit enhancement agreements pursuant to City Council approved TIF Policy as may be amended from time to time. CEAs would be limited, however, to the balance of District term at that time. Such future credit enhancement agreements would require a public hearing and City Council approval. Should the City enter into a credit enhancement agreement, it will provide the Maine Department of Economic and Community Development a description of the terms and conditions of any agreements, contracts, or other obligations related to the development program per City TIF Policy (see Table 1 last item and Exhibit B).

In designating the District and adopting this Amended Development Program, the City can accomplish the following goals:

- Maintain existing tax revenues;
- Invest in the Downtown public infrastructure, including public restrooms;
- Invest in the Creative Portland Corporation annually;
- Invest in new and enhanced transit services;
- Enjoy enhanced future tax revenues generated by new development within the District; and
- Create long-term, stable employment opportunities for area residents because of these TIF investments.

In addition, by creating the District, the City will "shelter" the increase in municipal valuation that development in the District will bring about. This tax shift benefit mitigates the adverse effect that the District's increased assessed property value has upon the City's share of state aid to education, municipal revenue sharing, and its county tax assessment. An estimate of the tax shift benefits is shown in Revised Exhibit D-2 attached hereto.

The City's designation of the District and pursuit of this Amended Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the City and the region by providing jobs, contributing to property taxes, and diversifying the region's economic base.

B. The Projects

Development within the District will provide a revenue source for the City's economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland's business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding of Creative Portland Corporation, of which the City of Portland is the Corporator, of up to $100,000 annually, as well as City plans to invest in its public infrastructure in these investment focus areas:

- Sidewalk and Other Pedestrian Enhancements, including Public Restrooms
- Streetscape
- Lighting
- Street Alignment
- Utilities
- Bicycle Improvements
- Public Transit
- Wayfinding
- Multi-modal surface and structured parking
- Work force training
- Professional service costs
- Housing and Economic Development Department administrative costs and staff salaries, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

The District projects at this time are highlighted in Table 1 below:

TABLE 1

NOTE 1: All Citations refer to Title 30-A, Chapter 206, Section 5225

NOTE 2: While this Amended Development Program lists particular projects, the Amended Development Program shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the City to completing any particular project. The projects will only be undertaken following proper appropriation through the annual budget process and any other applicable required approvals.

Project	Downtown Revitalization Plan Reference by page no.	Statutory Citation	Estimated Cost
In District: Capital Infrastructure Design and Investments, including Financing Costs, for example:			$150 Million over the life of the District for these Capital Infrastructure Items.
- Multi-modal surface and structured parking	19, 47	(1)(A)(1)(2)(3)(6)(7)	
- Sidewalk and Other Pedestrian Enhancements, including Public Restrooms	19, 20, 34,35, 48	(1)(A)(1)(2)(3)(4)(6)(7)	
- Roadway Realignments/Paving	19,20,34,35	(1)(A)(1)(2)(3)(6)(7)	
	19, 46	(1)(A)(1)(a)(i)	
- Crosswalks	34, 46	(1)(A)(1)(2)(3)	

- Traffic Signals - Intersection Redesigns - Bicycle lanes, racks, and stations Infrastructure - Stormwater Management, including water and sewer upgrades - Telecommunications, lighting, and electrical distribution upgrades; Infrastructure improvements/enhancements - Wayfinding (signage) - Public plaza intersection improvements	19,20,34,35 19, 34,47 19, 33 19, 36 19,23, 35,47 22, 46	(1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(a)(i) (1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(2)(3)(7) (1)(A)(1) (1)(A)(1)(2)(3)(6)(7)	
In and out of District: New and Enhanced Transit Services, including operational costs, for example (see Exhibit K – Transit Map): - Creation of high frequency bus service on Congress Street at 15-minute intervals between the Portland Transportation Center (PTC) and Washington Avenue; - Enhancing Stevens Avenue-Allen Avenue- Congress Street bus service areas; - Corresponding costs for these enhancements, including transit operator salaries; transit vehicle fuel, and transit vehicle parts replacements. - Transit capital costs including transit vehicles and related equipment; bus shelters and other related structures; benches; signs, and other transit-related infrastructure. - Shuttle service to downtown businesses.	17, 20, 21, 20 20 20 17, 20	(1)(A) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7)	$15 Million for Transit in this category.
In and out of District: City Marketing and Promotion through Creative Portland			

