

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
SPENCER THIBODEAU (2)
TAE Y. CHONG (3)
ANDREW J. ZARRO (4)

MARK N. DION (5)
APRIL FOURNIER (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR. (A/L)

REMOTE SPECIAL CITY COUNCIL MEETING - MAY 10, 2021

The Portland City Council will hold a City Council Meeting remotely using Zoom. The Honorable Kate Snyder, Mayor, will preside.

ZOOM INFORMATION:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86566184319?pwd=RzNoNnR2a1pKeVBmcW01NTZCVTIKZz09>

Passcode: 649582

Or One tap mobile :

US: +13017158592,,86566184319#,,,,*649582# or +13126266799,,86566184319#,,,,*649582#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099 or +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833

Webinar ID: 865 6618 4319

Passcode: 649582

International numbers available: <https://us02web.zoom.us/j/86566184319?pwd=RzNoNnR2a1pKeVBmcW01NTZCVTIKZz09>

PLEDGE OF ALLEGIANCE:

ROLL CALL:

ANNOUNCEMENTS:

APPROVAL OF MINUTES OF PREVIOUS MEETING:

Approval of the Draft May 3, 2021 City Council Meeting Minutes

ORDERS:

Order 240-20/21 Approving City Lease with 39 LLC of 39 Forest Avenue for the Relocation of the City's Health and Human Services Department, Divisions of Social Services and Public Health - Sponsored by Jon P. Jennings, City Manager

This lease would allow the Divisions of Social Services and Public Health to be co-located at 39 Forest Avenue. Currently, these Divisions are housed in three separate locations: City Hall and cramped leased spaces at 103 India Street and at 196 Lancaster Street.

Leasing space at 39 Forest will provide a centralized, on-peninsula location. The benefits of co-location include improved staff collaboration, reduced barriers to those who require vital services, enhanced organization efficiency, and the ability to expand programs as needed.

39 Forest Avenue includes a free-standing, 37,000-square-foot building on two levels that has been determined to be the most affordable long-term option to house and deliver social services. It is proposed that the initial term of the lease be 20 years from June 1, 2021, and ending on May 31, 2041, with options to renew.

Public outreach regarding the co-location of HHS staff and programs at 39 Forest Avenue included the following:

- April 13: Health and Human Services & Public Safety Committee announced the City's co-location plans;
- April 16: A survey was distributed to clinic and Needle Exchange clients;
- April 23: Portland Downtown hosted a forum on this topic;
- Week of April 26: Direct outreach to property abutters via mail;
- May 4: Staff discussed the plan at a Bayside Neighborhood Association meeting;
- May 5: A community meeting for the general public was hosted by City staff;
- May 26: Staff to discuss the plan at a Parkside Neighborhood Association meeting;
- Ongoing: Numerous one-on-one meetings with stakeholders, including MECA officials and Jonathan Culley (developer for 45 Forest Avenue).

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

Order 241-20/21 Accepting and Appropriating a \$3,000 Grant from ConnectMaine Authority - Sponsored by Jon P. Jennings, City Manager

This order accepts \$3,000 in grant funding from ConnectMaine Authority and appropriates it to work being undertaken by the Portland Broadband Planning Committee in at least the communities of Peaks Island, Great Diamond Island and Little Diamond Island.

The Broadband Planning Committee was formed in late 2020 to facilitate learning, outreach, and planning among Portland's island communities related to enhanced high-speed internet access. Representatives from Peaks Island, Cushing Island, Great Diamond Island, and Little Diamond Island participate on the Committee, along with staff from the City's Executive Department, Department of Housing & Economics Development, and Department of Planning and Urban Development.

This funding is intended to help "begin the process of building community-wide support for expanded broadband service," per ConnectMaine's award letter.

The Committee meets on the fourth Monday of each month. These meetings are open to the public and accessible by Zoom.

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

Order 242-20/21 Amending the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Make 45 Brown Street Unit 2 an Affordable Housing Tax Increment Financing District and to Allow Funding for Public Restrooms - Sponsored by Councilor Spencer Thibodeau, Chair, Housing & Economic Development Committee

The Housing and Economic Development Committee met on March 2, 2021, and voted 4-0 to forward this item to the City Council for approval.

This is a companion Order to the Affordable Housing Tax Increment Financing (TIF) Request for the 45 Brown Street project.

City Council approval is requested to amend the Downtown Transit Oriented Development and Omnibus (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.

Order 243-20/21 Designating the 45 Brown Street Unit 2 Affordable Housing District and Tax Increment Financing District and Adopting the Municipal Development Program for the District - Sponsored by Housing & Economic Development Committee, Councilor Spencer Thibodeau, Chair

The Housing and Economic Development Committee met on March 2, 2021, and voted 3-1 (Zarro) to recommend forwarding this to the City Council for consideration.

The Presidium Group development team submitted an application for Affordable Housing Tax Increment Financing for a project at 45 Brown Street. The proposal will result in 282 new units of rental housing with 50% having affordable housing restrictions for thirty (30) years.

The project proposal includes 116 studio apartments (40 affordable at or below 80% of the area median income, 27 affordable at or below 100% AMI, 33 affordable at or below 120% AMI and 16 at market rate); 126 one-bedroom apartments (41 affordable at or below 80% AMI and 85 at market rate); and 40 two-bedroom apartments, all at market rate. A total of 141 units will be affordable, restricted units; 81 (29%) units will be affordable to households earning at or below 80% AMI. (Applicable AMI income limits are included in the Backup section of the memo).

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; 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 estimated at an annual average \$283,206 or \$8,496,167 over the term of the district. Original assessed value revenue will remain in the existing Downtown TIF District, estimated at an annual average of \$42,276 or \$1,268,282 over the term of the district. 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 term of the district.

Additionally, the Presidium team is willing to incorporate, in response to the City's request, a public restroom in the Project.

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

Order 244-20/21 Approving and Authorizing the City Manager to Enter into the Credit Enhancement Agreement with Brown Tower, LLC - Sponsored by Jon P. Jennings, City Manager

During a meeting held on March 2, 2021, the Housing and Economic Development Committee (3-1) voted to forward this item to the City Council for consideration.

This is a companion order to Order 243-20/21 above.

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

Order 245-20/21 Accepting and Appropriating a \$42,500 Donation from Matthew Best in honor of Arthur Best to the Fire Department Medical Crisis Unit - Sponsored by Jon P. Jennings, City Manager

This item accepts and appropriates a donation of \$42,500 from Matthew Best in honor of his uncle, Arthur Best, to the Portland Maine Fire Department, to support the mission of the Medical Crisis Unit (MEDCU). The MEDCU consists of five ambulances that serve the City for all Emergency Medical responses such as; cardiac arrest, seizures, overdose calls, trauma calls, vehicle accidents and much more. MEDCU responded to 16,081 calls for service last year for fire and emergency medical services. The donation will be placed in a special MEDCU account that will accrue a small amount of interest over time.

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

BUDGET ITEMS:

THE CITY COUNCIL WILL HOLD A SECOND READ AND A PUBLIC HEARING ON THE FISCAL YEAR 2022 SCHOOL BUDGET AT THIS COUNCIL MEETING (MAY 10) AT 5:00 P.M. THE REFERENDUM ON THE SCHOOL BUDGET WILL BE HELD ON TUESDAY, JUNE 8, 2021.

Please find the Board of Public Education's recommended budget attached.

Orders 233-20/21 to 239-20/21 are orders required by 20-A M.R.S. §15690 in order to comply with what is known as LD1, a set of state laws passed to control increases in property taxes.

At their April 29, 2021 meeting, the City Council Finance Committee voted 3-0 to approve a \$99,114,406 tax levy for the School Budget that must be submitted to voters. This figure represents an increased tax levy of \$4,775,662 or a 5.1% increase from Fiscal Year 2021. The Portland Board of Public Education had initially recommended a \$6,243,662 increase in their tax levy for Fiscal Year 2022. If the change made by the Finance Committee is approved by the full City Council the Board of Public Education must determine whether to reduce requested expenditures, increase requested revenues, or do a combination of both to meet the approved tax levy.

Order 233-20/21 Approving State/Local EPS Funding Allocation for Public Education from Kindergarten to Grade 12 for Portland Public Schools for Fiscal Year 2022 - Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Chair

This order provides \$77,010,122 as the amount determined by state law to be the minimum amount the city must appropriate in order to receive the full amount of state funding under the Essential Programs and Services Funding Act.

This order requires the city to raise \$77,010,122 as the city's contribution to the total cost of funding public education from K-12 as described in the EPS law. The City's Tax levy based on the budget submitted by the Portland Board of Public Education for the total for school budget programs of \$125,154,700 will be \$100,582,406.

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

Order 234-20/21 Order Approving Non--State Funded School Construction Debt Service for Portland Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

Non-state funded debt service is the amount of money needed for the annual payments on the City's long-term debt for major capital school construction projects and portions of school construction projects that are not approved for state funding. The bonding of this long-term debt was previously approved by the voters or the City Council.

This order appropriates \$385,252 for the annual payments on debt service previously approved by the voters or the City Council for non-state (local only) funded school construction projects. The state no longer includes minor capital projects in this calculation.

The \$385,252 is in addition to the funds appropriated as the EPS required local share (amount of the city's contribution to the total cost of funding public education from kindergarten to grade 12).

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

Order 235-20/21 Order Raising and Appropriating Additional Local Funds for Portland Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This order appropriates \$21,217,396 in additional city funds over and above regional Essential Programs and Services amount and the non-state funded debt service amount.

This exceeds the EPS funding model by \$21,217,396 and is needed to cover the School Department's costs that the state's funding model does not recognize or recognize fully, including costs to maintain class size; Special Education costs; Regular Instruction costs; Facilities Maintenance costs to address deferred maintenance; technology costs; transportation costs; professional development costs; debt service for pension obligation; and debt service capital renovation costs.

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

Order 236-20/21 Approving Total School Operating Budget For Portland Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This order is required by 20-A M.R.S.A. §15690(4)(A). It sets the School Budget required by state law. The total amount recommended for that budget is \$118,755,817.

That is the amount based on the budget submitted by the Portland Board of Public Education and would be sent to the voters for approval at a citywide Referendum Election on June 8, 2021. \$98,612,770 of the \$118,755,817 would come from property taxes, \$17,818,900 would come from state subsidy, and \$2,324,147 from other revenues.

This order does not provide money unless the other General Fund budget orders are passed.

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

Order 237-20/21 Appropriating and Raising Funds for Adult Education for Fiscal Year 2022 as Required by the Maine Revised Statutes, Title 20-A M.R.S. §8603-A(1) -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This order appropriates \$2,575,752 for Adult Education for Fiscal Year 2021-2022 and raises the sum of \$1,783,513 as the local share with authorization to expend any additional, incidental, or miscellaneous receipts in the interest and for the well-being of the adult education program.

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

Order 238-20/21 to Raise and Appropriate Local Funds for Food Service in the Portland Public Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This order raises and appropriates \$186,123 for the Food Service Program for Fiscal Year 2021-2022. The Portland School Department is authorized to expend any unexpended balances and additional, incidental or miscellaneous receipts in the interest and for the well- being of the food service program.

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

Order 239-20/21 Order Authorizing the Disposition of Any Additional State Subsidy Received for Portland Schools in Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr. Chair

Disposition of Any Additional State Subsidy Received: In the event that Portland Public Schools receives more state education subsidy than the amount included in its budget, that the City authorizes the Portland Board of Education to use all or part of the additional state subsidy to increase expenditures for school purposes in cost center categories approved by the Portland Board of Education, subject only to approval by the City Council.

This item must be read on two separate days. It received its first reading on May 3, 2021. Five affirmative votes are required for passage after public comment.

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

ZOOM INFORMATION:

Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403A, that authorizes cities and towns to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to portlandmaine.gov/livestream the next day. For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84217109286?pwd=NzBPM2hQaDB0NWFBWmpHck1lbnRpQT09>

Passcode: 970838

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US: +13017158592,,84217109286#,,,,*970838# or +13126266799,,84217109286#,,,,*970838#

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Webinar ID: 842 1710 9286

Passcode: 970838

International numbers available: <https://us02web.zoom.us/j/84217109286?pwd=NzBPM2hQaDB0NWFBWmpHck1lbnRpQT09>

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Mayor Snyder called the meeting to order at 5:00 P.M. (Councilor Thibodeau and Councilor Fournier arrived during announcements.)

ANNOUNCEMENTS:

Councilor Ray announced that she has accepted a position with GPCOG, (Greater Portland Council of Government), and will start in her new position in January 2022. She also indicated that she will not be seeking re-election for November. Councilor stated that she will be removing herself from the Board of GPCOG and PACTS, (Portland Area Comprehensive Transportation System).

Mayor Snyder stated that she will be bringing forward Council appointments for the open Board seats.

APPROVAL OF MINUTES OF PREVIOUS MEETING:

Approval of the April 26, 2021 Draft City Council Meeting Minutes

Motion was made by Councilor Mavodones and seconded by Councilor Ali to approve the minutes of the April 26, 2021 City Council Meeting. Passage 9-0.

PROCLAMATIONS:

Proc 13-20/21 Declaring May 5, 2021 Missing and Murdered Indigenous Women's Day - Sponsored by Councilor April Fournier

APPOINTMENTS:

Order 227-20/21 Appointing Members to Various Boards and Commissions - Sponsored by the Nominating Committee, Councilor Pious Ali, Chair

Motion was made by Councilor Chong and seconded by Councilor Ali for passage. Passage 9-0.

COMMUNICATIONS:

UNFINISHED BUSINESS:

Order 225-20/21 Accepting and Appropriating an Anonymous Donation of \$2,500 toward the Community Needs Fund - Sponsored by Jon P. Jennings, City Manager

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

Order 226-20/21 Zoning Map Amendment Re: B-1 to B-2 in the Vicinity of Congress and Douglass Streets and Massachusetts Avenue - Sponsored by the Planning Board, Brandon Mazer, Chair

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

ORDERS:

Order 228-20/21 Approving Purchase and Sale Agreement with Douglass Commons LLC for 43 and 91 Douglass Street - Sponsored by Housing & Economic Development Committee. Councilor Spencer Thibodeau, Chair

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

Order 229-20/21 Approving Purchase and Sale Agreement with Greater Portland Community Land Trust for 21 Randall Street - Sponsored by the Housing &

Economic Development Committee, Councilor Spencer Thibodeau, Chair

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

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

Order 230-20/21 Approving the Application for Financing through the Land and Water Conservation Fund Act Re: Riverton Trolley Park - Sponsored by Jon P. Jennings, City Manager

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

Order 231-20/21 Extending the Emergency Resolution to November 1, 2021 - Sponsored by Kate Snyder, Mayor

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

Order 232-20/21 Accepting and Adopting the 2021 Jill C. Duson Housing Trust Fund Annual Plan - Sponsored by the Housing & Economic Development Committee, Councilor Spencer Thibodeau, Chair

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

BUDGET ITEMS:

THE CITY COUNCIL WILL HOLD A FIRST READ ON THE FISCAL YEAR 2022 SCHOOL BUDGET AT THIS COUNCIL MEETING (MAY 3) AND WILL ACCEPT PUBLIC COMMENT. THE SECOND READ AND A PUBLIC HEARING ON THE SCHOOL BUDGET WILL BE HELD ON MAY 10 AT 5:00 P.M. THE REFERENDUM ON THE SCHOOL BUDGET WILL BE HELD ON TUESDAY, JUNE 8, 2021.

Order 233-20/21 Approving State/Local EPS Funding Allocation for Public Education from Kindergarten to Grade 12 for Portland Public Schools for Fiscal Year 2022 - Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Chair

This is its first reading.

Order 234-20/21 Order Approving Non--State Funded School Construction Debt Service for Portland Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This is its first reading.

Order 235-20/21 Order Raising and Appropriating Additional Local Funds for Portland Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This is its first reading.

Order 236-20/21 Approving Total School Operating Budget For Portland Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This is its first reading.

Order 237-20/21 Appropriating and Raising Funds for Adult Education for Fiscal Year 2022 as Required by the Maine Revised Statutes, Title 20-A M.R.S. §8603-A(1) -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This is its first reading.

Order 238-20/21 to Raise and Appropriate Local Funds for Food Service in the Portland Public Schools for Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr., Chair

This is its first reading

Order 239-20/21 Order Authorizing the Disposition of Any Additional State Subsidy Received for Portland Schools in Fiscal Year 2022 -- Sponsored by the Finance Committee, Councilor Nicholas M. Mavodones, Jr. Chair

This is its first reading.

Motion was made by Councilor Mavodones and seconded by Councilor Zarro to adjourn.
Passage 9-0, at 8:12 PM

A TRUE RECORD

Katherine L. Jones, City Clerk

MEMORANDUM
City Council Agenda Item

FROM: Greg Mitchell, Director

DATE: April 29, 2021

SUBJECT: Order 240-20/21 Approving City Lease with 39 LLC of 39 Forest Avenue for the Relocation of the City's Health and Human Services Department, Divisions of Social Services and Public Health - Sponsored by Jon P. Jennings, City Manager

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

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 5/10/2021

Final Action 5/17/2021

Can action be taken at a later date: No (If no why not?) Final action is requested on May 17, 2021, so that relocation can begin June 1, 2021, including any fit-up required, to be operational as soon as possible.

PRESENTATION: Greg Mitchell/Kristen Dow - 5 Minutes

I. SUMMARY

The co-location of Social Services and Public Health Divisions to a single, centralized location in Portland would reduce barriers to those who access vital services, as well as enhance organizational efficiency and program expansion.

II. AGENDA DESCRIPTION

This lease would allow the Divisions of Social Services and Public Health to be co-located at 39 Forest Avenue. Currently, these Divisions are housed in three separate locations: City Hall and cramped leased spaces at 103 India Street and at 196 Lancaster Street.

Leasing space at 39 Forest will provide a centralized, on-peninsula location. The benefits of co-location include improved staff collaboration, reduced barriers to those who require vital services, enhanced organization efficiency, and the ability to expand programs as needed.

39 Forest Avenue includes a free-standing, 37,000-square-foot building on two levels that has been determined to be the most affordable long-term option to house and deliver social services. It is proposed that the initial term of the lease be 20 years from June 1, 2021, and ending on May 31, 2041, with options to renew.

Public outreach regarding the co-location of HHS staff and programs at 39 Forest Avenue included the following:

- April 13: Health and Human Services & Public Safety Committee announced the City's co-location plans;
- April 16: A survey was distributed to clinic and Needle Exchange clients;
- April 23: Portland Downtown hosted a forum on this topic;
- Week of April 26: Direct outreach to property abutters via mail;
- May 4: Staff discussed the plan at a Bayside Neighborhood Association meeting;
- May 5: A community meeting for the general public was hosted by City staff;

- May 26: Staff to discuss the plan at a Parkside Neighborhood Association meeting;
- Ongoing: Numerous one-on-one meetings with stakeholders, including MECA officials and Jonathan Culley (developer for 45 Forest Avenue).

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

III. BACKGROUND

HHS staff at 103 India Street and 196 Lancaster Street have become increasingly cramped in tired space over the years, with numerous facility issues including plumbing, electrical, and poor ventilation. When the space at 39 Forest Avenue became available, staff conducted its due diligence and recommended this relocation due to its size, flexible space inside where Public Health clinical services could be on the first floor, and Social Services administration and fiscal team to be located on the second floor. Ramps at the Forest Avenue entrance and inside the building provide accommodation for people who use wheelchairs and other mobility devices, with room inside for those devices. In addition, this location also provides access to major bus lines, and provides for parking for up to 10 vehicles, including two handicapped spaces with metered spaces along Forest Avenue, with staff parking to be in the Spring Street Garage.

The co-location of these two Divisions also provides for improved client access to services, as these divisions often “share” clients for different services offered by each Division. This would improve the City’s ability as a Department to provide low-barriers services to clients under one roof, and provide opportunities for increased collaboration and program expansion.

Public outreach regarding the collocation of HHS staff and programs at 39 Forest Avenue included the following:

- April 13th City Council Health and Human Services & Public Safety Committee to announce the City’s intention to proceed with this proposal,
- April 23rd Portland Downtown Forum focused upon this topic,
- May 4th Bayside Neighborhood Association meeting,
- May 26th Parkside Neighborhood Association meeting,
- May 5th community meeting,
- Survey distributed to clinic and Needle Exchange clients,
- Community question collected via HHS website and FAQ developed and posted,
- Direct outreach to property abutters,
- Meeting with MECA officials and Jonathan Culley, developer for 45 Forest Avenue, and
- Numerous one-on-one meetings with interested parties.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result is for the City Council to authorize the City Manager to enter to a lease with 39 LLC for the relocation of the Social Services and Public Health Divisions in the City’s Health and Human Services Department, providing for increased access for clients, collaboration and opportunities for program expansion, and increased health equity for both staff and clients.