Corporation (CPC), for example (see Exhibit M Arts District Map within Downtown TOD TIF District): - In District: Center for the Arts, including rental residential space; - In District: capital, financing, real property assembly and professional service costs; - **In and out of District:** CPC staffing, administrative and marketing expenses; revolving loan or investment fund.	 20, 21,47 20, 21,47 20, 21, 47	 (1)(C)(1)(2) (1)(C)(1)(2) (1)(C)(1)(2)	Up to $100K annually; $3 Million over life of District
In and out of District: - **Housing and** Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, Finance Director, and Planning Urban Development Director, and Planning staff*; - Professional services costs; - Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.	 21, Also TIF App. P. 3 See TIF App. P.3 See TIF App. P. 3	 (1)(A)(5) and (1)(C)(1) (1)(A)(4);(1)(C)(1) (1)(C)(4)	 $15 Million over life of the District.
In District: Small Public Capital Infrastructure and Equipment, for example (Downtown Plan pp. 6 and 7) - Parking meters - Vehicles for Public Works Dept., and Fire Dept., including ambulances	 19 21, 36 to 44	 (1)(A)(1)(a) (1)(A)(1)(a)	 $10 Million over life of the District
In District: Relocation of Displaced Persons (TIF Application, p. 6)	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not

			anticipated at time of TIF application
In District: CEAs as Approved by City Council (TIF application p. 2) with a maximum average percentage of 65% capture and up to a 20-year term, or the remaining term of this District, pursuant to City TIF Policy (Exhibit B hereto).	(see TIF application p. 2)	(1)(A)(1)(2)(3)(6)(7)	Unknown at time of TIF application
Total Estimate of TIF Revenue Expenditure over 30 year term:			**$193,000,000**

*This item is not unique to this TIF District, it is also included in the Bayside TIF District and Waterfront TIF District.

C. Strategic Growth and Development

This Amended Development Program and the Downtown Plan meld various studies and plans for the District into one document, thereby promoting those studies and plans and making investments at the appropriate time. The studies and plans noted in the Downtown Plan represent a series of community initiatives, both completed and underway, or in planning process. The Amended Development Program and Project List (Table 1) noted hereinabove represents the best thinking of City staff about current opportunities for realizing the City's longstanding, evolving vision for its Downtown.

D. Improvements to the Public Infrastructure

As further set forth in Table 1 hereinabove, the City may use certain TIF Revenues for sidewalk and other pedestrian improvements including crosswalks, roadway realignments/paving, intersection redesigns, traffic signals, bicycle infrastructure, stormwater management improvements (including water and sewer maintenance), communications infrastructure improvements/enhancements, wayfinding, multi-modal surface and structured parking, and public plaza intersection improvements that are directly related and made necessary by development in the District.

E. Operational Components

1. **Public Facilities**

The City may use a portion of the TIF Revenues to fund certain projects approved within the District, outlined in Table 1 hereinabove.

2. **Commercial Improvements Financed through the Development Program**

At this time, no commercial improvements will be financed through the Development Program. The City may, in the future, reimburse a percentage of the TIF Revenues from any particular lot within the District to future developers through a credit enhancement agreement. Future credit enhancement agreements are authorized only if the City Council meets and holds a public hearing and votes to authorize, negotiate, and execute the credit enhancement agreement pursuant to City Council approved TIF Policy. Such credit enhancement agreements would be approved under the City's TIF Policy, as may be amended from time to time, but limited to the balance of the term of this District. Should the City enter into a credit enhancement agreement, it will provide the Maine Department of Economic and Community Development a description of the terms and conditions of any agreements, contracts, or other obligations related to the development program (see Table 1 last item and Exhibit B).

3. **Relocation of Displaced Persons**

It is not anticipated that any persons will be relocated; however, the City has provided that if, in the future, relocation of persons is necessary to accommodate future redevelopment within the District, the one-time relocation costs of such displaced persons can be paid for with TIF Revenues, exclusive of rent.

4. **Transportation Improvements**

The City may fund road/transportation improvements made necessary by the increased traffic to the District. Please see Table 1 hereinabove for more details.

5. **Environmental Controls**

The improvements made under this Development Program will meet or exceed all federal, state, and local environmental laws, regulations, and ordinances and will comply with all applicable land use requirements for the City.

6. **Plan of Operation**

During the term of the District, the City Manager or his designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.

III. Amended Physical Description

Proposed Amendment #5 does not change the acreage numbers for the Downtown TOD TIF District because Unit 1 at 45 Brown Street (multi-level parking garage with public restrooms) will remain in the TIF District, and Unit 2 (affordable residential units located in the upper floors) is proposed to be an Affordable Housing TIF District.