V. FINANCIAL IMPACT

The Proposed 39 Forest Avenue lease terms include:

Square Feet: 37,000

Rent: \$7.50 per square foot with an annual one (1) percent escalator starting at \$277,500 effective year one.

Term: Twenty (20) years with one ten (10) year renewal option.

Operating Expenses (building maintenance, insurance, etc.) plus Utilities (electric service and gas):

\$64,560 is the annual estimate. The amount paid will be based upon actual documented expenditures through an annual reconciliation.

Parking: Staff parking is available in the city owed Spring Street Parking Garage.

Termination Provisions based upon annual budgetary appropriations along with a morals or bad actor clause.

For comparison purposes the annual costs for leasing combined square footage of existing HHS leases located at 103 India Street and 196 Lancaster Street including 16,339 square feet along with the estimated cost of leasing additional Prevention & Diversion space on peninsula, combine for an annual cost of \$280,176 with combined annual operating charges totaling \$34,896 (this does not include prevention & diversion space).

VI. STAFF ANALYSIS AND BACKGROUND

As noted previously, HHS staff at 103 India Street and 196 Lancaster Street have become increasingly cramped in their space over the years, with numerous facility issues including plumbing, electrical, and poor ventilation. When the space at 39 Forest Avenue became available, staff conducted its due diligence and recommended this relocation due to its size, flexible space, and centralized location with convenient bus access.

The City Council heard public comment – as a non-Agenda item – at its April 12, 2021, City Council meeting, and the Health and Human Services Committee heard public comment on this item at its April 13, 2021, meeting.

VII. RECOMMENDATION

Staff recommends the City Council approve the lease at 39 Forest Avenue with 39 LLC in substantial conformance as attached.

VIII. LIST ATTACHMENTS

1. Order Approving Lease at 39 Forest Ave for DHHS 5.10.2021
2. 39 LLC Lease city cln 050421

Prepared by:

Greg Mitchell, Director

Date: 4/29/2021

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
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**CITY OF PORTLAND
IN THE CITY COUNCIL**

MARK DION (5)
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PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING LEASE
WITH 39 LLC FOR 39 FOREST AVENUE FOR
THE RELOCATION OF THE CITY'S HEALTH AND HUMAN SERVICES
DEPARTMENT, DIVISIONS OF SOCIAL SERVICES AND PUBLIC HEALTH**

ORDERED, that the Lease of 39 Forest Avenue with 39 LLC is hereby approved in substantially the form attached hereto; and

BE IT FURTHER ORDERED, that the City Manager is hereby authorized to execute the Purchase and Sale Agreement and Lease and whatever other documents are necessary to effect the intent and purpose of this order.

LEASE

This Lease made in duplicate original as of the ____ day of _____, 2021 by and between **39 LLC**, a Maine limited liability company with a mailing address of P.O. Box 66749 Falmouth, Maine 04105 (the “LANDLORD”) and **City of Portland**, a body politic and corporate with a principal place of business located at 389 Congress Street, Portland, Maine 04101 (the “TENANT”).

WITNESSETH:

1. LEASED PREMISES.

- a. DESCRIPTION OF PREMISES. LANDLORD does hereby lease to TENANT the entire building consisting of +/- 37,000 square feet (the “Leased Premises”) being the building and land located at 39 Forest Avenue, Portland, Maine. LANDLORD does hereby lease the Leased Premises to TENANT including all of the regular and handicapped parking spaces in the parking area located at the Forest Avenue driveway adjacent to the building, for the term, the rent, and subject to the conditions and covenants hereinafter provided.
- b. LANDLORD’S WORK. Prior to the Commencement date, LANDLORD shall install two new gates at the locations depicted on the plans attached hereto as **Exhibit A** and remove and dispose of the cubicles/partitions currently located in the areas depicted on **Exhibit A**. Otherwise, TENANT shall take the space in its as-is condition including all existing Furniture Fixtures & Equipment.

2. TERM.

- a. INITIAL TERM. The initial Term of this Lease shall be for a period of twenty years commencing on June 1, 2021 (the “Commencement Date”) and ending on May 31, 2041, unless earlier terminated in writing by mutual agreement of the parties or as otherwise provided in the Lease. Each period from June 1 until May 31 of the following year is referred to herein as a “Lease Year.”
- b. OPTION PERIODS. Provided that Tenant is not then in default beyond any applicable grace period of any of the terms and conditions of the Lease, the Tenant may, at its option, by written notice (the “Option Notice”) to the Landlord given not less than six (6) months prior to the end of the then current term, extend this Lease for One (1) period of Ten (10) years under the same terms and conditions except that Base rent shall be at the rates set forth in Section 3 below. Notwithstanding the foregoing, in the event that Landlord does not timely receive the Option Notice, Landlord will so notify Tenant in writing (an “Option Reminder Notice”)

before leasing the Leased Premises to another Tenant, and Tenant shall have 10 business days from receipt of the Option Reminder Notice to provide Landlord with an Option Notice, which Landlord shall accept as though Landlord timely received the Option Notice.

3. RENT.

- a. **BASE RENT.** From the Commencement Date, Tenant agrees to pay to Landlord at Landlord's office or at such place that Landlord may from time to time designate in writing, fixed minimum annual rent (the "Base Rent") as set forth in the Base Rent Schedule that is attached as **Exhibit B** and made a part hereof.

Base Rent will continue to increase by 1% annually on the Commencement Date anniversary during the Option Period (if applicable).

Base Rent together with the Additional Rent for certain operating expenses (defined below) shall collectively be referred to as the "Rent."

The phrase "Base Rent" shall mean the fixed minimum rent above specified without any set-offs or deductions whatsoever and shall be payable without any prior demand being made therefore on the first day of each month in advance.

- b. **ADDITIONAL RENT.** The term "Additional Rent" as used in this Lease means the sum of (i) Landlord's actual costs for the services listed in section 5(b) of this Lease, (ii) Landlord's actual costs for items specifically identified in this Lease as items to be paid as Additional Rent, and (iii) an annual property management fee not to exceed five percent (5%) percent of the sum of the Base Rent and items (i) and (ii) in this subsection for the applicable Lease Year.

4. SECURITY DEPOSIT. The parties hereto acknowledge that no security deposit is required and none is tendered.

5. OBLIGATIONS OF LANDLORD.

- a. The LANDLORD shall provide the following services at LANDLORD'S expense ("Operating Expenses"), subject to reimbursement by TENANT as Additional Rent pursuant to Paragraph 7:

1. Water for ordinary drinking, cleaning, lavatory and toilet facilities as necessary for efficient, adequate and sanitary provision of the professional services being provided at the Leased Premises, and sewer;

2. Reasonable repairs and periodic, routine maintenance of: the roof; heating, ventilation, and air conditioning systems; windows, including

exterior window washing; fire alarm and sprinkler system; and electrical and plumbing systems;

3. Snow and ice removal from all walkways and parking areas available for use by TENANT, its employees and invitees, and exterior grounds maintenance and litter pick up;

4. Maintain in full force and effect a policy of comprehensive general liability insurance in the minimum amount of Five Million Dollars (\$5,000,000) covering the Leased Premises, and fire and extended coverage insurance in appropriate form and amount with responsible companies qualified to do business in the State of Maine. LANDLORD shall name TENANT as an additional insured on said policies for coverage for claims for which the TENANT does not have governmental immunity, including, without limitation, those areas where government immunity has been expressly waived as set forth in 4 M.R.S. § 8104-A, as limited by § 8104-B, and § 8111. LANDLORD agrees to provide TENANT with a Certificate of Insurance evidencing such coverage upon request;

5. Payment of City of Portland annual storm water fee.

b. LANDLORD's Expenses; Exceptions to Operating Expenses.

1. Notwithstanding anything to the contrary contained in this Lease, LANDLORD shall be solely responsible for the following capital and other expenses (hereinafter, "Landlord's Expenses"), which are specifically excluded from the term Operating Expenses: (a) the initial costs of any item properly chargeable to a capital account (using generally accepted accounting principles consistently applied) nor the original costs of constructing the Leased Premises or the Building; (b) the cost of any capital addition or replacement to the Building or the Leased Premises; (c) expenses for which LANDLORD is or will be reimbursed by another source (excluding TENANT's reimbursement for Operating Expenses or Additional Rent), including, but not limited to, repair or replacement of any item covered by warranty; (d) expenses for the defense of LANDLORD's title to the Building ; (e) structural repairs and replacements; (f) depreciation and amortization of the Building or financing costs, including interest and principal amortization of debts; (g) charitable, lobbying, special interest, or political contributions; (h) any repair, rebuilding, or other work necessitated by condemnation, fire, windstorm, or other insured casualty or hazard; (i) leasing commissions, advertising expenses, and other costs incurred in leasing or procuring new tenants; (j) any duplicate expenses or costs; (k) amounts billed (directly or indirectly) for salaries, overhead, and expenses for office rent and office supplies; and (l) administrative or management fees (in the aggregate) which exceed five percent (5%) of Base Rent.

2. For the avoidance of doubt, Landlord's Expenses and obligations include, and Operating Expenses do not include, replacement of: the roof; exterior walls; structural interior, including wall, floor and ceiling structure within the Leased Premises; windows; fire alarm and sprinkler systems; electrical and plumbing systems; and heating, air conditioning and ventilation systems; provided, however, that TENANT shall be responsible for the maintenance, repair and replacement of any alterations, additions or improvements made by TENANT to the interior of the Leased Premises. Landlord agrees that Operating Expenses do not include such replacements or excessive repairs of any part of the Leased Premises, and that it will not make excessive repairs to any part of the Leased Premises if a reasonable property owner would replace, rather than repair, such part.

6. OBLIGATIONS OF TENANT. The TENANT, at the TENANT's expense shall:

- a. Provide its own trash removal for the Leased Premises;
- b. Provide and be responsible for all cleaning and janitorial services for the interior of the Leased Premises including any toilet, kitchen or conference room facilities within the Leased Premises and/or for which Tenant has sole use;
- c. Maintain the entire interior portion of the Leased Premises in the same condition as on the commencement of this Lease except for reasonable wear and tear and damage by fire or other unavoidable casualty, including replacing light bulbs as necessary and maintaining and unplugging plumbing fixtures in restrooms;
- d. Pay all applicable real estate and Downtown Improvement taxes due or assessed on the Leased Premises directly to the City of Portland;
- e. Pay applicable personal property taxes assessed against the personal property of TENANT;
- f. Utilities. Tenant agrees to secure all separately metered utilities in its name directly by June 1, 2021; provided, however, that for so long as any utility services are not separately metered to the Leased Premises and are billed to Landlord, Landlord will pay for such services subject to reimbursement by Tenant as Additional Rent. If Landlord desires to separate any utility services to the Leased Premises, Landlord shall do so at its sole expense. Tenant agrees to pay promptly when due all charges for utilities and services billed directly to Tenant by a utility provider.
- g. Maintain in full force and effect or self-insure pursuant to the Maine Tort Claims Act for general liability insurance in the amount of not less than Four Hundred Thousand Dollars (\$400,000.00), and such fire and

extended coverage or business interruption insurance for its own property or benefit as it may deem to be appropriate with responsible companies qualified to do business in the State of Maine. TENANT shall name LANDLORD as a member in regard to the general liability insurance and provide a certificate of insurance to confirm such coverage upon request. In the case of any self-insurance, the TENANT may issue a letter to that effect upon request.

- h. Permit LANDLORD to enter into or upon the Leased Premises or any part thereof at all reasonable hours for the purpose of examining the same or making repairs and showing the property for sale or lease, provided such entry shall not unreasonably interrupt the business of TENANT, cause damage to TENANT's property, and LANDLORD gives reasonable advance notice to TENANT.
- 7. ADDITIONAL RENT. The TENANT shall pay the Additional Rent to LANDLORD in the manner described below:
 - a. During the first Lease Year, Tenant shall pay to Landlord, on or before the first day of each month, the applicable monthly Base Rent plus estimated monthly Additional Rent of Five Thousand Three Hundred and Eighty Dollars (\$5,380.00).
 - b. Annual Reconciliation. On or before July 1 of the second Lease Year and each Lease Year thereafter during the term hereof, LANDLORD shall furnish to TENANT a detailed statement (the "Additional Rent Statement"), together with supporting invoices and other commercially acceptable documentation, setting forth the actual Additional Rent incurred during the prior Lease Year; and thereupon there shall be a prompt adjustment between LANDLORD and TENANT, with payment to, or repayment by, LANDLORD (said payment or repayment being referred to herein as the "Adjustment Amount"), as the case may require.
 - c. To the extent that the parties dispute the Adjustment Amount, the undisputed portion of the Adjustment Amount shall be paid promptly, and the parties shall attempt in good faith to resolve the disputed portion of the Adjustment Amount. If the parties are unable to resolve such a dispute within 30 days after TENANT'S receipt of the Additional Rent Statement, the parties shall submit the dispute to binding arbitration in Portland, Maine pursuant to the American Arbitration Association's Commercial Arbitration Rules and Mediation Procedures, or, if said rules are no longer in effect, a comparable alternative dispute resolution process. TENANT's dispute of the Adjustment Amount will not be considered a default under this Lease.
 - d. The Additional Rent Statement shall also set forth a reasonable, good faith estimate for Additional Rent for the upcoming Lease Year for TENANT'S

monthly payments. TENANT shall pay said amount on a monthly basis until the next subsequent reconciliation has been completed. TENANT acknowledges that the monthly estimate for Additional Rent does not include charges for any utility expenses for the Leased Premises paid directly by TENANT to the utility provider. LANDLORD shall allow TENANT to review LANDLORD's expenses upon TENANT's request.

8. USE OF PREMISES. The Leased Premises may be used by TENANT for any lawful use. TENANT shall have the right to use the Leased Premises for such uses at any time including evenings, weekends and holidays.
9. ASSIGNMENT/SUBLETTING. The TENANT may not assign this Lease or sublet the Leased Premises or any portion thereof, without the written consent of the Landlord. Such consent shall not be unreasonably conditioned, withheld, or delayed.
10. RENOVATIONS. Landlord hereby consents to any interior finishes that TENANT may make from time to time to the Leased Premises, and to the list of demolition and improvements that are generally described on the List Of Pre-Approved Tenant Improvements and generally depicted in the floor plans that are attached hereto collectively as **Exhibit C** and made a part hereof. Except as set forth in this paragraph and Exhibit C, TENANT shall not alter the building or the Leased Premises without Landlord's prior written consent, which shall not be unreasonably conditioned, withheld, or delayed. Any and all improvements made by Tenant shall be at its own expense. All such renovations shall be performed in a workmanlike manner and in conformance with all applicable laws, regulations and local ordinances, and shall be completed without interfering with any other TENANT's use of their premises. Tenant shall not permit any liens to be placed on the Building.
11. SIGNAGE. TENANT may erect signs at the Leased Premises subject to the prior written approval of Landlord as to the signage design(s) and location(s), which approval shall not be unreasonably conditioned, delayed, or withheld. Such signage shall be in accordance with all local and state governmental codes. The costs of such signage is to be paid by Tenant.
12. REMOVAL OF TENANT'S FIXTURES. TENANT shall have the right at any time on or before vacating the Leased Premises of removing any or all of its personal property, equipment and fixtures, and shall repair any damage thereby caused, and restore the premises to its original condition, ordinary wear and tear excepted.
13. CASUALTY DAMAGE. If the Premises or any part thereof shall be destroyed or damaged by fire or other unavoidable casualty, so that the same shall be thereby rendered unfit for use, then, and in such case, the Rent hereinabove stated or a just and proportional part thereof, according to the nature and extent of injuries sustained, shall be suspended or abated, until LANDLORD has put the Premises

- in proper condition for use. Provided, however, in the event that restoration is not reasonably possible within one hundred fifty (150) days after the occurrence of such damage or destruction, then either LANDLORD or TENANT shall have the right to terminate this Lease by giving the other party written notice of such termination within thirty (30) days after such damage or destruction, and upon the giving of such notice, the term of this Lease shall cease and come to an end as of the date of such damage or destruction and any unearned rent shall be returned to TENANT.
14. RETURN OF PREMISES. At the expiration of the Lease term TENANT shall peaceably yield up to LANDLORD the Leased Premises, in good repair in all respects, reasonable use and wear and damage by fire and all other unavoidable casualties excepted. If TENANT holds over after the expiration of the Term, on a month to month basis, Base Rent shall be 1 ½ times the base rent at the end of the Term.
15. MUTUAL INDEMNITY. Subject to and limited by the defenses, immunities, and limitations of liability or damages available to the TENANT under the Maine Tort Claims Act, other statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the TENANT, TENANT, its successors and assigns, agrees to indemnify and hold harmless LANDLORD, its successors and assigns and its property management agent, from any claim, costs, liability and expense arising from or attributable to any acts or omissions of the agents, servants or employees of TENANT in performing its obligations under this Lease. LANDLORD, its successors and assigns, agrees to indemnify and hold harmless TENANT, its successors and assigns, from any claim, costs, liability and expense arising from or attributable to any acts or omissions of LANDLORD, its agents, servants or employees in performing its obligations under this Lease. The parties' obligations under this paragraph shall survive termination of this Lease.
16. CONVENANTS OF LANDLORD. LANDLORD covenants that it is the owner in fee of the Leased Premises, that there are no mortgages or other liens on the Leased Premises, and can and will provide quiet enjoyment of the Leased Premises during the original and any extended terms of the Lease, and that the Lease is signed by a duly authorized individual.
17. PROPERTY MANAGEMENT. LANDLORD or its agent, including Commercial Properties Management, LLC shall provide management services for the management of the Building (including any additions or expansions), its appurtenances and all exterior areas, yards, sidewalks, parking areas, landscaping and the like located outside of said Building but related thereto and the parcel of land on which they are located (the "Property"). LANDLORD's fees for such management services for the applicable Lease Year will be included in the Additional Rent and shall not exceed five percent (5%) of the sum of the Base Rent and the costs of the items described in section 3(b)(i).

18. DEFAULT. TENANT shall be determined to be in default hereunder if (other than for a monetary default): (a) it shall fail to perform any obligations stated herein within thirty (30) days after receipt of written notice of such failure from LANDLORD, or (b) in the case of a default that cannot reasonably be cured within 30 days, if it shall fail to begin using reasonable efforts to cure said default within thirty (30) days after receipt of notice of such failure from LANDLORD. In the case of TENANT's failure to pay BASE RENT, ADDITIONAL RENT, or any other amounts under the Lease when due, except as otherwise set forth in Section 8 of this Lease, TENANT shall be determined to be in default hereunder if it shall fail to pay said amounts due within ten (10) days after receipt of written notice from LANDLORD of such failure. Upon any default not cured within the applicable cure period, the LANDLORD shall have the right, at its option, and in addition to any other remedies, to terminate this Lease by giving TENANT written notice thereof and upon the giving of such notice, this Lease and the term hereof shall cease, and LANDLORD shall have all rights available to it under law. Upon any termination of this Lease, TENANT shall quit and surrender to LANDLORD the Leased Premises in accordance with the provisions of Paragraph 15 hereof. If this Lease is terminated, TENANT shall remain liable to LANDLORD for all Rent accrued and unpaid up to the date of such termination and, if terminated due to TENANT's uncured breach of a material provision of this Lease, all Rent due for the balance of the Term, Landlord agreeing to use commercially reasonable efforts to mitigate such amounts by attempting to lease out the space to other tenants. In the event of LANDLORD'S default hereunder, Tenant shall provide notice of such default to LANDLORD, and if LANDLORD does not cure such default within 30 days of such notice or in the case of a default that cannot reasonably be cured within 30 days, if it shall fail to begin using commercially reasonable efforts to cure said default within thirty (30) days after receipt of notice of such failure from LANDLORD, then TENANT may terminate this Lease, in which case Tenant shall have no further obligation to LANDLORD, including, without limitation, the obligation to pay any Rent to LANDLORD hereunder, and, in addition thereto, may seek relief using all legal and equitable remedies available to TENANT under applicable law.
19. NOTICES. Any notices required to be given under this Lease shall be deemed sufficiently served if in writing and hand delivered or sent by certified U.S. mail, postage prepaid, addressed to the parties as stated below or such other address as either party may designate in writing to which its future notices shall be sent:

To LANDLORD: 39 LLC
 P.O. Box 66749
 Falmouth, ME 04105

To TENANT: City of Portland
 389 Congress Street
 Portland, Maine 04101
 Attention: City Manager and
 Corporation Counsel

20. BROKER. All parties to this Lease acknowledge that no broker has been involved in this transaction.
21. AMENDMENT. The terms of this Lease may be modified or amended by the mutual assent of the parties hereto; provided, however, that no such modification or amendment to this Lease shall be binding until in writing and signed by both parties.
22. SUCCESSORS BOUND. The terms, covenants, and agreements herein contained shall be for the benefit of and be obligatory upon the heirs, successors, and assigns of the respective parties hereto.
23. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of Maine. The parties consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings, and litigation arising from or relating directly or indirectly to this Agreement
24. MEMORANDUM OF LEASE. Landlord and Tenant agree that this Lease shall not be recorded but each party hereto agrees, on request of the other, to execute a Memorandum of Lease in recordable form and mutually satisfactory to the parties.
25. SEVERABILITY. If any provision of this Lease or its application to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
26. HEADINGS. The headings herein contained are for convenience only, and shall not be considered a part of this Lease.
27. TENANT'S RIGHT TO TERMINATE.
 - a. LANDLORD acknowledges and agrees that TENANT's obligations under this Lease are subject to TENANT's annual budgetary appropriations. In the event that TENANT's annual budget does not include funds sufficient to satisfy its obligations under this Lease at any time during the term of this Lease, TENANT shall so notify LANDLORD, and this Lease shall terminate on the effective date of termination set forth in such notice, and neither party shall have any further obligation to the other under this Lease. This paragraph does not allow TENANT to terminate this Lease in order to lease similar premises from a third party. In no event shall termination under this paragraph relieve the TENANT of any liability for

any breach of this Lease occurring prior to the effective date of such termination.

- b. **MORALS CLAUSE.** If LANDLORD or any of its members, managers, officers, directors, board members, or principals (i) is charged with committing a misdemeanor of moral turpitude that is punishable by a prison term of at least 6 months or a felony (regardless of the length of prison term associated with such offense); (ii) commits or is accused of committing an act involving moral turpitude under federal, state or local law (regardless of whether or not such act involving moral turpitude is a misdemeanor or felony); or (iii) commits an act of significant public disrepute or becomes the subject of a scandal such that TENANT believes, in its reasonable discretion, that the TENANT's image has been or will be negatively affected; TENANT may, upon 60 days' prior written notice to LANDLORD, terminate this Lease, after which neither party shall have any further obligation to the other hereunder.
- 28. **WAIVER OF DEFAULT:** Waiver by either party of any default in performance by the other of any of the terms, covenants, agreements or conditions contained herein, shall not be deemed a continuing waiver of the same or any subsequent default herein.
 - 29. **ENTIRE AGREEMENT.** This Lease and its attachments represent the entire and complete agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the subject matter of this Lease.
 - 30. Notwithstanding anything in this Lease to the contrary, the TENANT's obligations under this Lease are subject to and limited by the defenses, immunities, and limitations of liability or damages available to the TENANT under the Maine Tort Claims Act, other statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the TENANT.

Signature page follows.

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

WITNESS:

39 LLC (LANDLORD)

By:

Its:

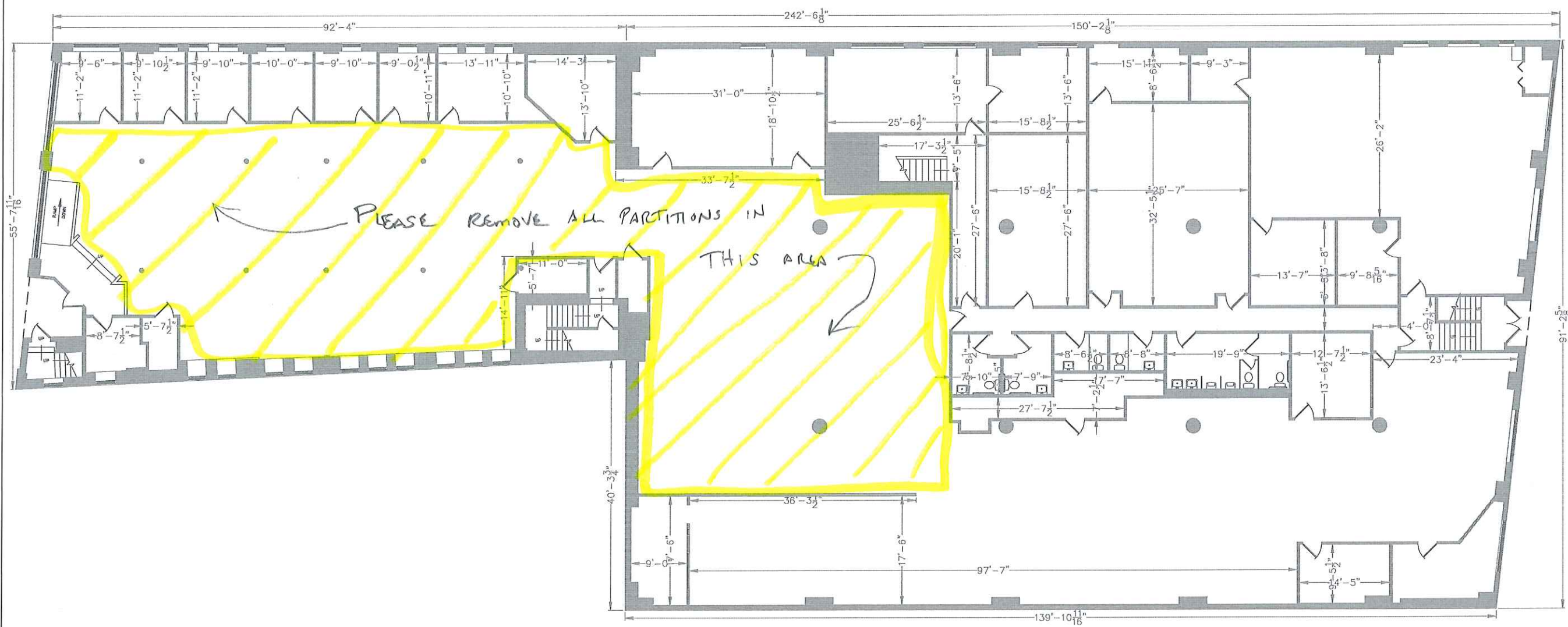
WITNESS:

CITY OF PORTLAND (TENANT)

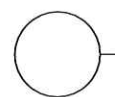
By: Jon P. Jennings

Its: City Manager

EXHIBIT A
(See attached floor plans depicting Landlord's work
described in Section 1(b) of the Lease)

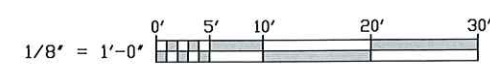


TOTAL AREA = 18,292 SF



39 FOREST AVE - LOWER LEVEL PLAN - EXISTING

Scale: AS NOTED



REV	SUBMISSION	DATE

PROJECT:

329 FOREST AVE
PORTLAND, ME 04101

OWNER:

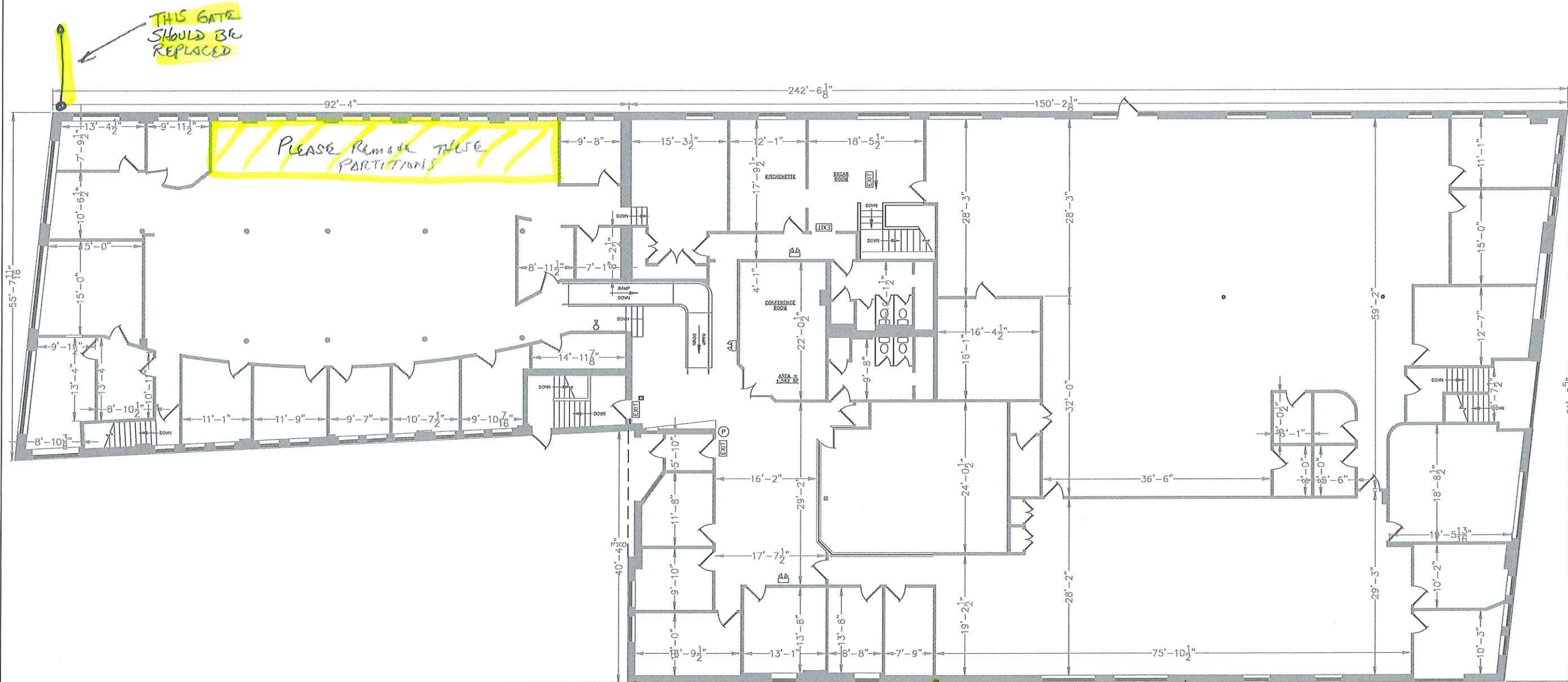
?

DESIGN BY: MIF
DRAWN BY: MIF
CHECKED BY: MIF
SHEET NAME:

2ND FLOOR PLAN
(24X36)

DATE: 03/01/2021
PAGE 2 OF 2

SHEET NO. 1
SCALE: AS NOTED



TOTAL AREA = 18,298 SF

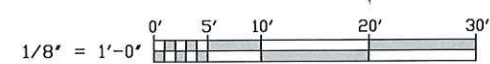
PORTLAND STAGE CO.

OTELCO



39 FOREST AVE - UPPER LEVEL PLAN - EXISTING

Scale: AS NOTED



REV	SUBMISSION	DATE

PROJECT:
329 FOREST AVE
PORTLAND, ME 04101

OWNER:
?

DESIGN BY: MIF
DRAWN BY: MIF
CHECKED BY: MIF
SHEET NAME:

1ST FLOOR PLAN
(24X36)

DATE: 03/01/2021
PAGE 1 OF 2
SHEET NO. 1
SCALE: AS NOTED

EXHIBIT B
Base Rent Schedule

Lease Year	From:	To:	Yearly Rent	Monthly Rent
1	6/1/2021	5/31/2022	\$277,500	\$23,125
2	6/1/2022	5/31/2023	\$280,275	\$23,356
3	6/1/2023	5/31/2024	\$283,078	\$23,590
4	6/1/2024	5/31/2025	\$285,909	\$23,826
5	6/1/2025	5/31/2026	\$288,768	\$24,064
6	6/1/2026	5/31/2027	\$291,655	\$24,305
7	6/1/2027	5/31/2028	\$294,572	\$24,548
8	6/1/2028	5/31/2029	\$297,518	\$24,793
9	6/1/2029	5/31/2030	\$300,493	\$25,041
10	6/1/2030	5/31/2031	\$303,498	\$25,291
11	6/1/2031	5/31/2032	\$306,533	\$25,544
12	6/1/2032	5/31/2033	\$309,598	\$25,800
13	6/1/2033	5/31/2034	\$312,694	\$26,058
14	6/1/2034	5/31/2035	\$315,821	\$26,318
15	6/1/2035	5/31/2036	\$318,979	\$26,582
16	6/1/2036	5/31/2037	\$322,169	\$26,847
17	6/1/2037	5/31/2038	\$325,391	\$27,116
18	6/1/2038	5/31/2039	\$328,644	\$27,387
19	6/1/2039	5/31/2040	\$331,931	\$27,661
20	6/1/2040	5/31/2041	\$335,250	\$27,938

EXHIBIT C
**List of Pre-Approved Tenant Improvements
And Floor Plans**

- **First Floor Demolition**
 - Remove carpeting
 - Remove drop ceiling in open space
 - Remove lighting
 - Remove CAT5 wiring
 - Remove exam room doors and frames
 - Remove cubicles as depicted on attached floor plan
- **First Floor Improvements**
 - Polished concrete floors or rubber tile
 - Install reception desk
 - Build-out of walls (5'H) in exam rooms for plumbing
 - Replace 7 exam room doors and frames
 - Add approximately 150 feet of new walls for meeting and storage rooms
 - Add patient rest room with shower near lab
 - Add medical storage room
 - Install CAT6 cable, LED lights
 - Install new drop ceiling in open space
 - Add restroom at main entrance
- **Second Floor Demolition**
 - Remove carpet outlined in yellow on attached floor plan
 - Remove bathroom outlined in pink on attached floor plan
 - Remove cubicles as depicted on attached floor plan
- **Second Floor Improvements**
 - Polished concrete floors or rubber tile
 - ADA restroom renovation near waiting room
 - Add three door openings for restroom access and security in pink area on attached floor plan.

MEMORANDUM
City Council Agenda Item

FROM:

DATE: April 29, 2021

SUBJECT: Order 241-20/21 Accepting and Appropriating a \$3,000 Grant from ConnectMaine Authority - Sponsored by Jon P. Jennings, City Manager

SPONSOR:

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

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading

Final Action

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

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

I. SUMMARY

II. AGENDA DESCRIPTION

This order accepts \$3,000 in grant funding from ConnectMaine Authority and appropriates it to work being undertaken by the Portland Broadband Planning Committee in at least the communities of Peaks Island, Great Diamond Island and Little Diamond Island.

The Broadband Planning Committee was formed in late 2020 to facilitate learning, outreach, and planning among Portland's island communities related to enhanced high-speed internet access. Representatives from Peaks Island, Cushing Island, Great Diamond Island, and Little Diamond Island participate on the Committee, along with staff from the City's Executive Department, Department of Housing & Economics Development, and Department of Planning and Urban Development.

This funding is intended to help "begin the process of building community-wide support for expanded broadband service," per ConnectMaine's award letter.

The Committee meets on the fourth Monday of each month. These meetings are open to the public and accessible by Zoom.

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

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

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

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Order Accept and Appropriate ConnectMaine Grant of \$3K 5.10.2021
2. Portland_Planning (2)

Prepared by:

Date: 4/29/2021

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
TAE Y. CHONG (3)
ANDREW ZARRO (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

MARK DION (5)
APRIL D. FOURNIER(A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER ACCEPTING AND APPROPRIATING A \$3,000 GRANT
FROM CONNECTMAINE AUTHORITY**

ORDERED, that a grant in the amount of \$3,000 from ConnectMaine Authority is hereby accepted and that amount appropriated for the work of the Portland Broadband Planning Committee in at least the communities of Peaks Island, Great Diamond Island and Little Diamond Island; and

BE IT FURTHER ORDERED, that the City Manager or his or her designee is hereby authorized to execute the Grant Agreement in substantially the form attached hereto and whatever other documents are necessary to effect the intent and purpose of this order.

CONNECTMAINE

Planning Grants Contract

Contact Staff

Connect.ME@maine.gov

207.624.9894

Authority Members

Nick Battista, Chair

Jasmine Bishop

Fred Brittain

Susan Corbett

Heather Johnson

Jeff Letourneau

Liz Wyman

The ConnectMaine Authority (“ConnectMaine”) provides planning grants to develop plans for expanding the availability of broadband service. Phase I projects are intended to begin the process of building community-wide support for expanding broadband service; Phase II projects are intended to take the community to the next step in planning for expanded broadband service.

City of Portland (“applicant”) submitted an application to conduct Phase I activities in the affected communities specified below and produce a Community Broadband Plan (“project”) under the Community Broadband Planning Grants program, which was accepted and awarded by ConnectMaine.

The applicant and ConnectMaine are entering into this agreement (“agreement”) to provide grant funds and initiate the project.

I. Information

The applicant shall provide ConnectMaine with a completed W-9 Form prior to receiving grant funds, which are considered reportable income requiring the appropriate 1099 Form. ConnectMaine can make available the W-9 and 1099 Forms as needed.

A. Applicant Information

Company or Affiliation: City of Portland

Name, Title: Dena Libner, Chief of Staff

Address: 289 Congress St, Portland, ME 04101

Phone: 207.756.8288

Email: dlibner@portlandmaine.gov

B. Project Information

Project Title: Portland Islands Broadband Plan

Grant Amount, not to exceed: \$6,000

Start Date: 1.6.2021

End Date: 2.5.2022

CONNECTMAINE

II. Affidavit

By signing this agreement, the applicant attests and certifies that:

1. all project work will be conducted and completed in accordance with the ConnectMaine Authority Rule, Ch. 101, and 35-A M.R.S.A. Ch. 93, and other state statutes, as relevant;
2. funds awarded pursuant to this agreement will be used for expenses that result in completion of the project;
3. the project will be completed within one year of initial payment of grant funds, unless an extension due to unforeseen circumstances is granted by ConnectMaine; and
4. no contribution to this project is provided by an entity that proposes to build, operate or provide retail services using broadband infrastructure constructed pursuant to the project.

III. Project

The applicant shall conduct or cause to be conducted activities and work necessary for the completion of the project in the affected communities, as listed in Attachment A. Completion of this project results in a Community Broadband Plan that includes all the elements required by and 35-A M.R.S.A. Ch. 93, §9217:

- a description of local broadband needs and goals;
- an inventory of the existing infrastructure assets;
- a gap analysis defining the additional broadband infrastructure necessary to meet identified needs and goals;
- an assessment of relevant municipal procedures, policies, rules and ordinances that have the effect of delaying or increasing the cost of broadband infrastructure deployment; and
- a strategy to promote digital inclusion that addresses affordable internet service and equipment, digital literacy and public computer access.

V. Payment

ConnectMaine may make an initial, partial payment of the awarded grant funds upon approval of a commencement notice submitted by the applicant.

In order to receive full payment of grant funds:

1. the project must be completed within one year of initial payment of grant funds, or within one year of an extension being granted as set forth in Section II;
2. the applicant must submit required reports described in Section V., including all expenses, to ConnectMaine; and
3. ConnectMaine must find that the project complies with 35-A M.R.S.A. Ch. 93, §9217 as set forth in Section III.

ConnectMaine will make full payment of an amount not to exceed the Grant Amount set forth in Section I. for actual expenses incurred to complete the project within 30 days of approval of the completion report.

The applicant is ineligible for any expenses incurred after the required completion date. If the project is incomplete or fails to comply with 35-A M.R.S.A. Ch. 93, §9217, ConnectMaine will not be liable or responsible for any further payment.

VI. Reports

Before ConnectMaine releases initial award funds, the applicant shall submit, within 30 days of the grant award, a notice of commencement to ConnectMaine, which shall include:

1. a description of the project timeline with milestones expected,
2. the project commencement date, and
3. the anticipated completion date.

The applicant may submit a request for extension within 30 days of the grant award if the project hasn't started or within one year of the initial payment of grant funds if the project has commenced, which shall include:

1. the unforeseen circumstances and reason for the extension request;
2. any changes in the project milestones proposed;
3. the project commencement date; and
4. the original completion date, and the anticipated completion date.