The 417.7882-acre District is bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded. The District is shown on revised Exhibit C. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. Section 5223(3) are set forth in revised Exhibit E.

IV. Financial Plan

A. Amended Financial Characteristics

With Amendment #~~4~~5, the collective ~~amended~~ original assessed value of the real property in the District remains at~~is~~ $965,007,320 as set forth in Exhibit F, Revised Assessor's Certificate.. The backup for the Certificate includes revisions from Amendment #3 and #4. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

The City captured 12% in year 1 (City Fiscal Year 2015/2016), 22% in years 2 through 4, ~~and~~ 25% in year 5, and 30% in year 6 of the increased assessed value of the real property located within the District. Amendment 2 provided for the City to capture up to 100% for the duration of the 30-year term of the District. Personal property tax value will not be captured within the District. The TIF Revenues so collected will fund and/or contribute to the funding of the approved projects, including each of the projects described on Table 1 hereinabove, including entering into Credit Enhancement Agreements (see Table 1 last item and Exhibit B), which collectively increase the City's ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All assessed real property value captured in the District will be added to the general tax rolls at the end of the District's term. Please note that at any time during the term of the District, the municipality can vote to reduce the captured value percentage and instead deposit the tax revenues into the General Fund so long as the municipality does not receive the tax shift benefit associated with the tax revenues so deposited.

Upon each payment of real property taxes for property located inside the District, the City will deposit into a development program fund (the "Development Program Fund") the entirety of the property tax payments constituting TIF Revenues. The percentage of increased assessed value of real property within the District that will be captured shall be determined annually during the municipal budget process; however, the City may capture up to 100% in Years 5 through 30 of the increased assessed value of real property as captured assessed value. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner and in the order provided in 30-A M.R.S.A. Section 5227(3). The Development Program Fund will consist of a development sinking fund account (the "Sinking Fund Account") to the extent municipal bonded indebtedness is used to pay for projects costs, and a project cost account (the "Project Cost Account"). From the Development Program Fund, the City will deposit the TIF Revenues into the City's Sinking Fund Account and/or the Project Cost Account to be used to fund projects listed in Table 1 hereinabove. If future credit enhancement agreements are approved by the City Council, then a subaccount within the Project Cost Account shall be created for any payments required to be made by the City pursuant to such credit enhancement agreement, dedicated to each credit enhancement agreement.

Estimates of the increased assessed property values of the Amended District, the anticipated TIF Revenues generated by the District, and the estimated tax shifts are shown in Revised Exhibit D-1 and Revised Exhibit D-2.

B. Costs and Sources of Revenues

The current and future developers owning or leasing properties located within the Districted are intended to pay for and/or finance all private improvements located in the District through private sources. Table 1 hereinabove provides estimated costs of the municipal projects costs to be undertaken with TIF Revenues.

C. Indebtedness

The City reserves the option to fund the project costs through public indebtedness.

V. Statutory Requirements and Thresholds

The statutory requirements and thresholds for approval required by Section 5223(3) of the TIF Statute are set forth in revised Exhibit E.

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding amending the Development Program for the District, published in the *Portland Press Herald*, a newspaper of general circulation in the City, on May 5~~July 23~~, 2021~~0~~, a date at least ten (10) days prior to the public hearing. The public hearing on the amended District was held on May 17~~August 3~~, 2021~~0~~, in accordance with the requirements of 30-A M.R.S.A. Section 5226(1).

B. Minutes of Public Hearing Held by City Council

Attached as Exhibit H hereto is a certified copy of the minutes of the public hearing held on May 17~~August 3, 202~~1~~0~~, at which time this amended District was discussed by the public.

C. Authorizing Votes

Attached as Exhibit I hereto is an attested copy of the City of Portland Order approving this amended District with the results of the vote noted on this Order duly called and held on May 17~~August 3~~, 2021~~0~~.