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Within one year of initial payment of grant funds, or within one year of ConnectMaine approving an extension, the applicant must submit a completion report to ConnectMaine summarizing the project, which shall include:

1. a summary of the progress made on community broadband planning;
2. certification that the project was conducted and completed as proposed in Section III, and reaffirmation of the attestation in Section II;
3. a breakdown of actual and final expenses incurred on the project, and copies of all invoices, receipts, detailed ledgers and other supporting documentation for expenses covered by awarded grant funds;
4. the completion date;
5. a file copy of the Community Broadband Plan or Broadband Feasibility Study, and the applicant understands this will be made publicly available on the ConnectMaine website;
6. files of the GIS data behind any map of unserved areas included in the Plan or Study; and
7. additional information as required by ConnectMaine for evaluating project compliance and completeness, and the applicant will comply with any such request.

The applicant understands and agrees that submission of the completion report and approval by ConnectMaine shall be a precondition to full payment of grant funds under this agreement.

The applicant shall maintain records of all contracts, papers, correspondence, proof of payment affidavits, employee time sheets or ledgers, books, accounts and other information relating to payments made, and the applicant's performance of the project. During the term of this agreement and reporting periods, the applicant shall cooperate and comply with all reasonable requests by ConnectMaine or the State of Maine with respect to auditing and reporting requirements; upon reasonable notice to the applicant, ConnectMaine shall have the right to audit and inspect books and records pertinent to the applicant's performance of its obligations under this agreement.

VII. Conditions

The applicant agrees that it is receiving grant funds for only purposes that comply with the requirements of the ConnectMaine statute, 35-A M.R.S.A. Ch. 93, and ConnectMaine rule, 99-639 Ch. 101, and that it shall be liable for repayment of grants funds expended for purposes ineligible; however, the applicant shall not be liable for such repayment if the applicant expended grant funds in good faith reliance on authorization of the proposed expenditure by or specific guidance from ConnectMaine.

The applicant will be required to return grant funds based on the difference between anticipated expenses in the proposed project compared to the actual final expenses, or as a proportion of the affected communities proposed to be covered by the project compared to the number of affected communities actually covered by the project, whichever amount is greater.

ConnectMaine or its designee may seek appropriate criminal or civil penalties as authorized by law for a violation of the terms or conditions of the applicable program, grant, or award.

CONNECTMAINE

VIII. Confidentiality

ConnectMaine and the applicant shall comply with the requirements below for protection of confidential information, subject at all times to ConnectMaine's obligations under law, including but not limited to, Maine's Freedom of Access Act, 1 M.R.S. §401 et seq.

Confidential information shall mean all information, regardless of the form in which it is communicated or maintained (whether oral, written, digital or visual) which is disclosed to the other party, that relates to the Project, that is clearly marked as confidential by the disclosing party.

Confidential information shall not include information which:

1. was publicly known and made generally available in the public domain, or
2. becomes publicly known and made generally available through no action or inaction of the applicant or ConnectMaine, or
3. is required by law to be disclosed by a party.

Neither ConnectMaine nor the applicant make any warranties, express, implied or otherwise, regarding the accuracy, completeness or performance of confidential information. Neither ConnectMaine nor applicant shall disclose confidential information to any other party. Neither ConnectMaine nor applicant shall use confidential information for any purpose other than executing and reporting on the project.

The obligations of ConnectMaine and the applicant hereunder shall survive termination of this agreement, and shall extend until such time as all confidential information becomes publicly known and made generally available through no action or inaction of the applicant or ConnectMaine, or all confidential information has been destroyed or returned to ConnectMaine.

The parties acknowledge and agree that any breach of these confidential information terms will constitute immediate and irreparable harm to the other party and/or its successors and assigns, which cannot adequately and fully be compensated by money damages and will entitle the non-breaching party to, in addition to all other rights and remedies afforded by law, injunctive relief, specific performance and/or other equitable relief, as well as reimbursement of expenses (including reasonable attorneys' fees) incurred by the non-breaching party in enforcing this agreement. A party's rights and remedies hereunder are cumulative and not exclusive.

CONNECTMAINE

X. Terms

The applicant shall indemnify and hold harmless ConnectMaine and its officers, agents, and employees from and against any and all third party claims, liabilities, and costs, including reasonable attorney fees, for any or all injuries to persons or property or claims for money damages, including claims for violation of intellectual property rights, arising from the negligent acts or omissions of the applicant, its employees or agents, officers or subcontractors in the performance of work under this agreement; however, the applicant shall not be liable for claims arising out of the negligent acts or omissions of ConnectMaine, or for actions taken in reasonable reliance on written instructions of ConnectMaine.

None of the terms of this agreement shall be considered waived from the lack of enforcement of any one of the terms of this agreement by a party. Any violation or threatened violation of this agreement by the applicant may cause irreparable injury to ConnectMaine, entitling ConnectMaine to seek any remedy to which it is entitled under law.

This agreement shall be governed in all respects by the laws, statutes, and regulations of the United States of America and of the State of Maine. Any legal proceeding against the State of Maine regarding this agreement shall be brought in state administrative or judicial forums. The applicant consents to personal jurisdiction in the State of Maine.

The parties are signing this agreement which shall be effective as of the date of the last signatory.

Applicant Signature:

Date:

ConnectMaine Signature:

Date:

Attachment A

As the applicant described in its application, a Community Broadband Plan will be completed for at least the following communities in the municipality of Portland: Peaks Island, Great Diamond Island and Little Diamond Island

The applicant will conduct Phase I activities, which include:

- Determining local broadband needs and goals;
- Inventorying the existing infrastructure assets;
- Conducting a gap analysis defining the additional broadband infrastructure necessary to meet identified needs and goals;
- Assessing relevant municipal procedures, policies, rules and ordinances that have the effect of delaying or increasing the cost of broadband infrastructure deployment; and
- Strategizing to promote digital inclusion that addresses affordable internet service and equipment, digital literacy and public computer access.

MEMORANDUM
City Council Agenda Item

FROM: Greg Mitchell, Director

DATE: April 20, 2021

SUBJECT: Order 242-20/21 Amending the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Make 45 Brown Street Unit 2 an Affordable Housing Tax Increment Financing District and to Allow Funding for Public Restrooms - Sponsored by Councilor Spencer Thibodeau, Chair, Housing & 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

The Housing and Economic Development Committee met on March 2, 2021, and voted 4-0 to forward this item to the City Council for approval.

This is a companion Order to the Affordable Housing Tax Increment Financing (TIF) Request for the 45 Brown Street project.

City Council approval is requested to amend the Downtown Transit Oriented Development and Omnibus (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. Amendment of Downtown Transit Oriented Dev and Omnibus TIF re 45 Brown Unit 2 5.10.2021
2. Narrative LP Redlined 4-21-2021 for 45 Brn-Public RR
3. Narrative LP Cln 4-21-2021 for 45 Brn-Public RR

Prepared by:

Greg Mitchell, Director

Date: 4/20/2021

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
TAE Y. CHONG (3)
ANDREW ZARRO (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

MARK DION (5)
APRIL D. FOURNIER(A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER AMENDING
THE DOWNTOWN TRANSIT ORIENTED DEVELOPMENT AND OMNIBUS
TAX INCREMENT FINANCING DISTRICT TO MAKE 45 BROWN STREET UNIT 2
AN AFFORDABLE HOUSING TAX INCREMENT FINANCING DISTRICT
AND TO ALLOW FUNDING FOR PUBLIC RESTROOMS

ORDERED, that the Downtown Transit Oriented Development and Omnibus Tax Increment Financing (TIF) District, as adopted by Order 139-14/15 and amended by Order 99-17/18, Order 78-18/19, Order 279-18/19, and Order 13-20/21 is hereby amended to remove 45 Brown Street Unit 2 in order for that Property to be made an Affordable Housing Tax Increment Financing District and to allow the use of Tax Increment Financing funding from this district for public restrooms in substantially the form attached hereto; and

BE IT FURTHER ORDERED, that the City Council hereby authorizes the City Manager or his or her designee to execute said documents and any other related documents necessary or convenient to carry out the intent of said documents.

2021~~0~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING 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 #54

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

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

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

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O 17 AND 28 O 3 AND TECHNICAL AMENDMENTS

\$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 #54

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

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O-17 AND 28 O-3 AND TECHNICAL AMENDMENTS

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

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O 17 AND 28 O 3 AND TECHNICAL AMENDMENTS

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, <u>including Public Restrooms</u>	19, 20, 34,35, 48	(1)(A)(1)(2)(3)(<u>4</u>)(6)(7)	
- Roadway	19,20,34,35	(1)(A)(1)(2)(3)(6)(7)	
Realignments/Paving	19, 46	(1)(A)(1)(a)(i)	
- Crosswalks	34, 46	(1)(A)(1)(2)(3)	

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

- 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			

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O 17 AND 28 O 3 AND TECHNICAL AMENDMENTS

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

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

			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, <u>or the remaining term of this District</u> , 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

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O 17 AND 28 O 3 AND TECHNICAL AMENDMENTS

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).

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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.

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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.

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O 17 AND 28 O 3 AND TECHNICAL AMENDMENTS

IV. Financial Plan

A. Amended Financial Characteristics

With Amendment #45, the collective ~~amended~~ 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, ~~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

2021~~10~~ PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #4-5- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMSREMOVING ASSESSOR LOT 28 O 17 AND 28 O 3 AND TECHNICAL AMENDMENTS

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~~10~~, 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~~10~~, 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~~, 2021~~10~~, 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~~10~~.

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #45- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS

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

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #45- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS

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

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\$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

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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

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- 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: - Multi-modal surface and structured parking - Sidewalk and Other Pedestrian Enhancements, including Public Restrooms - Roadway Realignments/Paving - Crosswalks - Traffic Signals - Intersection Redesigns - Bicycle lanes, racks, and stations Infrastructure	19, 47 19, 20, 34,35, 48 19,20,34,35 19, 46 34, 46 19,20,34,35 19, 34,47 19, 33	(1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(2)(3)(4)(6)(7) (1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(a)(i) (1)(A)(1)(2)(3) (1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(a)(i) (1)(A)(1)(2)(3)(6)(7)	\$150 Million over the life of the District for these Capital Infrastructure Items.

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- 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

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #45- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS

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

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #45- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS

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.

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

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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

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #45- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS

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

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

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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.

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #45- REGARDING 45 BROWN STREET AND FUNDING PUBLIC RESTROOMS

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.

MEMORANDUM
City Council Agenda Item

FROM: Mary Davis, Division Director

DATE: April 20, 2021

SUBJECT: Order 243-20/21 Designating the 45 Brown Street Unit 2 Affordable Housing District and Tax Increment Financing District and Adopting the Municipal Development Program for the District - Sponsored by Housing & Economic Development Committee, Councilor Spencer Thibodeau, Chair

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 5/10/2021

Final Action 5/17/2021

Can action be taken at a later date: No (If no why not?) State statute requires that a public notice be posted a minimum of 10 days prior to 2nd reading and Council action.

PRESENTATION: (List the presenter(s), type and length of presentation) Greg Mitchell and Mary Davis will be available to answer questions.

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 that will result in 282 new units of rental housing with fifty (50) percent having affordable housing restrictions for thirty (30) years. The developer is requesting that the City designate an Affordable Housing Tax Increment Financing Development District for the residential portion of the development. 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.

II. AGENDA DESCRIPTION

The Housing and Economic Development Committee met on March 2, 2021, and voted 3-1 (Zarro) to recommend forwarding this to the City Council for consideration.

The Presidium Group development team submitted an application for Affordable Housing Tax Increment Financing for a project at 45 Brown Street. The proposal will result in 282 new units of rental housing with 50% having affordable housing restrictions for thirty (30) years.

The project proposal includes 116 studio apartments (40 affordable at or below 80% of the area median income, 27 affordable at or below 100% AMI, 33 affordable at or below 120% AMI and 16 at market rate); 126 one-bedroom apartments (41 affordable at or below 80% AMI and 85 at market rate); and 40 two-bedroom apartments, all at market rate. A total of 141 units will be affordable, restricted units; 81 (29%) units will be affordable to households earning at or below 80% AMI. (Applicable AMI income limits are included in the Backup section of the memo).

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; 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 estimated at an annual average \$283,206 or \$8,496,167 over the term of the district. Original assessed value revenue will remain in the existing Downtown TIF District, estimated at an annual average of \$42,276 or \$1,268,282 over the term of the district. 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 term of the district.

Additionally, the Presidium team is willing to incorporate, in response to the City's request, a public restroom in the Project.

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

III. 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. 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.

IV. 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."

V. 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 mil 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.

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.

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.

VI. STAFF ANALYSIS AND BACKGROUND

The project will provide 282 units of rental housing. 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.

The third party underwriter recommends 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.

VII. RECOMMENDATION

Approval by the City Council of the establishment of an Affordable Housing Tax Increment Financing District and a Credit Enhancement Agreement.

VIII. LIST ATTACHMENTS

1. Designating 45 Brown Street Unit 2 Affordable Housing TIF 5.10.2021
2. 1. 45 Brown Street AHTIF Application Summary
3. 2. Project Pro Forma

4. 3. TIF District Map
5. 4. TIF Projection Spreadsheets
6. 5. Third Party Underwriting Analysis
7. 6. Developer Provided Materials
8. 7. Income and Rent Limits 2020
9. 8. Development Program clean for Council 5.05.2021
10. 9. Declaration of Covenants 45 Brown St clean for Council 050421

Prepared by:

Mary Davis, Division Director

Date: 4/20/2021

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
TAE Y. CHONG (3)
ANDREW ZARRO (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

MARK DION (5)
APRIL D. FOURNIER(A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER DESIGNATING 45 BROWN STREET UNIT 2
AN AFFORDABLE HOUSING DEVELOPMENT DISTRICT
AND TAX INCREMENT FINANCING DISTRICT
AND ADOPTING THE MUNICIPAL DEVELOPMENT PROGRAM
FOR THE DISTRICT**

WHEREAS, the City of Portland is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the City as an Affordable Housing Development Tax Increment Financing District, and to adopt a Development Program for such District; and

WHEREAS, there is a need for affordable housing in the City of Portland and the surrounding region; and

WHEREAS, Brown Tower, LLC intends to construct certain improvements within the 45 Brown Street Unit 2 Affordable Housing Development Tax Increment Financing (“TIF”) District, including 141 units of affordable housing; and

WHEREAS, the City of Portland will utilize 25% of the tax revenues generated in the District in its General Fund; and

WHEREAS, there is a need to provide continuing affordable housing opportunities for the residents of Portland and the surrounding region; to improve and broaden the tax base of the City of Portland; and to improve the general economy of the City of Portland, the surrounding region and the State of Maine; and

WHEREAS, the 45 Brown Street Unit 2 Affordable Housing Development TIF District will help improve and broaden the tax base in the City of Portland; and improve the economy of the City of Portland and the State of Maine; and

WHEREAS, there is a need to provide continuing affordable housing opportunities for the citizens of Portland and the surrounding region; to improve and broaden the tax base of the City of Portland; and to improve the general

economy of the City of Portland, the surrounding region and the State of Maine; and

WHEREAS, the City has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5223, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the 45 Brown Street Unit 2 Affordable Housing Development and Tax Increment Financing District and adopt a Development Program for such District; and

WHEREAS, the City Council has considered the comments provided at the public hearing, both for and against the designation of the 45 Brown Street Unit 2 Affordable Housing Development TIF District, if any; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine State Housing Authority, approving the designation of the 45 Brown Street Unit 2 Affordable Housing Development TIF District and Development Program for the District;

NOW THEREFORE BE IT HEREBY ORDERED BY THE CITY COUNCIL AS FOLLOWS:

That, under and pursuant to the provisions of Title 30-A, Chapter 206, Subchapter 3 of the Maine Revised Statutes as amended, the development program and financial plan entitled “45 Brown Street Unit 2 Affordable Housing Development District” as presented to this meeting and a copy of which is hereby incorporated herein by reference and as part of the minutes of this meeting, is hereby approved in substantially the form as presented as the Development Program for the District and for the reasons set forth therein, the City, after considering whether the District and the Development Program will contribute to the expansion of affordable housing opportunities within the City and to the betterment of the health, welfare or safety of the inhabitants of the City and whether any detriment to any existing property interest in the City, finds and determines that: designation of the District and pursuit of the Development Program will make a contribution to the expansion of affordable housing opportunities within the City and the betterment of the health, welfare or safety of its inhabitants, constituting good and valid public purposes and any adverse economic effect on or detriment to any existing property interests is outweighed by the contribution made by the District and the Development Program to the availability of affordable housing within the City and to the betterment of the health, welfare and safety of its inhabitants, and the City further makes the other findings and determinations as set forth in said Development Program and the Exhibits thereto; and

BE IT FURTHER ORDERED, that the area of the City of Portland entitled “45 Brown Street Unit 2 Affordable Housing Development District” as more particularly described in said Development Program is hereby designated as an affordable housing development district and such designation shall automatically become final and shall take full force and effect upon receipt by the City of approval of the District by the Director of the Maine State Housing Authority, without the requirement of any further action by the City, the Municipal Officers or any party; and

BE IT FURTHER ORDERED, that the percentage of increased assessed value of said District to be retained as captured assessed value in accordance with the Development Program is hereby established as set forth in the Development Program and Financial Plan; and

BE IT FURTHER ORDERED, that the City Manager is hereby authorized and directed, on behalf of the City of Portland, Maine to execute and submit to Director of the Maine State Housing Authority for approval such applications and further documentation as may be necessary or appropriate for final approval and establishment of the “45 Brown Street Unit 2 Affordable Housing Development District” and its Development Program and Financial Plan pursuant to 30-A M.R.S.A. chapter 206, Subchapter 3; and the City Manager be, and hereby is, authorized and empowered, at his discretion, from time to time, to make such technical revisions to the Development Program for the District as he or she deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Director of the Maine State Housing Authority, so long as such revisions are not inconsistent with this Order or the basic structure and intent of the Development Program; and

BE IT FURTHER ORDERED, that the City’s Planning and Urban Development Director is authorized to submit annual reports on the status of the “45 Brown Street Unit 2 Affordable Housing Development District” on behalf of the municipal legislative body; and

BE IT FURTHER ORDERED, that upon approval of the Director of the Maine State Housing Authority, the City Manager is hereby authorized and directed on behalf of the City of Portland to execute and deliver a Credit Enhancement Agreement substantially in the form attached to the Development Program hereby approved, with such changes thereto as deemed appropriate by the City Manager.