I. Introduction – Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District Amendment #5

On February 9, 2015, the City of Portland (the "City") designated the Portland Downtown Transit Oriented Municipal Development and Omnibus Tax Increment Financing District (the "District") and adopted this Development Program (the "Development Program") for the District in an effort to fully realize the visions and goals of the City of Portland Downtown Revitalization Investment Plan ("Downtown Plan"); the Downtown Plan is attached as Exhibit A. The duration of this District will be 30 years beginning July 1, 2015 (Tax Year 4/1/2015; FY2015-16) ending June 30, 2045 (Tax Year 4/1/2044; FY2044-45).

a. District Amendment #1 Approved by MDECD February 27, 2018: The purpose of this District amendment was to remove the parcel designated by the City Assessor as 22-F-1 at 54 Lancaster – a tax exempt parcel (so no value attributed to the Original Assessed Value) with approximately .48 acres, which will be turned into a free-standing Affordable Housing TIF District. Portland's amended District remained the same at approximately 422 acres and bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded.

b. District Amendment #2 approved by MDECD February 11, 2019: The purpose of this District Amendment was to increase the allowable uses for Municipal TIF Revenue and increase the percentage capture from up to 22% to up to 100%, all as more detailed in Section II below.

c. District Amendment #3 approved by MDECD September 18, 2019: The purpose of District Amendment #3 is to remove the parcel designated by the City Assessor as 44-H-1 at 66 State Street – a tax exempt parcel (so no value attributed to the Original Assessed Value), with approximately .5087 acres, which will be turned into a free-standing Affordable Housing TIF District. Portland's amended District, with Amendment #3, reduced it from approximately 422 to 421.01 acres. The boundaries remain the same, i.e., bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded. The Downtown Plan includes a listing of current projects and categories of future investment. It is recognized that meeting the infrastructure needs of Portland's downtown will be a dynamic process that will be updated locally on an annual basis or as needed. Though the specific public projects prioritized and undertaken from year to year will change, with the exception of this District funding up to $100,000 annually for the Creative Portland Corporation, categories of investment for the purpose of eligible uses of the TIF Revenues will remain consistent. Actual project selections and prioritization for funding will continue to be made on an annual basis during the City budget and Capital Improvements Plan (CIP) process, based on categories contained in Table 1 hereinbelow. The CIP is the document that presents the City's capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document; the FY2015 to 2019 CIP document is included in the Downtown Plan as an appendix.

d. District Amendment #4 approved by MDECD September 16, 2020: The purpose of District Amendment #4 is to remove the parcels designated by the City Assessor as 28-O-17 at 83 Middle Street – a tax exempt parcel (so no value attributed to the Original Assessed Value), with approximately .2183 acres, and 28-O-3 at 160 Newbury Street with an OAV of $281,100 with approximately .0665 acres, which parcels will be turned into a free-standing Affordable Housing TIF District.

Proposed District Amendment #4 also includes technical amendments as follows:

- CBL 37-B-14, 17 Shepley Street, a tax exempt parcel, was on the original map but needs to be added to original CBL listing attached to the Assessor's Certificate – increasing acreage by .1512, with no change in OAV as tax exempt;

- CBL 39-A-38, 612 Congress Street, was on original map but needs to be added to original CBL listing attached to the Assessor's Certificate, - increasing acreage by .0449, and increasing the OAV by $282,400;

- CBL 38-G-1, 486 Fore Street, not on original map and needs to be deleted from listing attached to the Assessor's Certificate – decreasing acreage by 1.8419, and decreasing the OAV by $3,130,830, and it is now in the Waterfront TIF District as approved by MDECD on August 26, 2019; and,

- CBL 43-C-6, 431 Commercial Street, a tax exempt parcel, was on original map and listing attached to the Assessor's Certificate but was transferred to the Waterfront TIF District as approved by MDECD on April 5, 2019 – decreasing acreage by 1.2912, with no change in OAV as tax exempt.

With the above removal of 83 Middle Street and 160 Newbury Street, and the technical amendments, the net change to the District's OAV is reduced from

$968,136,850 to $965,007,320, and the District's acreage is reduced from 421.010 to 417.7882.

e. Proposed District Amendment #5:

(1) **45 Brown Street:** 45 Brown Street is a single property in the Downtown TOD TIF District, Assessor Chart, Block, and Lot Number 037 F002001. The developer of this property proposes an affordable housing project on that property with two condominium units. Unit 1 would be the at grade multi-level parking garage with public restrooms in the Downtown TOD TIF District, and Unit 2 (air rights above Unit 1) is proposed to be the affordable housing project included in an Affordable Housing TIF District.

This Amendment will exclude all floors above Unit 1 in a multi-story building to be constructed on the site, presently owned by Brown Tower LLC, c/o Presidium. It is the intention of the Developer to declare this specified area as Unit 2 in the Condominium.

This Amendment provides that the following specified area will remain in the Downtown TOD TIF District as Unit 1 of the Condominium: the multi-level parking garage with public restrooms on the property. It is the intention of the Developer to declare this specified area as Unit 1 in the Condominium.