Portland, Maine

45 BROWN ST

275 UNITS | 256 PARKING STALLS | 9-STORY

EXECUTIVE SUMMARY

PAGE 01

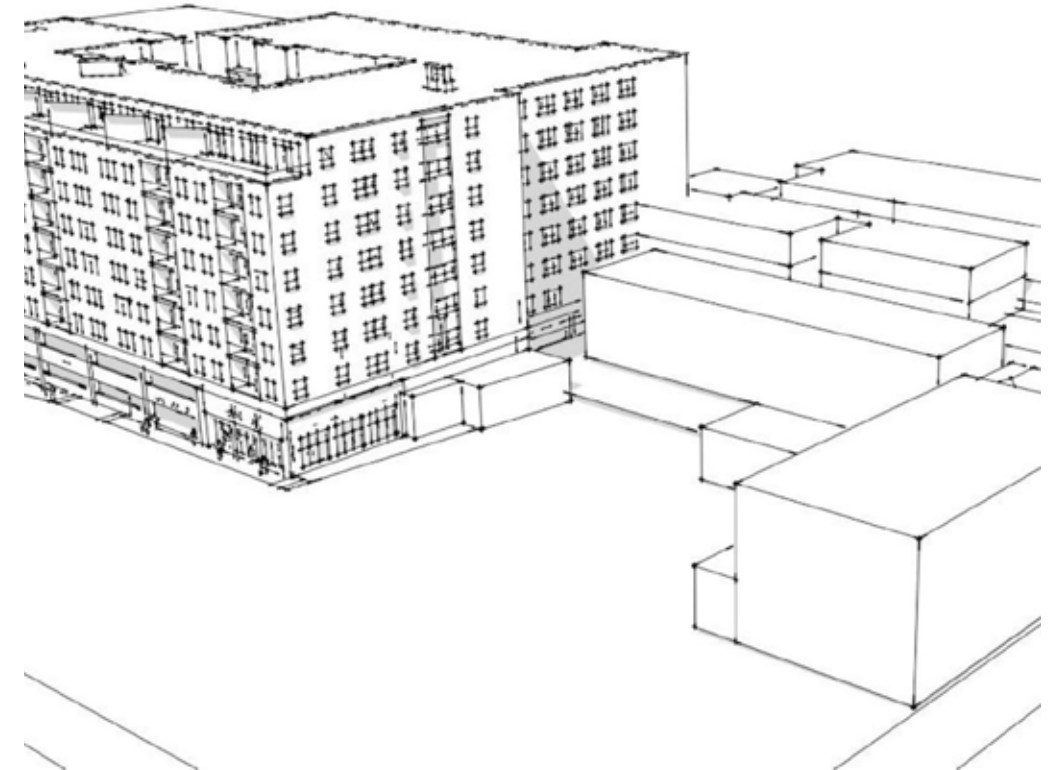


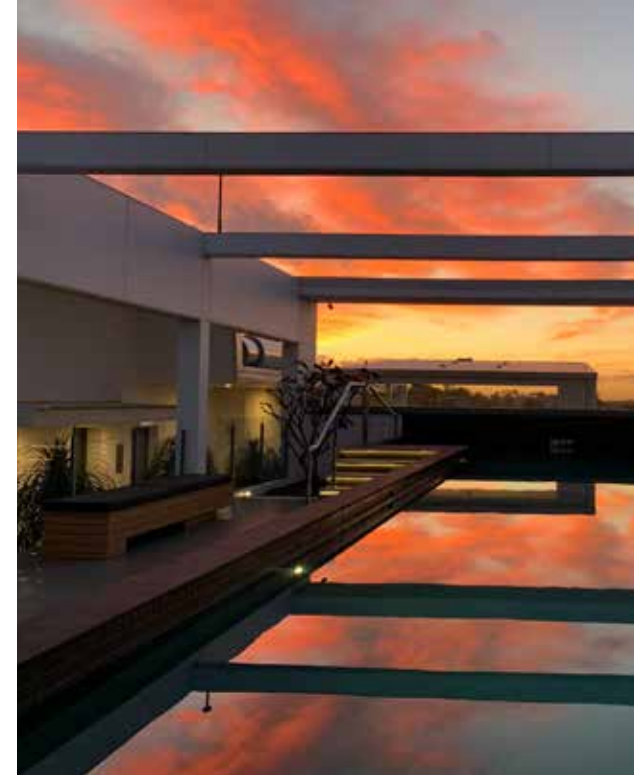
PROJECT SUMMARY

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

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

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





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 Street at an average vacancy of 1.7%. Collier's estimated the subject's competitive primary market are supply currently consisting of 474 units. At the time, when adding the estimated number of units created from the subject property and an additional 54 competitive units proposed for the subject's primary market area, the total potential supply of class "A" units were estimated to be 806 units. The total estimated qualified renter households were 3,119, when adjusting for 5% vacancy left excess demand of 2,353 units.

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

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

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

SITE LOCATION

45 BROWN ST SITE
47,400 SF

PROJECT IMAGES



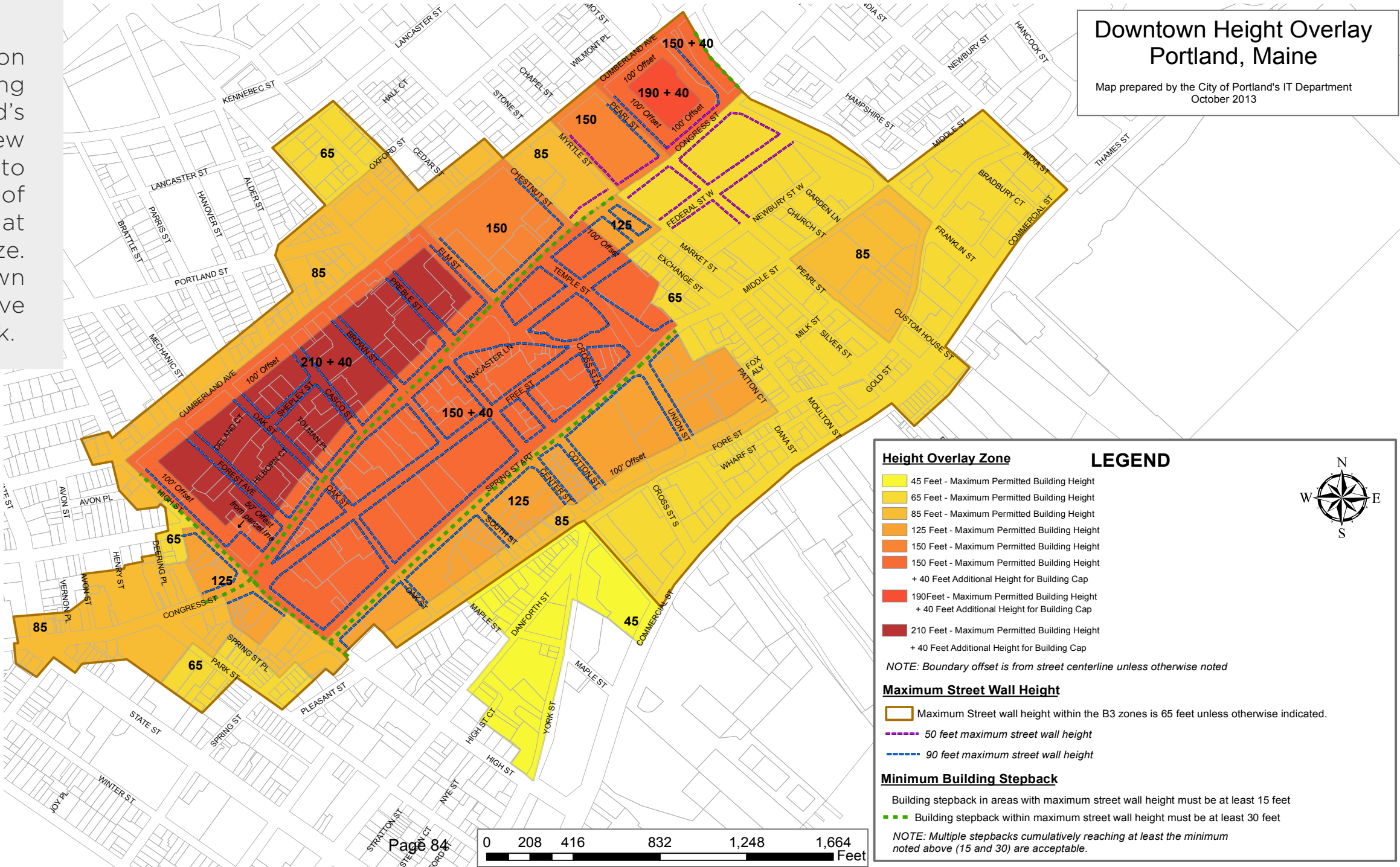
PROJECT SUMMARY

PROJECT CATALYST #1

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

PROJECT CATALYST #2

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



LOCATION & ECONOMICS



LOCATION

PAGE 09

UNE UNIVERSITY OF
NEW ENGLAND
WESTBROOK COLLEGE CAMPUS

PORTLAND

 UNIVERSITY OF
SOUTHERN MAINE

45 BROWN ST.

PORTLAND
TRANSPORTATION CENTER
 **AMTRAK** 

 sable oaks

 SOUTHERN
MAINE
COMMUNITY
COLLEGE
envision a future

 Maine Medical Center
MaineHealth

THE MAINE MALL

 PORTLAND
INTERNATIONAL
JETPORT



STRATEGIC LOCATION

PORTLAND HARBOR

PORTLAND INT'L JETPORT

MAINE MEDICAL CENTER

WESTIN
HOTELS & RESORTS

45 BROWN ST.

ARTS DISTRICT

WATERFRONT DISTRICT

OLD PORT DISTRICT

AUTOGRAPH
COLLECTION
THE PRESS HOTEL

GOVERNMENT DISTRICT

CASCO BAY LINE
FERRY TERMINAL

COURTYARD
Marriott

PORTLAND
HARBOR HOTEL

HYATT
PLACE™

Hilton
Garden Inn®

Hampton
Inn®

FRANKLIN STREET

CONGRESS STREET

OCEAN GATEWAY TERMINAL

THAMES STREET

MIDDLE STREET

AC
HOTELS
MARRIOTT

Residence
Inn®
Marriott

wex
FUTURE HQ
+400 EMPLOYEES

SHIPYARD
BREWING CO.

COVETRUS
FUTURE HQ
+1,200 EMPLOYEES

LOCATION & ECONOMICS

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

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MARKET OVERVIEW

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

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

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

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

DEMOGRAPHIC HIGHLIGHTS

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



CITY & STATE SUPPORT

PLANS AND PROGRAMS:

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

PLANNING INITIATIVES:

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

BOND ALLOCATIONS:

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



NEW DEVELOPMENT

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

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





AREA ATTRACTIONS

PLANS AND PROGRAMS:

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

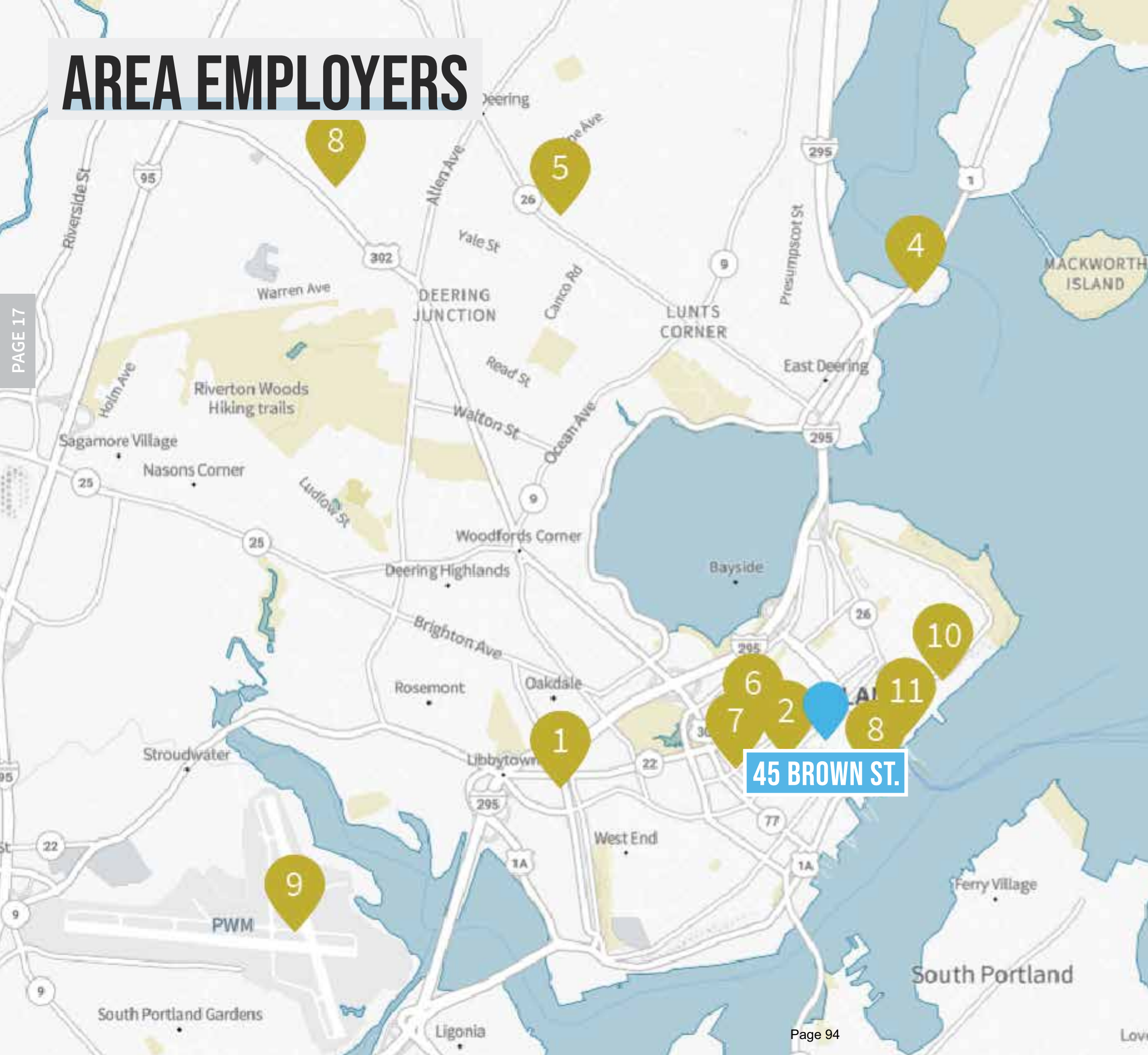
BAYSIDE: PORTLAND’S “NEIGHBORHOOD OF THE FUTURE”

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

DOWNTOWN PORTLAND

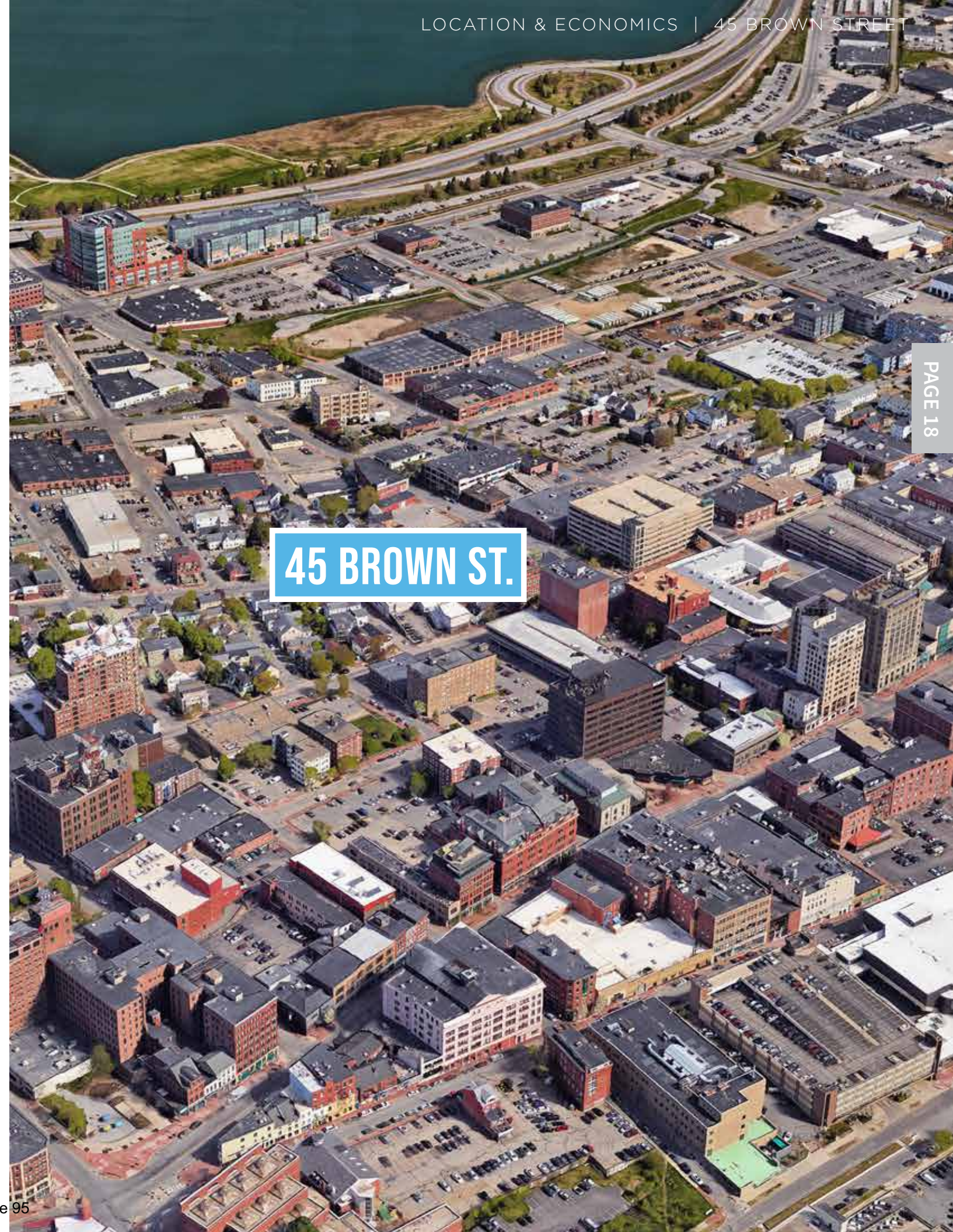
Nearly 63,000 residents within the 45 Brown Street trade area are joined by more than 6.5 million annual visitors to the Portland metropolitan area (providing more than \$3 billion in local economic impact and \$10 billion in estimated statewide economic impact), presenting strong inherent demand for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

AREA EMPLOYERS



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

SITE LOCATION



PORTLAND OVERVIEW

PAGE 19



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
MICROBREWRIES
PER CAPITA”

statista 

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

Kiplinger

“AMERICA’S BEST
TOWN IN THE EAST”

Outside

“TOP 5 MOST
AFFORDABLE AND
DESIRABLE PLACES
TO RETIRE”