(2) **Public Restroom Facilities in Unit 1:** The City of Portland proposes to use Downtown TOD TIF revenue to support the public restroom facilities investment in Unit 1.

II. Development Program Narrative

A. The Development Program as Amended with Amendment #5

The Amended Development Program for the Downtown Transit Oriented Municipal Development and Omnibus TIF District is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised TIF Statutes, as amended (the "TIF Statute"). The City's designation of the District, combined with the adoption of this Amended Development Program, creates a single municipal TIF district in order to capture the value of the real property improvements made within the District and enable the use of TIF revenues for various municipal and other development projects.

Under this Amended Development Program, the City captured 12% in year one (City Fiscal Year 2015/2016), 22% in years 2 through 4, 25% in year 5, and 30% in year 6. This Amended Development Program now allows for the City to capture up to 100% of the new real property value located in the District for remainder of the term of the District, or through Tax Year April 1, 2044/City Fiscal Year 2044/2045. The City may retain those tax revenues generated by the captured assessed value (the "TIF Revenues") to fund infrastructure improvements and other administrative costs, all as further described in Table 1 hereinbelow. The City reserves the right to capture less than the full 100% in years 7 through 30, depending on the then-current needs of the City with respect to the approved project costs. Any reduction in the captured value percentage shall adjust the amount of assessed value eligible for sheltering with respect to the tax shift benefit correspondingly. Although all TIF Revenues will be retained by the City at this time, the City reserves the right in the future to negotiate and execute commercial credit enhancement agreements pursuant to City Council approved TIF Policy as may be amended from time to time. CEAs would be limited, however, to the balance of District term at that time. Such future credit enhancement agreements would require a public hearing and City Council approval. Should the City enter into a credit enhancement agreement, it will provide the Maine Department of Economic and Community Development a description of the terms and conditions of any agreements, contracts, or other obligations related to the development program per City TIF Policy (see Table 1 last item and Exhibit B).

In designating the District and adopting this Amended Development Program, the City can accomplish the following goals:

- Maintain existing tax revenues;
- Invest in the Downtown public infrastructure, including public restrooms;
- Invest in the Creative Portland Corporation annually;
- Invest in new and enhanced transit services;
- Enjoy enhanced future tax revenues generated by new development within the District; and
- Create long-term, stable employment opportunities for area residents because of these TIF investments.

In addition, by creating the District, the City will "shelter" the increase in municipal valuation that development in the District will bring about. This tax shift benefit mitigates the adverse effect that the District's increased assessed property value has upon the City's share of state aid to education, municipal revenue sharing, and its county tax assessment. An estimate of the tax shift benefits is shown in Revised Exhibit D-2 attached hereto.

The City's designation of the District and pursuit of this Amended Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the City and the region by providing jobs, contributing to property taxes, and diversifying the region's economic base.

B. The Projects

Development within the District will provide a revenue source for the City's economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland's business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding of Creative Portland Corporation, of which the City of Portland is the Corporator, of up to $100,000 annually, as well as City plans to invest in its public infrastructure in these investment focus areas:

- Sidewalk and Other Pedestrian Enhancements, including Public Restrooms

- Streetscape
- Lighting
- Street Alignment
- Utilities
- Bicycle Improvements
- Public Transit
- Wayfinding
- Multi-modal surface and structured parking
- Work force training
- Professional service costs
- Housing and Economic Development Department administrative costs and staff salaries, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

The District projects at this time are highlighted in Table 1 below:

TABLE 1

NOTE 1: All Citations refer to Title 30-A, Chapter 206, Section 5225

NOTE 2: While this Amended Development Program lists particular projects, the Amended Development Program shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the City to completing any particular project. The projects will only be undertaken following proper appropriation through the annual budget process and any other applicable required approvals.

Project	Downtown Revitalization Plan Reference by page no.	Statutory Citation	Estimated Cost
In District: Capital Infrastructure Design and Investments, including Financing Costs, for example:			$150 Million over the life of the District for these Capital Infrastructure Items.
- Multi-modal surface and structured parking	19, 47	(1)(A)(1)(2)(3)(6)(7)	
- Sidewalk and Other Pedestrian Enhancements, including Public Restrooms	19, 20, 34,35, 48	(1)(A)(1)(2)(3)(4)(6)(7)	
- Roadway Realignments/Paving	19,20,34,35 19, 46	(1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(a)(i)	
- Crosswalks	34, 46	(1)(A)(1)(2)(3)	
- Traffic Signals	19,20,34,35	(1)(A)(1)(2)(3)(6)(7)	
- Intersection Redesigns	19, 34,47	(1)(A)(1)(a)(i)	
- Bicycle lanes, racks, and stations Infrastructure	19, 33	(1)(A)(1)(2)(3)(6)(7)	