AARP

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

MEN’S JOURNAL

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

JETSETTER



HEALTHCARE & EDUCATION

HEALTHCARE

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

EDUCATION

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

CORPORATE EXPANSIONS

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

COVETRUS

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

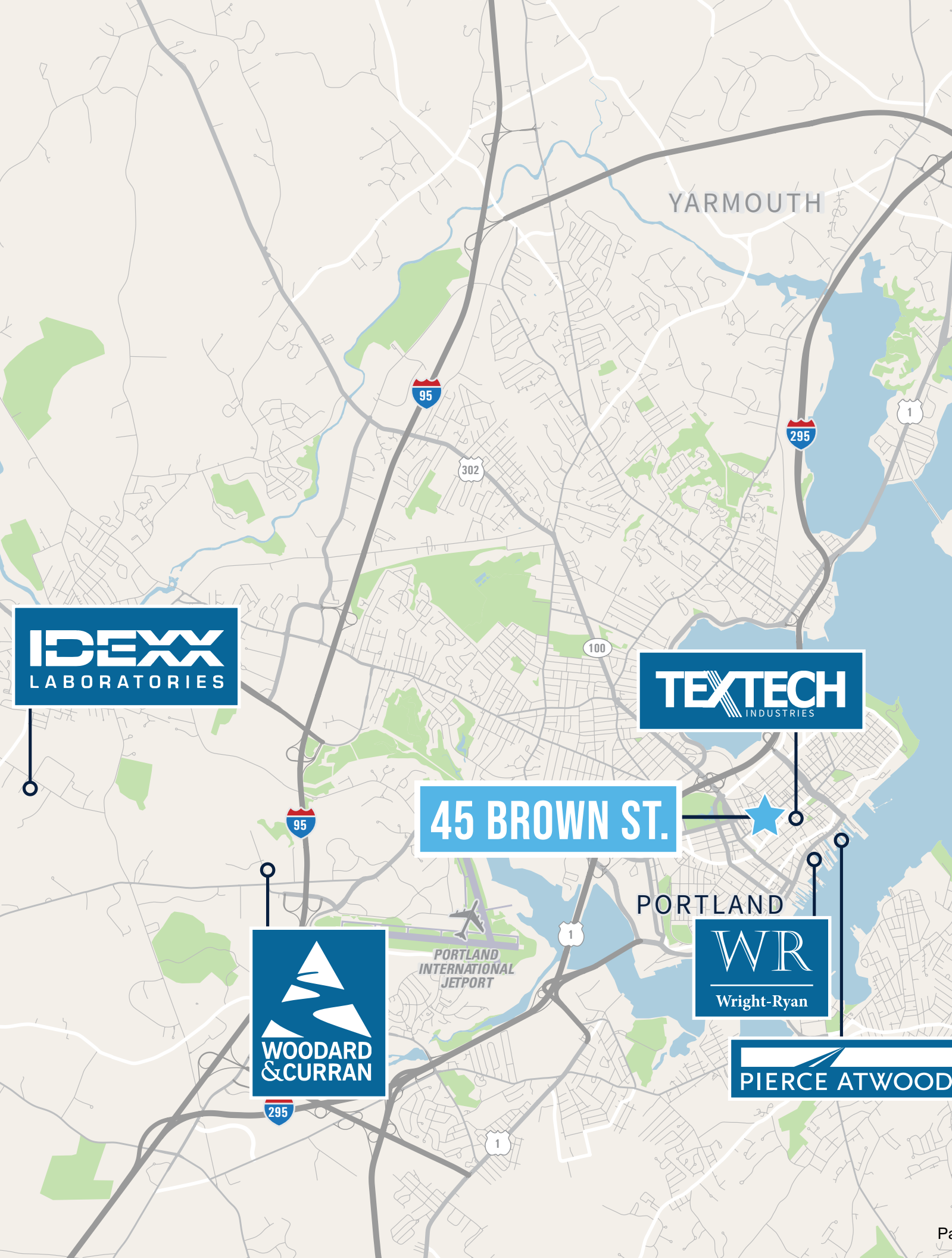
WEX, INC

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

SUN LIFE

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





CORPORATE DEMAND

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

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

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

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

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

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

TRANSPORTATION & CRUISES

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

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

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

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

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



TIME AND TEMPERATURE BUILDING HISTORY

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

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

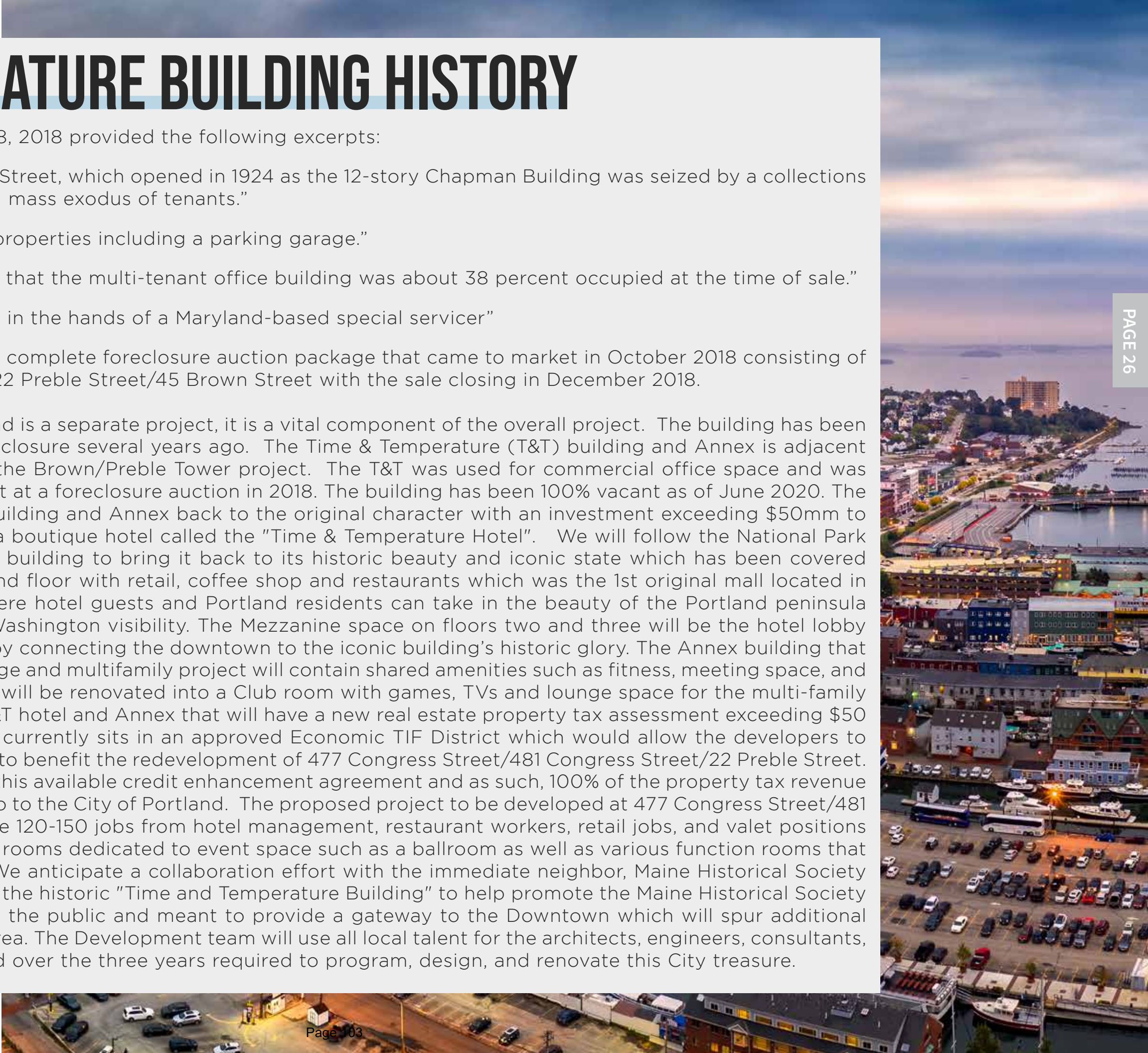
“The auction also included three adjacent properties including a parking garage.”

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

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

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

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



Portland, Maine

45 BROWN ST

275 UNITS | 256 PARKING STALLS | 9-STORY

45 Brown St

Dashboard

SITE

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

TIMELINE

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

S & U

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

CONTINGENCY & CAPITAL RESERVE		
Working Capital - Contingency		\$1,470,000
Working Capital - Lease-up		\$1,470,000
Initial Operating Deficit		\$3,363,518
Extra Hard Cost Contingency		\$477,624
Soft Cost Contingency		\$311,986
Total Contingency		\$7,093,128
Capital Reserve Per Year	\$300/unit	\$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			Notes
	<u>Units</u>	<u>\$/Mo.</u>	
Parking Income			
Hotel Parking	56	\$350	
Resi Parking	200	\$175	
Visitor Parking	200	\$88	
Unit Amenity Income			
View Premium	66	\$50	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	
<u>Demand</u>	
MF	200
Hotel	56
Total Parking Demand	256
<u>Supply</u>	
Standard	256
Total Parking Supply	256

45 Brown St

Unit Mix

MARKET UNIT MIX												
Description	Restriction	Floor Plan	Size	# Units						\$/Unit/Mo.	\$/SF/Mo.	Unit Mix
S	None	EFF	420	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
	Insepection & 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	\$-669,413	\$-669,188
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	\$5,039,933	\$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

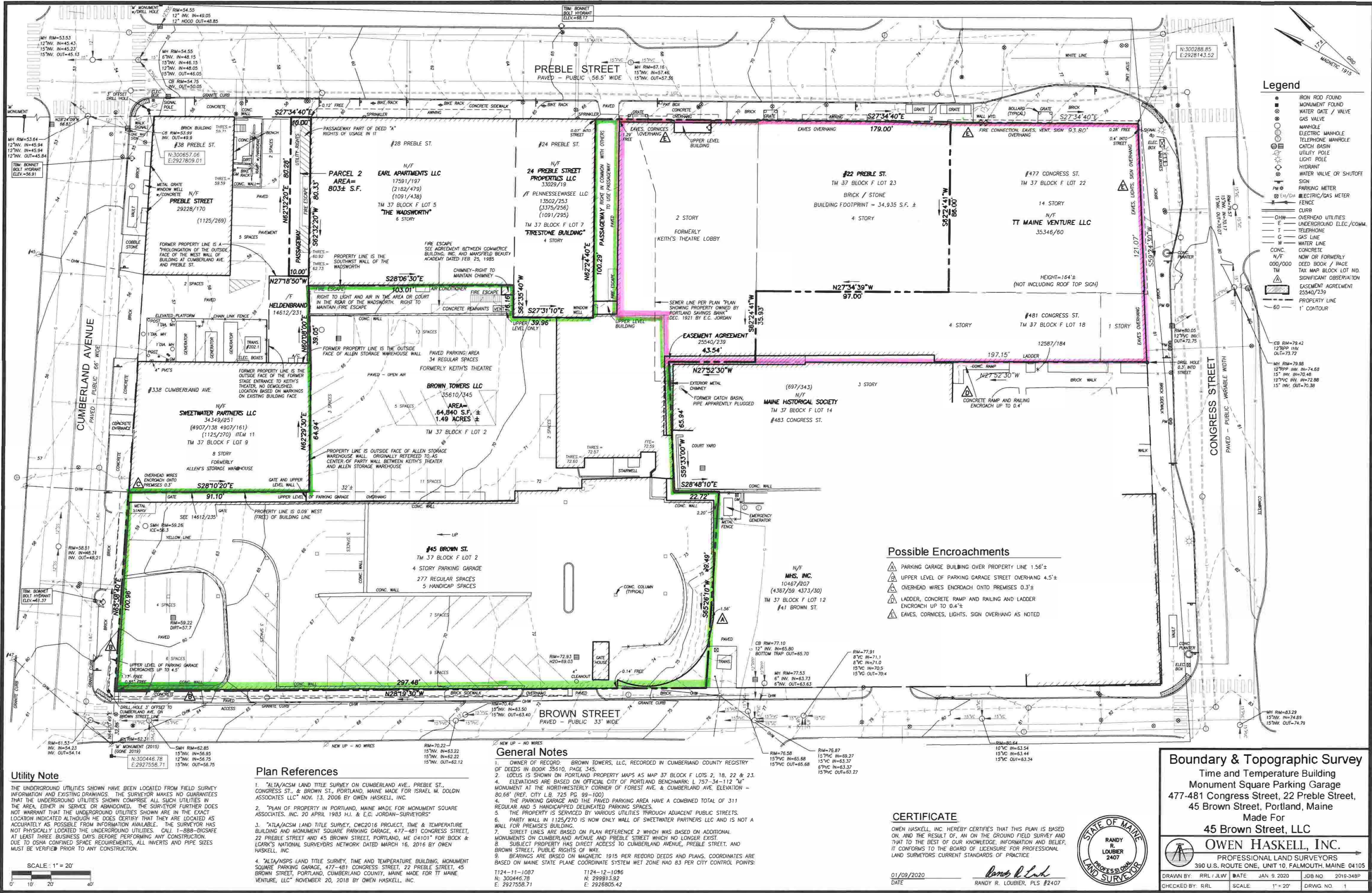
Annual Cash Flow

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	\$9,311,998	\$9,497,218	\$9,684,163	\$9,872,906	\$10,072,524	\$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	\$-665,413	\$-666,675	\$-668,125	\$-669,763	\$-671,493	\$-673,313	\$-675,223	\$-677,223	\$-679,313	\$-681,493	\$-683,763
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	\$466,816	\$485,953	\$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	\$-2,314,106
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	\$2,485,315	\$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)	1.105x	1.19x	1.21x	1.23x	1.25x
HUD DSCR Test - Fail	1.178x				

45 Brown Street Proposed AHTIF District Highlighted in Green



City of Portland - Affordable Housing (AH) TIF Model
45 Brown Street, 037-F002-001
OAV: \$0 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							
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2021	\$0	\$0	\$0	\$0	\$0	\$0
2	2022	\$0	\$0	\$0	\$0	\$0	\$0
3	2023	\$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

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	<u>\$11,089,739</u>	Hard & Soft Contingency	\$5,576,145
		Soft costs	\$11,529,806
		Capitalized Reserves	\$6,303,518
		Developer Fee	<u>\$2,674,737</u>
Total Sources:	\$91,018,480	Total Uses:	\$91,018,476

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

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

For analysis of “Uses,” see Development Budget.

Development Budget

Construction Costs:

Construction costs are based on a trades break down estimate by Wright-Ryan Construction (this is preferable to a cost per square foot estimate), and includes provision for prevailing wage requirements. The total construction cost divided among the 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
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

*adjusted to reflect market rate equivalent

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

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

	Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Sch. Gross Income - Resident	\$6,023,340	\$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)
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
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Utilities											
Fuel Oil		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Gas		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water / Sewer	\$139,000	\$493	\$143,170	\$147,465	\$151,889	\$156,446	\$161,139	\$165,973	\$170,952	\$176,081	\$181,363
Other -- Common Areas, Vacat	\$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
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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
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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
Developer Fee Loan	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)
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
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Utilities										
Fuel Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water / Sewer	\$186,804	\$192,409	\$198,181	\$204,126	\$210,250	\$216,557	\$223,054	\$229,746	\$236,638	\$243,737
Other	\$167,990	\$173,029	\$178,220	\$183,567	\$189,074	\$194,746	\$200,588	\$206,606	\$212,804	\$219,188
Total Utilities	\$354,794	\$365,438	\$376,401	\$387,693	\$399,324	\$411,303	\$423,642	\$436,352	\$449,442	\$462,926

Maintenance	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Grounds	\$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
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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
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Debt Service										
First Lien	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
Second Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681

Cash Flow (after Must Pay Debt)	\$1,333,740	\$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
Developer Fee Loan	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 Enhancement/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	\$ -	0%
Total Miscellaneous:		\$311,983	\$1,106	\$ -	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%

DEVELOPER PROVIDED INFORMATION

Analysis of TIF vs No TIF

<u>TIF</u>	<u>No TIF</u>
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 Housing 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 sheer 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.

2020 Income Limits - Portland HUD Metro FMR Area								
				Household Size				
AMI	1	2	3	4	5	6	7	
30%	\$ 21,100	\$ 24,100	\$ 27,100	\$ 30,100	\$ 32,550	\$ 35,160	\$ 39,640	
50%	\$ 35,150	\$ 40,150	\$ 45,150	\$ 50,150	\$ 54,200	\$ 58,200	\$ 62,200	
60%	\$ 42,378	\$ 48,422	\$ 54,486	\$ 60,540	\$ 65,383	\$ 70,226	\$ 75,070	
80%	\$ 54,950	\$ 62,800	\$ 70,650	\$ 78,500	\$ 84,800	\$ 91,100	\$ 97,350	
100%	\$ 70,630	\$ 80,720	\$ 90,810	\$ 100,900	\$ 108,972	\$ 117,044	\$ 125,116	
110%	\$ 77,693	\$ 88,792	\$ 99,891	\$ 110,990	\$ 119,870	\$ 128,748	\$ 137,628	
120%	\$ 84,756	\$ 96,864	\$ 108,972	\$ 121,080	\$ 130,767	\$ 140,453	\$ 150,139	
Maximum Rents								
				Bedroom Count				
AMI	1	2	3	4	5	6		
30%	\$ 527.50	\$ 602.50	\$ 677.50	\$ 752.50	\$ 813.75	\$ 879.00		
50%	\$ 878.75	\$ 1,003.75	\$ 1,128.75	\$ 1,253.75	\$ 1,355.00	\$ 1,455.00		
60%	\$ 1,059.45	\$ 1,210.55	\$ 1,362.15	\$ 1,513.50	\$ 1,634.58	\$ 1,755.65		
80%	\$ 1,373.75	\$ 1,570.00	\$ 1,766.25	\$ 1,962.50	\$ 2,120.00	\$ 2,277.50		
100%	\$ 1,765.75	\$ 2,018.00	\$ 2,270.25	\$ 2,522.50	\$ 2,724.30	\$ 2,926.10		
120%	\$ 2,118.90	\$ 2,421.60	\$ 2,724.30	\$ 3,027.00	\$ 3,269.18	\$ 3,511.33		

The chart below indicates the minimum household size for each unit type based on bedroom count.

	Studio/One-Bed	Two-Bed	Three-Bed	Four-Bed
Minimum Household Size By Bedroom	1	2	3	4

To determine the maximum allowable rent for studio Workforce Units the City will calculate 85% of the allowable housing related expenses for an Eligible Household using the following formula:

0.30 X ((annual income based on minimum household size / 12) X 0.85) less utilities = Workforce Studio Rent

Maximum Rent Amount for a studio in 2020:

Assumption: **80% AMI for 1 person household**

$$.30 \times (\$54,950/12) \times .85 =$$

$$.30 \times (\$4,579 \times .85) =$$

$$.30 \times \$3,892 = \underline{\$1,168}$$

Assumption: **100% AMI for 1 person household**

$$.30 \times (\$70,630/12) \times .85 =$$

$$.30 \times (\$5,885 \times .85) =$$

$$.30 \times \$5,002 = \underline{\$1,500}$$

Assumption: **120% AMI for 1 person household**

$$.30 \times (\$84,756/12) \times .85 =$$

$$.30 \times (\$7,063 \times .85) =$$

$$.30 \times \$6,003 = \underline{\$1,801}$$

CITY OF PORTLAND
45 BROWN STREET UNIT 2
AFFORDABLE HOUSING DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM

Date: , 2021

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45 Brown Street Unit 2
Affordable Housing Development District Development Program

Article I. Introduction and Summary of Benefits.

A. Affordable Housing Development District. This Development Program provides for the creation of an Affordable Housing Development District consisting of the following specified area: all floors above the parking garage structure in a multi-story building to be constructed on a parcel of approximately 1.49 acres located at 45 Brown Street in Portland and to be conveyed to _____ or its designee (the “Developer”), together with all rights appurtenant thereto including without limitation in the land comprising said parcel. It is the intention of the Developer of the project described below to declare this specified area as Unit 2 in the _____ Condominium. Such specified area is referred to below as “45 Brown Street Unit 2” or “Unit 2”. By providing for the reinvestment of a portion of the new or incremental tax revenues in the District, the District will provide an impetus for affordable housing development within the District and the development of affordable, livable housing and the containment of the costs of unplanned growth in the City.

B. Benefits of the District.

1. Affordable Housing. This Development Program will provide for the development of affordable housing in the City and the containment of the costs of unplanned growth.
2. No City Bonds or Risks. The District will not involve any borrowings by or the issuance bonds of the City to pay for any of the costs of the Development Program and will not affect existing tax revenues in any way.
3. Additional Tax Revenues. Creation of the District and Development Program will result in additional tax revenues for the City.
4. Shelter of New Tax Base Growth. The captured assessed value of the District will be sheltered from the otherwise negative impacts of new development that result in increased county taxes and loss of State aid to education and revenue sharing when new development occurs without the creation of an Affordable Housing Tax Increment Financing District. The sheltered portion of the tax increment revenues will be used to pay Project Costs.

Article II. Development Program Narrative and Designation of the District.

Section 2.01: Statement of Means and Objectives. The City of Portland (“the City”), like many other Maine municipalities, desires to provide affordable housing in the City and to contain costs of unplanned growth by providing the facilities described in this Development Program.

In order to fulfill these goals, certain property has been proposed as the 45 Brown Street Unit 2 Affordable Housing Development District (the “District”). The Development Program described herein will serve the purpose of administering the District as an Affordable Housing Development District pursuant to Chapter 206, subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended (the “Development Program”). Upon approval by the City of Portland designating the District and adoption of this Development Program by the City, the designation of the District and adoption of the Development Program will become final immediately, subject only to approval by the Director of the Maine State Housing Authority. The Development Program provides for affordable housing similar in

some respects to the economic development incentives called municipal tax increment financing (“TIF”) similar to that adopted by a number of other Maine municipalities including the City. An Affordable Housing Development District involves the creation of a geographically defined district in the City and the “capture” or reinvestment of some of the new increased or “incremental” tax revenues generated on the increased assessed value of property in the District to pay certain costs of the development.

The District is designed to stimulate development of affordable housing in the City by allocating certain tax revenues generated on the increased assessed value in the District to Project Costs, consisting of allowable operating costs per 30-A M.R.S.A. §5249 and described in Section 2.03 hereof by Brown Tower LLC, its successors and assigns (the “Developer”). Under the Development Program, the City will make portions of the tax increment revenues as set forth in Section 3.04 hereof and under the Credit Enhancement Agreement attached hereto as Exhibit E hereto from the District available to the Developer pursuant to such Credit Enhancement Agreement (the “Credit Enhancement Agreement”). These revenues will be used either to pay or reimburse the Developer for Project Costs per Section 2.03 directly. All additional Project Costs will be the responsibility of the Developer, its successors or assigns. All tax increment revenues following expiration of the term of the Credit Enhancement Agreement will go directly into the City's general fund.

The District will result in significant new tax revenues for the City.

The Development Program thus will provide significant public benefit to the City by providing for the development of affordable housing in the City and for new tax revenues. The means and objectives of the Development Program are to provide: financial assistance towards Project Costs, and the development of affordable housing in the City.

The City, by adopting this Development Program, finds that the Development Program described herein, including the Capital Project, will provide substantial affordable housing in the City, thereby accomplishing an important public purpose.

Section 2.02: Brief Discussion of Financial Plan. The following is a brief summary of the Financial Plan. The Financial Plan is set forth in greater detail in Article III of this Development Program. As described in Section 3.04 hereof and Exhibit A hereof, the property taxes assessed by the City upon the Increased Assessed Value of property in the District (the “Tax Increment”) resulting from the investments by the Developer will be captured or used by the City under the Development Program to pay Project Costs described in Section 2.03 hereof. The development costs and sources and uses of funds associated with the Development Program within the District are described in Article III. The Project Costs and any continuing investment by Developer will be financed by Developer through equity of the Developer, its successors or assigns and the tax increment revenues from the District. As part of the Development Program, the City and Developer will enter into a Credit Enhancement Agreement pursuant to which the City will pay to Developer the percentage of Tax Increment Revenues from the Increased Assessed Value with respect to property in the District, described herein as the Tax Increment Revenues (Developer’s Share) for the term of the District to pay Project Costs related thereto. All tax revenues from the District not payable to Developer under the Credit Enhancement Agreement will be paid to the General Fund of the City. Any tax revenues presently generated on existing property in the District will continue to be paid to the General Fund of the City. The Development Program costs will be paid only from the Tax Increment on assessed value produced by new development in the District occurring after the tax year ending on the March 31st prior to adoption of this Development Program.

Section 2.03: Project Costs Descriptions.

A. Project General Description. The Capital Project at 45 Brown Street Unit 2 involves the construction of approximately 1.49 acres, into an affordable housing neighborhood. The objective of the project is that 50% of the units in the District will be affordable housing, meaning a decent, safe and sanitary dwelling, apartment or other living accommodation for a household whose income does not exceed 120% of the median income for the area as defined by the United States Department of Housing and Urban Development. This project consists of one nine story building comprised of three floors of parking with 256 spaces and six floors of housing which will contain a total of 275 rental units with 78 of those units affordable to households at or below 80% of the area median income, 27 of those units affordable to households at or below 100% of the area median income and 33 of those units affordable to households at or below 120% of the area median income. The zoning for the project assures that this number of units and this affordability objective will be met.

The 45 Brown Street Unit 2 project is projected to have a total local increased assessed valuation at build out of approximately \$54,500,000 based upon current real estate values and City assessment practices. Based upon the estimated tax rate upon completion, the project will pay approximately a thirty-year annual average of \$849,617 in increased property taxes to the Developer at full build out. A portion of this new revenue would be offset by increased county taxes and reduced state revenue sharing and education funding resulting from the increased state valuation, were it not included in a Development District.

“Project Costs” as defined in Title 30-A, Chapter 206, Section 5249 of the Maine Revised Statutes will include authorized costs as defined in 30-A M.R.S.A §5249(1)(A)(1)(a)(b)(c)(d)(2)(4) and (11) Project Costs are more explicitly defined in the Credit Enhancement Agreement as Qualified Reimbursable Costs.

B. Need for the Affordable Housing TIF. Over the 30-year TIF, the estimated average annual payment is \$849,617 (as set forth in Exhibit A). Developer’s Share of the Tax Increment Revenue is designated to pay Qualified Reimbursable Costs, as defined in the Credit Enhancement Agreement, for the project at 45 Brown Street Unit 2. The Tax Increment Revenue described in section 3.04 will help pay for Qualified Reimbursable Costs over a period of no more than thirty (30) years. Without the TIF and these other funding sources the project could not go forward.

The Municipal Affordable Housing Development District law enacted by the Maine Legislature in 2003 creates an opportunity to fill this gap in the project financing through the mechanism of the TIF program. The program operates essentially the same way that the traditional commercial TIF program has with a few exceptions. The Affordable Housing TIF program is administered by the Maine State Housing Authority.

Section 2.04: Relocation Plan. The property currently contains an empty parking garage. No business or persons will be displaced as a result of the development activities in the District.

Section 2.05: Environmental Controls. All environmental controls required by law shall apply to development in the District, including any applicable requirements of the City of Portland Zoning Ordinance and all applicable State and Federal environmental laws and regulations.

Section 2.06: District Operation. The day-to-day operations of the District will require no substantial efforts by the City. The Developer, its successor or assigns, will operate the improvements constructed by Developer and pay all maintenance and operational expenses of its facilities. The City,

however, will be responsible for maintenance and operation of any part of the District that may become a public road or other public facility

Section 2.07: Assurance of Compliance. The City hereby determines that the District and this Development Program complies with the provisions of 30-A M.R.S.A. § 4349-A (growth management). The proposed development in the District is consistent with the Comprehensive Plan for the City of Portland which includes the City's Comprehensive Plan, which calls for additional affordable housing in the City.

Section 2.08: Program Duration. The duration of the District will be no more than thirty (30) years after the tax year in which this Development Program was approved by the Director of the Maine State Housing Authority. The first Tax Year of the Development Program begins April 1, 2021 and the last Tax Year of the Development Program begins April 1, 2050.

Section 2.09: Approval Considerations and Characteristics of the District.

A. Statutory Considerations for Approval. Before designating the District and before establishing this Development Program, the City has considered any evidence presented at such public hearing and has considered whether the District and Development Program will contribute to the expansion of affordable housing opportunities within the City and to the betterment of the health, welfare or safety of the inhabitants of the City. The City hereby determines and finds that the District created hereunder and this Development Program will make a contribution to the expansion of affordable housing opportunities within the City and the betterment of the health, welfare or safety of its inhabitants, constituting good and valid public purposes and that any adverse economic effect on or detriment to any existing property interests is outweighed by the contribution made by the District and the Development Program to the availability of affordable housing within the City and to the betterment of the health, welfare and safety of its inhabitants.

B. Statutory Conditions for Approval; Physical Characteristics. The City hereby finds and determines that the District satisfies the conditions imposed under Chapter 206, subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended, as a prerequisite to designation of the District, including those relating to the physical description of the District and to certain financial and statistical information as follows:

(i) All of the land in the District is suitable for residential uses, is zoned for residential uses, and is in need of rehabilitation or redevelopment and therefore at least 25%, by area, of the real property within the District meets at least one of the following statutory criteria: (1) be suitable for residential use; (2) be a blighted area; or (3) be in need of rehabilitation or redevelopment;

(ii) The total area of the District is approximately 1.49 acres and thus such area represents less than 2% of the total acreage of the City – that being 12,386 total acreage of the City. The total area of the District and the total area of all development districts, including this proposed district, in the City is 697.028 acres, which is 5.627% of the total acreage in the City. Of those 697.28 acres, this includes 451.01 acres in two exempt districts, - a transit oriented district and a downtown/transit oriented district, which when subtracted from the 697.028 acres is 246.018 acres, representing 1.986% of the total acreage of the City and thus does not exceed 5% of the total acreage of the City. The total area of all existing affordable housing development districts and this proposed affordable housing development district in the City is 15.4068 acres, or .1243% of the total acreage of the City and does not exceed 5% of the total acreage of the City;

(iii) The Original Assessed Value of the District is as set forth in Exhibit D hereto and the Original Assessed Value of all existing affordable housing development districts and this proposed affordable housing development district within the City is \$0 and such amount of Original Assessed Value does not exceed 5% of the total value of taxable property within the City as of April 1st preceding the date of the designation of the District, that being \$10,507,000,000.

C. Community Housing Need. The City finds that this Capital Program will meet a community housing need identified in the City's Comprehensive Plan. The Credit Enhancement Agreement provides a mechanism to ensure the ongoing affordability for a period of no more than 30 years which mechanism is the Declaration attached hereto as Exhibit I. The District is primarily a residential development on which 50% of the dwelling units will be affordable housing and that may be designed to be compact and walkable and to include internal open space, other common open space and one or more small-scale nonresidential uses of service to the residents of the development. The Developer and the City shall comply with any rules adopted by the Maine State Housing Authority and with any conditions of approval imposed by the Maine State Housing Authority following designation of the District. The City shall report annually to the Director of the Maine State Housing Authority regarding the status of the District, including the following matters as required by law: (a) certify that the public purpose of the District is being met; (b) account for any sales of property within the District; and (c) certify that rental units within the District remain affordable.

Section 2.10: Designation of the District. The City, by adoption of this Development Program, hereby designates the 45 Brown Street Unit 2 Affordable Housing Development District as an Affordable Housing Development District and as an Affordable Housing Tax Increment Financing District. A plan depicting the District is attached hereto as Exhibit C and the District is further described therein.

Article III. Financial Plan.

Section 3.01: Cost Estimates for the Development Program. The estimated expenses of the Project Costs are set forth in Exhibit B.

Section 3.02: Amount of Indebtedness to be Incurred. The City will not incur any indebtedness in connection with the Development Program. The Development Program will be financed through a combination of funds of the Developer, its successors and assigns, various loans and the Tax Increment of the District.

Section 3.03: Sources of Anticipated Revenues. The source of the revenue to be used to pay the Project Costs of this Development Program is a portion of the Tax Increment on the Increased Assessed Value of the District. Tax Increment means all Property Taxes assessed by the City, in excess of any state, county or special district tax, upon the Increased Assessed Value of all property in the District. Increased Assessed Value means the valuation amount by which the Current Assessed Value of the District exceeds the Original Assessed Value of the District. Current Assessed Value means the assessed value of the District certified by the municipal assessor as of April 1st of each year that the District remains in effect. Property Taxes means any and all ad valorem property taxes levied, charged or assessed against property by the City or on its behalf.

Original Assessed Value means the assessed value of the District as of March 31, 2021; (tax year April 1, 2021, Fiscal Year 2022). Attached hereto as Exhibit D is the anticipated form of certification of Original Assessed Value by the Assessor of the City of Portland in accordance with the requirements of

Title 30-A § 5250-A of the Maine Revised Statutes. All Property Tax on the Original Assessed Value shall continue to be deposited in the general fund of the City.

The City will deposit the Tax Increment Revenues (Developer's Share) as described in Section 2.02 and Section 3.04 hereof and in Exhibit A into the Developer's Project Cost Account of the Affordable Housing Development Program Fund and pay such Tax Increment (Developer's Share) to Developer in accordance with the terms of the Credit Enhancement Agreement to be entered between the City and the Developer.

Section 3.04: Estimated Increased Assessed Value; Portion Applied to Development Program. The percentage of the Increased Assessed Value of the District to be retained as Captured Assessed Value in each year is 75%. Such Captured Tax Increment Revenues will be returned to the Developer each year in the manner described below.

In the event of a revaluation of taxable property within the City, the Captured Assessed Value of this District may be adjusted in proportion to the change in taxable assessed property valued within the District in the year of the revaluation resulting from such revaluation.

The Tax Increment Revenues (Developer's Share) to be paid to the Developer each year during the term of this Development Program will be an amount which shall be captured and retained to reimburse the Developer for Qualified Reimbursable Costs pursuant to the Credit Enhancement Agreement. The Tax Increment Revenues (Developer's Share) shall be equal to the corresponding fiscal year's projected allocation percentage for each payment according to Exhibit A, but Developer's Share will be an amount equal to the lesser of (1) the total amount of Developer's Qualified Reimbursable Costs for each Fiscal Year beginning with City Fiscal Year 2022/Tax Year 2021, or (2) all amounts then on deposit in the Developer Project Cost Subaccount. In no event shall the total aggregate amount of Tax Increment Revenue (Developer's Share) during the term of the District exceed the entire amount of the 75% of captured revenue. The percentage determination of the Tax Increment Revenues (Developer's Share) as determined as described above shall apply regardless whether the actual Tax Increment Revenues are more or less than the estimated or projected Tax Increment Revenues set forth in Exhibit A.

"Tax Shift Formulas" mean the formulas utilized by the State of Maine in calculating: (a) the county tax payable in accordance with 30-A M.R.S.A. § 706 and 36 M.R.S.A. §§ 305(1), 381, as amended, and any successor provisions; (b) the municipal revenue sharing distribution of the Local Government Fund in accordance with 30-A M.R.S.A. §5681, as amended, and any successor provision, provided, however, that distribution of the Disproportionate Tax Burden Fund (the Revenue II fund), if any, shall not be taken into consideration in such calculation since taxes assessed on captured value within a tax increment financing district are included in the amounts of the property assessed in determining allocations of such Disproportionate Tax Burden Fund; and (c) State aid to education, including aid for total operating costs, total program cost allocation (taking into account the maximum local share or circuit breaker) and total debt service cost allocation (taking into account the maximum local share or circuit breaker), but not taking into account any hold harmless or hardship cushion that results in additional State aid to education to the prior year's level even through the calculation would have resulted in a reduction, all as computed in accordance with Maine Department of Education Form ED 261 or any successor form.

The amount of Tax Increment from the total Increased Assessed Value that is to be paid each year to the Developer under Credit Enhancement Agreement to pay or reimburse Project Costs is hereinafter called the "Tax Increment Revenues (Developer's Share)."

The table attached hereto as Exhibit A also sets forth: (i) the annual estimates of the Increased Assessed Value of the District resulting from implementation of the Development Program; (ii) the estimated annual Tax Increment Revenues per year on the Increased Assessed Value following implementation of the Development Program, stated respectively as (a) a total, and (b) the estimated amount of the Tax Increment Revenues (Developer's Share)

Based on the manner in which Tax Increment Revenues (Developer's Shares) are defined, a share of the incremental property tax revenues derived from the increased valuation will be returned to the Developer to cover the Project Costs as described in Section 2.03 hereof.

To comply with the provisions of the State of Maine, the Credit Enhancement Agreement includes a provision for the recapture of certain amounts relating to any affordable rental housing units that are not maintained as affordable for a period of at least thirty years.

The amount of the Tax Increment Revenues on the Increased Assessed Value of all property in the District for each year during the term of the District to be allocated and paid to the Developer each year pursuant to the Credit Enhancement Agreement shall be equal to the product for each year during the term of the District of (a) the relevant Developers Percentage Allocation of the Tax Increment (Developer Share) for each year as computed as described above, times (b) the actual amount of the Tax Increment for each year. Such percentage allocations shall apply regardless of whether the actual Tax Increment Revenues each year are more or less than the Tax Increment Revenues as estimated or projected in Exhibit A of this Development Program, provided that in no fiscal year will the Developer's Share be less than 75% of the captured revenue through the term of the District.

An Affordable Housing Development Program Fund shall be established by the City consisting of a Project Cost Account. The Project Cost Account shall consist of the Developer's Project Cost Account (the "Developer's Project Cost Account"). The Developer's Project Cost Account will be pledged to and charged with payment of amounts due to Developer under the Credit Enhancement Agreement. Upon receipt of each payment of property tax with respect to property in the District, the City shall deposit into the Developer's Project Cost Account according to the terms of the Credit Enhancement Agreement that portion of each payment constituting the percentage of total actual Tax Increment for such year equal to the Tax Increment Revenues (Developer's Share). The amounts in the Developer's Project Cost Account shall be used and applied solely to fund the payments to Developer under the Credit Enhancement Agreement.

Section 3.05: Description of Terms and Conditions of Agreements. A description of the terms and conditions of the agreements, contracts and obligations to be entered into by the City is set forth in the Credit Enhancement Agreement to be entered into by the City and the Developer which will be substantially in the form attached hereto as Exhibit E. The Credit Enhancement Agreement sets forth the obligations of the City to pay to Developer each year during the term of that Agreement Tax Increment Revenues (Developer's Share) from all Property Tax with respect to all property in the District, as provided in such Credit Enhancement Agreement.

Section 3.06: Calculation of Tax Shifts. In accordance with Maine statutes governing the establishment of affordable housing development districts, Exhibit F identifies the estimated tax shifts which will result during the term of the District from the establishment of the District, using formulas approved by the Director of the Maine State Housing Authority. Exhibit F also contains a summary of the methodology and calculations utilized in calculating such estimated tax shifts.

The 45 Brown Street Unit 2 project will pay property taxes to the City based upon the local assessed valuation of the project and the City's annual tax rate. Exhibit A shows the estimated property taxes that will be paid by the project over the next 30 years based upon the estimated local assessed valuation and the estimated tax rate of \$15.90/\$1,000 for the first year of the District. The amount of property taxes paid by owners of property in the District to City will be the same whether the project is included in a TIF district or not.

If the project is not part of a TIF, some of these new tax revenues will be offset by what are commonly called tax shifts. Since the City's total state valuation will be higher as a result of the project, its share of Cumberland County taxes will increase. The increased valuation and population will change the amount the City receives in State Revenue Sharing. The increased valuation and increased school enrollment will change the amount the City receives in state education aid.

Exhibit F thus shows the estimated amount of these tax shifts compared to what they would be if the new valuation is "sheltered" in a TIF and, therefore, does not get counted in the City's state valuation that is used in calculating county tax, revenue sharing and state education aid.

The actual extent and amount of the tax shifts can vary from this estimate since they are controlled by factors outside the City's control such as the rate of increase in the County budget, the amount of state sales and income tax collected, the amount of funding provided by the state for education aid, and the formula used to distribute that aid. So the extent and value of the shifts could be more or less than estimated.

Article IV. Municipal Approvals.

Section 4.01: Public Hearing. Before designating the District, the City legislative body of the City held a public hearing. Notice of the hearing was published on [enter date notice was published in the paper], a date that was at least 10 days before the hearing, in The Portland Press Herald, a newspaper of general circulation within the City. Attached hereto as Exhibit G is a copy of the Notice of Public Hearing. The Public hearing was held in accordance with the requirements of 30-A M.R.S.A. § 5250 on [enter date of city council meeting where public hearing occurred]. At the public hearing, interested parties were given a reasonable opportunity to present testimony concerning the District and the Development Program.

Section 4.02: Authorizing Votes. Attached as Exhibit H is a copy of the Orders proposed for adoption by the City Council of the City of Portland at a meeting thereof duly called and held on [enter date of city council meeting] designating the District and adopting the Development Plan.

The undersigned, being the City Manager of the City of Portland, certifies that all of the information contained herein is true and correct to the best of my knowledge.

Dated: [date signed]

Jon P. Jennings City Manager,
City of Portland

CITY OF PORTLAND
Declaration of Covenants, Conditions and Restrictions for the 45 Brown Street Unit 2
Affordable Housing Tax Increment Financing District

This Declaration of Covenants, Conditions and Restrictions (the “Declaration”) is entered into by and between the City of Portland, a public body corporate and politic with its principal place of business at 389 Congress Street, Portland, Maine, 04101 (“City”) and Brown Tower LLC, a Maine limited liability company with a mailing address of 3100 McKinnon Street, Suite 250, Dallas, TX 75201 (“Developer”).

W I T N E S S E T H

WHEREAS, the Developer acknowledges that City is providing Affordable Housing Tax Increment Financing to the Developer (the “AHTIF”) for project operating costs associated with the development of two hundred eighty-two (282) units of rental housing (the “Units”) located at 45 Brown Street, Portland, Maine (the “Development”), at least one hundred and forty-one (141) of which Units shall be Workforce Units, as that term is used herein; and

WHEREAS the Developer acknowledges City’s resulting beneficial interest in the Development, and Developer acknowledges that its ownership and operation of the Development are in furtherance of discharge of the public trust; and

WHEREAS, because the Development consists of Workforce Housing Units, Developer has agreed to certain restrictions on the lease of the Workforce Units, including restrictions on the rent for which the Workforce Units may be leased, the parties who may lease Workforce Units, and occupancy restrictions, all on the terms and conditions hereinafter provided; and

WHEREAS, City has provided the AHTIF to Developer in consideration of the Developer’s agreement to abide by the provisions of this Declaration.