- Stormwater Management, including water and sewer upgrades - Telecommunications, lighting, and electrical distribution upgrades; Infrastructure improvements/enhancements - Wayfinding (signage) - Public plaza intersection improvements	19, 36 19,23, 35,47 22, 46	(1)(A)(1)(2)(3)(7) (1)(A)(1) (1)(A)(1)(2)(3)(6)(7)	
In and out of District: New and Enhanced Transit Services, including operational costs, for example (see Exhibit K – Transit Map): - Creation of high frequency bus service on Congress Street at 15-minute intervals between the Portland Transportation Center (PTC) and Washington Avenue; - Enhancing Stevens Avenue-Allen Avenue- Congress Street bus service areas; - Corresponding costs for these enhancements, including transit operator salaries; transit vehicle fuel, and transit vehicle parts replacements. - Transit capital costs including transit vehicles and related equipment; bus shelters and other related structures; benches; signs, and other transit-related infrastructure. - Shuttle service to downtown businesses.	17, 20, 21, 20 20 20 17, 20	(1)(A) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7)	$15 Million for Transit in this category.
In and out of District: City Marketing and Promotion through Creative Portland Corporation (CPC), for example (see Exhibit M Arts District Map within			Up to $100K annually; $3 Million over life of District

Downtown TOD TIF District): - In District: Center for the Arts, including rental residential space; - In District: capital, financing, real property assembly and professional service costs; - **In and out of District:** CPC staffing, administrative and marketing expenses; revolving loan or investment fund.	20, 21,47 20, 21,47 20, 21, 47	(1)(C)(1)(2) (1)(C)(1)(2) (1)(C)(1)(2)	
In and out of District: **- Housing and** Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, Finance Director, and Planning Urban Development Director, and Planning staff*; - Professional services costs; - Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.	21, Also TIF App. P. 3 See TIF App. P.3 See TIF App. P. 3	(1)(A)(5) and (1)(C)(1) (1)(A)(4);(1)(C)(1) (1)(C)(4)	$15 Million over life of the District.
In District: Small Public Capital Infrastructure and Equipment, for example (Downtown Plan pp. 6 and 7) - Parking meters - Vehicles for Public Works Dept., and Fire Dept., including ambulances	19 21, 36 to 44	(1)(A)(1)(a) (1)(A)(1)(a)	$10 Million over life of the District
In District: Relocation of Displaced Persons (TIF Application, p. 6)	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not anticipated at time of TIF application

In District: CEAs as Approved by City Council (TIF application p. 2) with a maximum average percentage of 65% capture and up to a 20-year term, or the remaining term of this District, pursuant to City TIF Policy (Exhibit B hereto).	(see TIF application p. 2)	(1)(A)(1)(2)(3)(6)(7)	Unknown at time of TIF application
Total Estimate of TIF Revenue Expenditure over 30 year term:			**$193,000,000**

*This item is not unique to this TIF District, it is also included in the Bayside TIF District and Waterfront TIF District.

C. Strategic Growth and Development

This Amended Development Program and the Downtown Plan meld various studies and plans for the District into one document, thereby promoting those studies and plans and making investments at the appropriate time. The studies and plans noted in the Downtown Plan represent a series of community initiatives, both completed and underway, or in planning process. The Amended Development Program and Project List (Table 1) noted hereinabove represents the best thinking of City staff about current opportunities for realizing the City's longstanding, evolving vision for its Downtown.

D. Improvements to the Public Infrastructure

As further set forth in Table 1 hereinabove, the City may use certain TIF Revenues for sidewalk and other pedestrian improvements including crosswalks, roadway realignments/paving, intersection redesigns, traffic signals, bicycle infrastructure, stormwater management improvements (including water and sewer maintenance), communications infrastructure improvements/enhancements, wayfinding, multi-modal surface and structured parking, and public plaza intersection improvements that are directly related and made necessary by development in the District.

E. Operational Components

1. **Public Facilities**

The City may use a portion of the TIF Revenues to fund certain projects approved within the District, outlined in Table 1 hereinabove.

2. **Commercial Improvements Financed through the Development Program**

At this time, no commercial improvements will be financed through the Development Program. The City may, in the future, reimburse a percentage of the TIF Revenues from any particular lot within the District to future developers through a credit enhancement agreement. Future credit enhancement agreements are authorized only if the City Council meets and holds a public hearing and votes to authorize, negotiate, and execute the credit enhancement agreement pursuant to City Council approved TIF Policy. Such credit enhancement agreements would be approved under the City's TIF Policy, as may be amended from time to time, but limited to the balance of the term of this District. Should the City enter into a credit enhancement agreement, it will provide the Maine Department of Economic and Community Development a description of the terms and conditions of any agreements, contracts, or other obligations related to the development program (see Table 1 last item and Exhibit B).

3. **Relocation of Displaced Persons**

It is not anticipated that any persons will be relocated; however, the City has provided that if, in the future, relocation of persons is necessary to accommodate future redevelopment within the District, the one-time relocation costs of such displaced persons can be paid for with TIF Revenues, exclusive of rent.

4. **Transportation Improvements**

The City may fund road/transportation improvements made necessary by the increased traffic to the District. Please see Table 1 hereinabove for more details.

5. **Environmental Controls**

The improvements made under this Development Program will meet or exceed all federal, state, and local environmental laws, regulations, and ordinances and will comply with all applicable land use requirements for the City.

6. **Plan of Operation**

During the term of the District, the City Manager or his designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.

III. Amended Physical Description

Proposed Amendment #5 does not change the acreage numbers for the Downtown TOD TIF District because Unit 1 at 45 Brown Street (multi-level parking garage with public restrooms) will remain in the TIF District, and Unit 2 (affordable residential units located in the upper floors) is proposed to be an Affordable Housing TIF District.

The 417.7882-acre District is bounded by Washington Avenue to the east, State Street to the west, following the edges of the adjacent Bayside and Waterfront Capital Improvement TIF Districts to the north and south. The District encompasses the central business district of Portland and the abutting east and west ends of the District. In creating the District, the outlying residential areas of the Eastern and Western Promenades have been purposely excluded. The District is shown on revised Exhibit C. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. Section 5223(3) are set forth in revised Exhibit E.

IV. Financial Plan

A. Amended Financial Characteristics

With Amendment #5, the collective original assessed value of the real property in the District remains at $965,007,320 as set forth in Exhibit F, Revised Assessor's Certificate.. The backup for the Certificate includes revisions from Amendment #3 and #4. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

The City captured 12% in year 1 (City Fiscal Year 2015/2016), 22% in years 2 through 4, 25% in year 5, and 30% in year 6 of the increased assessed value of the real property located within the District. Amendment 2 provided for the City to capture up to 100% for the duration of the 30-year term of the District. Personal property tax value will not be captured within the District. The TIF Revenues so collected will fund and/or contribute to the funding of the approved projects, including each of the projects described on Table 1 hereinabove, including entering into Credit Enhancement Agreements (see Table 1 last item and Exhibit B), which collectively increase the City's ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All assessed real property value captured in the District will be added to the general tax rolls at the end of the District's term. Please note that at any time during the term of the District, the municipality can vote to reduce the captured value percentage and instead deposit the tax revenues into the General Fund so long as the municipality does not receive the tax shift benefit associated with the tax revenues so deposited.

Upon each payment of real property taxes for property located inside the District, the City will deposit into a development program fund (the "Development Program Fund") the entirety of the property tax payments constituting TIF Revenues. The percentage of increased assessed value of real property within the District that will be captured shall be determined annually during the municipal budget process; however, the City may capture up to 100% in Years 5 through 30 of the increased assessed value of real property as captured assessed value. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner and in the order provided in 30-A M.R.S.A. Section 5227(3). The Development Program Fund will consist of a development sinking fund account (the "Sinking Fund Account") to the extent municipal bonded indebtedness is used to pay for projects costs, and a project cost account (the "Project Cost Account"). From the Development Program Fund, the City will deposit the TIF Revenues into the City's Sinking Fund Account and/or the Project Cost Account to be used to fund projects listed in Table 1 hereinabove. If future credit enhancement agreements are approved by the City Council, then a subaccount within the Project Cost Account shall be created for any payments required to be made by the City pursuant to such credit enhancement agreement, dedicated to each credit enhancement agreement.

Estimates of the increased assessed property values of the Amended District, the anticipated TIF Revenues generated by the District, and the estimated tax shifts are shown in Revised Exhibit D-1 and Revised Exhibit D-2.

B. Costs and Sources of Revenues

The current and future developers owning or leasing properties located within the Districted are intended to pay for and/or finance all private improvements located in the District through private sources. Table 1 hereinabove provides estimated costs of the municipal projects costs to be undertaken with TIF Revenues.

C. Indebtedness

The City reserves the option to fund the project costs through public indebtedness.

V. Statutory Requirements and Thresholds

The statutory requirements and thresholds for approval required by Section 5223(3) of the TIF Statute are set forth in revised Exhibit E.

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding amending the Development Program for the District, published in the *Portland Press Herald*, a newspaper of general circulation in the City, on May 5, 2021, a date at least ten (10) days prior to the public hearing. The public hearing on the amended District was held on May 17, 2021, in accordance with the requirements of 30-A M.R.S.A. Section 5226(1).

B. Minutes of Public Hearing Held by City Council

Attached as Exhibit H hereto is a certified copy of the minutes of the public hearing held on May 17, 2021, at which time this amended District was discussed by the public.

C. Authorizing Votes

Attached as Exhibit I hereto is an attested copy of the City of Portland Order approving this amended District with the results of the vote noted on this Order duly called and held on May 17, 2021.

DEVELOPER PROVIDED INFORMATION

Analysis of TIF vs No TIF

	TIF	No TIF
1)	New garage	Old garage stays
2)	New 282 unit MF project	No new project
3)	50% units affordable (most at 80% AMI)	No new affordable units
4)	400 new residents downtown	No new residents
5)	100 construction jobs for $90mm project	No new construction jobs
6)	New public bathroom	No new public bathroom
7)	City revenues increase by $9mm over term from new MF project	No new City rev (garage income $45k/yr)
8)	City revenue from new garage $110k, and $3mm over term	No new garage rev (garage income $45k/yr)
9)	City has lower rev sharing with State	No change
10)	Project goes forward on minimal ROI	Project cancelled (see Excel)

DEVELOPER PROVIDED INFORMATION

FAQ's 45 Brown Street TIF Application

1. With the current Inclusionary Zoning changes, the developer has to build 25% of the units at 80% AMI regardless of a TIF so why would the City of Portland provide any subsidy?

   A: This statement assumes the project is financially viable without the TIF and therefore the developer would proceed without the TIF. This project is not economically viable without the TIF proceeds and will not be built without the TIF.

2. If we approve the Affordable Hosing TIF request for 45 Brown Street are we setting a precedent with every developer in Portland?

   A. No. Each project will be evaluated on its own merits. The AHTIF program was created by the City of Portland to be used as a tool if needed to support the development of multi-family housing providing income restricted, affordable units. Some projects may have positive attributes such as qualifying for historic tax credits, may not be subject to the new Inclusionary Zoning requirements, may have minimal site costs or less challenging development conditions.

3. Why is the size of this TIF request so large in comparison to other previous applications?

   A: The shear magnitude of this project, delivering a total of 275 units, of which 138 are income restricted, is several multiples in size larger than any previous AHTIF application. On a "per unit basis", when compared to the previous "market rate" for sale product approved in the 4th quarter of 2020 by the City of Portland, this project's TIF subsidy is significantly lower.

4. Are there additional economic benefits that will be realized in the immediate neighborhood abutting the proposed 45 Brown Street project?

   A: The proposed $90 mil investment into the currently existing parking garage spurs other economic investment into the immediate neighborhood as well as generates significant job opportunities directly related to the project.

5. Will a lender provide financing to the project based on the developer provided pro forma?

   A: Yes. Based on the current financial projections, with the use of the TIF proceeds, the required debt service coverage ratios by the lender are met. If the TIF is not approved, the project will not be approved by the current lender due to the inability to service the debt service payments.

6. What happens to the current site of 45 Brown Street if the TIF is not approved?

   A: The existing garage will stay "as is" and will not be developed. The current property tax assessment is $1.91 Mil, generating $45k per year in tax revenue to the City.

7. The current tax assessed value of the 45 brown Street parking garage is $1.91 Mil, what is the tax assessment expected to increase to if the parking garage is replaced?

   A: The parking garage alone is expected to increase in tax assessment from $1.91 Mil to $6.5 Mil. This is over a 350% tax increase captured by the City of Portland if the parking garage is replaced. The parking garage will only be replaced if the TIF for the multi-family apartment project is approved.

8. What are the new expected tax proceeds to be received by the City of Portland for the property tax assessment of 45 Brown Street, 275 unit apartment project not returned to the developer?

   A: Estimated to be $11 Mil in new property tax revenue to the City of Portland, captured over 30 years from the new parking garage and multi-family project.

9. What is the total expected cost of the 45 Brown Street project?

   A: The estimated total cost of the 45 Brown Street project, including new parking garage is $90 Mil.