NOW THEREFORE, City and the Developer agree as follows:

1. **Term.** The term of this Declaration shall be for the period beginning on date of the approval of the District by the Director of the Maine State Housing Authority (the “Effective Date”) and continuing for thirty (30) years from the Effective Date of the Declaration (the Qualified Project Period”).
2. **Enforceability of Covenants.** The covenants and restrictions of Developer set forth herein are intended to be and shall be considered covenants that run with the real estate described in Exhibit A attached hereto and made a part hereof and shall bind all subsequent owners and holders of any interest in said real estate, except to the extent herein provided. The City may enforce the covenants set forth herein as a contract beneficiary whether or not Developer is or remains indebted to the City. The covenants of Developer set forth herein shall survive a sale, transfer, or other disposition of the Development by Developer, a foreclosure or transfer of title in lieu of foreclosure, or the repayment of the AHTIF, but shall cease to apply to the Development in the event of involuntary noncompliance caused by substantial destruction, seizure, requisition, or change in law or an action of a governmental agency that prevents the City from enforcing the covenants, even though compensated by insurance, provided that the AHTIF is repaid within a reasonable period of time after such involuntary loss or substantial destruction.
3. **Covenants.** Developer hereby covenants and represents to the City as follows:
 - a. **Development.** The Development shall consist of the land described in Exhibit A attached hereto, together with all improvements, which after completion of the work will contain a total of two hundred eighty-two (282) units of rental housing and related amenities. The units in the Development shall be of comparable quality and have comparable amenities. Developer shall not make any change in the nature, size, number or location of the units in the Development and the facilities in the units.
 - b. **Use.** The Developer shall rent or make available for rental all of the units in the Development on a continuous and non-transient basis to members of the general public throughout the Qualified Project Period. Developer covenants and agrees that no change of use shall occur without the express written consent of the City.
 - c. **Workforce Units.** For a period of thirty (30) years at least eighty-one (81) of the units (including 41 one-bedroom units) will be occupied by households with incomes at or below eighty (80%) percent of the area median income, at least twenty-seven (27) of the units will be occupied by households with incomes at or below one hundred (100%) percent of the area median income and thirty-three (33) of the units will be occupied by households with incomes at or below one hundred twenty (120%) percent (collectively referred to as the “Workforce Units”). The remaining one hundred forty-one (141) units will be market rate.
 - i. Income and area median income shall be based on figures published annually by the U.S. Department of Housing and Urban Development (HUD) for the Portland Metropolitan Statistical Area. If at a time in the future, HUD no longer

provides these annual figures, the City will identify another similar method of determining income guidelines for affordability. Income limits shall be adjusted for family size.

- ii. Prior to initial occupancy and at least annually, the Developer shall verify that the income, based on the then current income, of each household occupying a Workforce Unit in the Development does not exceed the Applicable Income Limit (the “Determination”). The Determination shall be made with reference to the area median income limits published annually by the U.S. Department of Housing and Urban Development (HUD) for the HOME Investment Partnership Program. The City will make available a list of income limits by household size based upon the HUD publication. If at any time in the future HUD no longer provides these annual figures, the City will identify another similar method of determining income guidelines for affordability. The City shall determine eligibility based on a household's gross income using a process similar to what HUD recommends for its HOME program or another method deemed reasonable by the City.
 - iii. A Workforce Unit occupied by a household, who at the commencement of occupancy, met the Applicable Income Limit shall continue to be treated as occupied by a qualified resident even though the household’s income may exceed the Applicable Income Limit, adjusted for family size, at the time of the most recent Determination (the “Over Income Unit”), if after such Determination, but before the next Determination, any unit in the Development of comparable size is occupied by a new household whose income does not exceed the Applicable Income Limit (the “Next Affordable Unit”). Upon leasing of a Next Affordable Unit to a qualifying tenant, the Over Income Unit shall become a market rate unit, and none of the restrictions or covenants applicable to Workforce Units shall apply to that unit any longer. At no time shall Developer be required to maintain or supply more than One Hundred Forty-One (141) Workforce Units.
 - iv. After initial occupancy but upon again becoming vacant, a Workforce Unit shall be treated as occupied by a household meeting the Applicable Income Limit until occupied (other than occupancy by another resident for a temporary period not to exceed 31 days), at which time the character of the unit shall be re-determined in light of the new resident’s income.
- d. **Rent Restrictions.** For the Qualified Project Period, the Workforce Units shall be rent-restricted. A unit is rent-restricted if the gross monthly rent does not exceed one-twelfth (1/12th) of thirty percent (30%) of the imputed income limitation applicable to the unit. The imputed income limitation is the Applicable Income Limit for the unit, except the adjustment for family size shall be based, not on the actual number of occupants, but by assuming the number of occupants as follows:
- i. For a unit without a separate bedroom, one individual.

- ii. For a unit with one or more separate bedrooms, one and one-half individuals for each separate bedroom.
 - iii. Gross monthly rent shall not include any payment under Section 8 of the United States Housing Act of 1937 and associated regulations and guidance, all as may be amended from time to time ("Section 8") but shall include any utility allowance, where applicable, taking into account such determinations under Section 8. Except as expressly set forth herein, rents for the Workforce Housing Units shall be determined using the same methods, processes, procedures and documentation utilized by the City's Inclusionary Zoning Ordinance.
- e. **Discrimination Prohibited.** Developer shall not segregate or physically isolate the Workforce Units from each other and from other units in the Development and the Developer shall use its best efforts to proportionately distribute the Workforce Units among each unit size in the Development. Developer shall not refuse to rent a unit in the Development to any applicant because the applicant holds a voucher or a certificate of eligibility under Section 8.
- 4. **Compliance.** Developer agrees to furnish to City such information as City may require in a form acceptable to City, including without limitation certifications and/or verifications of occupancy and resident income, to determine Developer's compliance with the covenants set forth herein. Information deemed acceptable by Maine State Housing Authority shall be acceptable to the City.
- 5. **Income Certifications/Leases.** With respect to the Workforce Units, Developer shall use residential lease forms acceptable to City and obtain written and signed certifications of residents in a form acceptable to City to determine the qualifications of the residents for occupancy of a Workforce Unit. Such leases or certifications shall contain clauses wherein each resident (a) certifies as to the accuracy of statements made relating to the resident's income, (b) agrees that resident income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, (c) agrees to comply all requests for information with respect thereto from Developer or City, and (d) agrees that failure to provide accurate information or refusal to comply with a request for information shall be deemed a violation of a substantial obligation of the tenancy. Developer covenants and agrees to take such action as City deems necessary to comply with the covenants herein or to correct or cure any failure of the Developer to comply with the covenants herein, including, without limitation, the eviction of any tenant in accordance with applicable law.
- 6. **Real Estate Taxes.** Developer agrees that it shall pay all real estate taxes assessed on the Development during its ownership of the Development. Nothing contained in this section shall be deemed a waiver or limitation on Developer's right to seek abatement of property taxes if Developer believes the Development is over-assessed.
- 7. **Records.** Developer shall maintain and keep current all books, documents, plans and records concerning the Development, including, but not limited to, books and records related to compliance with the covenants contained in this Declaration. Such books, records, documents

and plans shall be kept for: (a) a minimum of six (6) years after the expiration of the Qualified Project Period for those books, records, documents and plans pertaining to the rent and occupancy requirements described in Section 3 of this Declaration and the rent roll for all units in the Development; and (b) for a minimum of six (6) years after the end of the fiscal year or calendar year, as applicable, for all other books, records, documents and plans pertaining to the Development. Upon reasonable notice, City may audit and examine these books, records, documents and plans, and may inspect the buildings, grounds, equipment offices of the Development.

8. **Violation**. Developer shall immediately notify the City if Developer anticipates or discovers any noncompliance with any restriction or covenant in this Declaration, including, without limitation, noncompliance with the occupancy restrictions in Section 3 of this Declaration. Developer agrees to take such action as the City deems necessary to prevent noncompliance or to correct or cure any failure to comply with the covenants in this Declaration. In the event the Developer fails to comply with the covenants set forth herein, and fails to cure such non-compliance within any applicable cure period, the City shall be entitled to exercise any of its rights under the documents executed in connection with the AHTIF, maintain an action in law or in equity against the Developer to recover damages incurred by the City from such failure, including, without limitation, reasonable attorneys' fees and costs, and to require the Developer (through injunctive relief or specific performance) to comply with the provisions and covenants set forth herein and to immediately cure any failure to comply with the covenants set forth herein by the Developer.
9. **Indemnification**. Developer shall indemnify and hold City and its agents harmless from and against any and all claims, demands, liability, loss, cost or expense (including, but not limited to reasonable attorney's fees and other costs of litigation) which may be incurred by the City arising out of or in any way related to the Developer's breach of any of its obligations under this Declaration or any action taken by the City to enforce or exercise its rights under this Declaration as a result of such breach, except for claims arising from the gross negligence or willful acts of the City. The obligations under this section shall survive the termination or expiration of this Declaration as necessary to effectuate its provisions.
10. **Modifications**. This Declaration may be amended or modified, in whole or in part, only by written agreement of Developer and the City clearly expressing the intent to modify this Declaration.
11. **Severability**. The validity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.
12. **Successors and Assigns**. This Declaration shall be binding upon Developer's respective heirs, personal representatives, executors, administrators, successors and assigns and shall inure to the benefit of and be enforceable by City, its successors, transferees and assigns.
13. **Governing Law**. This Declaration shall be construed in accordance with and governed by the laws of the State of Maine.

14. **Notices.** Any notice or demand required or provided for in this Declaration shall be in writing and shall be deemed to have been sufficiently given for all purposes when hand-delivered or mailed by certified or registered United States mail, postage prepaid, or sent by overnight United States mail or overnight commercial delivery service to the Developer or the City at their respective addresses set forth herein, or at such other address as either of them may from time to time hereafter designate by notice given to the other as herein provided.
15. **Agreement to Subordinate.** The City shall enter into an intercreditor agreement with any lenders providing financing to the Development, on such usual and customary terms as the parties may agree.

Signature page follows.

IN WITNESS WHEREOF, this Declaration has been duly executed by the Developer and City as of _____, 2021.

CITY OF PORTLAND

Witness

By: _____
Jon P. Jennings
Its City Manager

State of Maine
Cumberland, ss.

_____, 2021

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

Before me,

Notary Public/Attorney-at-Law

(Print or type name)

Signature page follows.

BROWN TOWER LLC

BY: _____, its General Partner

Witness

By: _____
_____, Its _____

State of Maine
Cumberland, ss.

_____, _____

Personally appeared the above named _____, _____ of _____,
General Partner of _____, and acknowledged the foregoing instrument to be his free
act and deed in his said capacity and the free act and deed of said corporation and limited
partnership.

Before me,

Notary Public/Attorney-at-Law

(Print or type name)

EXHIBIT A

Parcel One:

A certain lot or parcel of land with the buildings Theron, situated on the northeasterly side of Brown Street, the southeasterly side of Cumberland Avenue and the southwesterly side of Preble Street, in the City of Portland, County of Cumberland and State of Maine, and being more particularly bounded and described as follows:

Beginning at the intersection of the northeasterly sideline of Brown Street with the southeasterly sideline of Cumberland Avenue;

Thence: North 65°38'40" East along the southeasterly sideline of said Cumberland Avenue one hundred and ninety-six hundredths (100.96) feet to the westerly line of land now or formerly of Sweetwater Partners LLC as described in the deed Book 34349, Page 251;

Thence, South 28°10'20" East along the westerly line of land of said Sweetwater Partners LLC ninety-one and ten hundredths (91.10) feet;

Thence, North 62°29'30" East along the southerly line of land of Sweetwater Partners LLC sixty-four and ninety-four hundredths (64.94) feet;

Thence, North 60°08'00" East continuing along the southerly line of land of Sweetwater Partners LLC thirty-nine and five hundredths (39.05) feet to the westerly line of land now or formerly of Earl Apartments LLC as described in deed Book 17591, Page 197;

Thence, South 28°06'30" East along the westerly line of land of said Earl Apartments LLC one hundred three and one hundredths (103.01) feet to the northerly line of land now or formerly of 24 Preble Street Properties LLC as described in deed Book 33029, Page 19;

Thence, South 62°35'40" West along the northerly line of land of said 24 Preble Street Properties LLC sixteen and sixteen hundredths (16.16) feet;

Thence, South 27°31'10" East along the westerly line of land of 24 Preble Street Properties LLC thirty-nine and ninety-six hundredths (39.96) feet;

Thence, North 62°24'40" East along the southerly line of land of 24 Preble Street Properties LLC one hundred and twenty-nine hundredths (100.29) feet to the southwesterly sideline of Preble Street:

Thence, South 27°34'40" East along the southwesterly sideline of said Preble Street one hundred seventy-nine (179.00) feet;

Thence, South 62°24'41" West eighty-six (86) feet;

Thence, North 27°34'39" West ninety-seven (97.00) feet;

Thence, South 62°24'41" West thirty-five and ninety-three hundredths (35.93) feet to the easterly line of land now or formerly of Maine Historical Society as described in deed Book 697, Page 343;

Thence, North 27°52'30" West along the easterly line of said Maine Historical Society forty-three and fifty-four hundredths (43.54) feet;

Thence, South 59°33'00" West along the northerly line of land of Maine Historical Society sixty-five and ninety-four hundredths (65.94) feet;

Thence, South 28°48'10" East along the westerly line of land of Maine Historical Society twenty-two and seventy-two hundredths (22.72) feet to the northerly line of land now or formerly of MHS, Inc. as described in deed Book 10467, Page 207;

Thence, South 65°26'10" West along the northerly line of land of said MHS, Inc. ninety-nine and forty-nine hundredths (99.49) feet to the northeasterly sideline of Brown Street;

Thence, North 28°19'30" West along the northeasterly sideline of said Brown Street two hundred ninety-seven and forty-eight hundredths (297.48) feet to the point of beginning.

Containing 64,840 square feet or 1.488 acres, more or less.

Reference is made to a plan titled "Boundary & Topographical Survey Time and Temperature Building Monument Square Parking Garage 477-481 Congress Street, 22 Preble Street, 45 Brown Street, Portland Maine made for TT Venture, LLC" by Owen Haskell, dated January 28, 2019 revised through 4/1/19.

MEMORANDUM
City Council Agenda Item

FROM: Mary Davis, Division Director

DATE: April 20, 2021

SUBJECT: Order 244-20/21 Approving and Authorizing the City Manager to Enter into the Credit Enhancement Agreement with Brown Tower, LLC - Sponsored by Jon P. Jennings, City Manager

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

Final Action

Can action be taken at a later date: No (If no why not?) State Statute requires that a public notice be published a minimum of ten days in advance of the 2nd reading and vote on this item.

PRESENTATION: (List the presenter(s), type and length of presentation) Mary Davis will be available to answer questions.

I. SUMMARY

II. AGENDA DESCRIPTION

During a meeting held on March 2, 2021, the Housing and Economic Development Committee (3-1) voted to forward this item to the City Council for consideration.

This is a companion order to Order 243-20/21 above.

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

III. BACKGROUND

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

VI. STAFF ANALYSIS AND BACKGROUND

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

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. CEA for 45 Brown Street Unit 2 5.10.2021
2. Credit Enhancement Agreement 45 Brown St clean for Council 050421

Prepared by:

Mary Davis, Division Director

Date: 4/20/2021

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
TAE Y. CHONG (3)
ANDREW ZARRO (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

MARK DION (5)
APRIL D. FOURNIER(A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO
THE CREDIT ENHANCEMENT AGREEMENT FOR 45 BROWN STREET
WITH BROWN TOWER, LLC**

ORDERED, that the attached credit enhancement agreement between the City of Portland and Brown Tower, LLC related to the 45 Brown Street Unit 2 Affordable Housing Tax Increment Financing District is hereby approved; and

BE IT FURTHER ORDERED, that and the City Manager is authorized to sign the agreement in substantially the form attached hereto and any other related documents that are necessary or convenient to carry out the intent of said agreement.

45 Brown Street Unit 2 Affordable Housing Development and
Tax Increment Financing District

CREDIT ENHANCEMENT AGREEMENT

between

THE CITY OF PORTLAND, MAINE

and

BROWN TOWER LLC

DATED: _____, 2021

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EXHIBITS

Exhibit 1 Copy of District Map

Exhibit 2 Supporting Documentation Checklist

Exhibit 3 Term Sheet for Public Restroom Agreement

THIS CREDIT ENHANCEMENT AGREEMENT dated as of [Enter Date, 2021], between the City of Portland, Maine, a municipal body corporate and politic and a political subdivision of the State of Maine (the “City”), and Brown Tower, LLC, a Maine limited liability partnership (the “Developer”).

WITNESSETH THAT

WHEREAS, the City designated the *45 Brown Street Unit 2 Municipal Affordable Housing Development and Tax Increment Financing District* (the “District”) pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by action of the City Council at a meeting of the City Council held on _____ [Enter Date of Council Meeting, 2021], Order ____ - 20/21 (the “Vote”) and pursuant to the same Vote adopted an affordable housing development program, including a financial plan, for the District (the “Development Program”); and

WHEREAS, the City received the approval of the District and the Development Program by Maine State Housing Authority (“MSHA”) on _____ [Enter Date of District Approval by MaineHousing] and anticipates the approval of the amended District and the Development Program by MSHA; and

WHEREAS, the Development Program contemplates the execution and delivery of a credit enhancement agreement between the City and the Developer, and the City approved the execution and delivery of a credit enhancement agreement as described in the Development Program pursuant to the Vote, and the City and the Developer desire and intend that this Credit Enhancement Agreement be and constitute the Credit Enhancement Agreement contemplated and described in the Development Program in the name of and on behalf of the City; and

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1. Definitions.

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Agreement” shall mean this Credit Enhancement Agreement between the City and the Developer dated as of the date set forth above, as such may be amended from time to time.

“Authority” means the Maine State Housing Authority.

“Captured Assessed Value” means the amount, stated as a percentage, of the Increased Assessed Value of the District that is retained in each Tax Year during the term of the District, as specified in Section 2.3 hereof, to fund Project costs authorized in the Development Program.

“City” shall have the meaning given such term in the first paragraph hereto.

“Current Assessed Value” means the then-current assessed real property value of the District as determined by the City Tax Assessor as of April 1 of each Tax Year that the District remains in effect.

“Developer Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District set aside for the Developer established and maintained according to Article II hereof.

“Development Program” shall have the meaning given such term in the recitals hereto.

“Development Program Fund” means the Affordable Housing Development Program Fund described in the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S.A. § 5250-A (3)(A) consisting of subaccounts further described herein.

“Director” means the Director of the Maine State Housing Authority.

“District” shall have the meaning given such term in the first recital hereto.

“Effective Date of the Development Program” means the start date identified in Section 2.08 of the Development Program.

“Fiscal Year” means July 1 to June 30 each year or such other fiscal year as the City may from time to time establish.

“Increased Assessed Value” means, for each Fiscal Year during the term of this Agreement, the amount by which the Current Assessed Value for such year exceeds the Original Assessed Value. If the Current Assessed Value is less than or equal to the Original Assessed Value in any given Tax Year, there is no Increased Assessed Value in that year.

“Original Assessed Value” means zero dollars (\$0), the taxable assessed real property value of the District as of March 31, 2021.

“District” shall mean that portion of the District, which is comprised of any real property portion of the District, or improvements thereon associated with the Project. A copy of the District map is attached hereto as Exhibit 1 as well as an informational map showing the Project in the District.

“Non-Captured Increased Assessed Value” means, for each Fiscal Year during the term of this Agreement, the difference between the Increased Assessed Value and the Captured Assessed Value.

“Project” means the planned 282 unit mixed-income housing project to be named 45 Brown Street Unit 2 located in the District.

“Project Cost Account” means the project cost account associated with the Project as described in the Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5250-A(3)(A)(1) and Article II hereof.

“Property Taxes” means any and all *ad valorem* property taxes levied, charged or assessed against the Project located in the District by the City, or on its behalf.

“Qualified Reimbursable Costs” means (1) capital costs as defined in 30-A M.R.S.A. §5249 (1)(A)(1)(a)(b)(c)(d); (2) certain annual Project debt service, more specifically defined as principal, interest and any fees, except late fees or other penalties incurred due to a default of the Developer, and charged by the Developer’s affordable housing tax increment financing bond lender, KeyBanc (“Developer’s AHTIF Bond Lender”) that are actually incurred and paid by the Developer; (3) professional service costs, including licensing, architectural, planning, engineering and legal expenses; and (4) project operating costs associated with the delivery of the 141 affordable rent restricted units, as defined in 30-A M.R.S.A. §5249 (11) and as more particularly described in **Exhibit 2** attached hereto. Developer may offer documentation relating to any of the categories listed in this paragraph as evidence of Qualified Reimbursable Costs. Provided that such documentation is satisfactory to the City and that the documented costs exceed 75% of the Tax Increment Revenues, Developer need not offer evidence of expenses in each of the categories set forth above.

“State” means the State of Maine

“Tax Increment Revenues” means that portion of all real property taxes assessed and paid to the City in any Tax Year, in excess of any state, or special district tax, upon the Increased Assessed Value.

“Tax Payment Date” means the later of the date(s) on which property taxes levied by the City are due and payable, in full, from owners of property located within the City, or are actually paid to the City with respect to taxable property located within the District.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5246(16), as amended, to wit: April 1 to March 31.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

- (a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.
- (b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.
- (c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.
- (d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

ARTICLE II

AFFORDABLE HOUSING DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

Within sixty (60) days after the Effective Date of the Development Program, the City shall create and establish a segregated fund in the name of the City designated as the “45 Brown Street Unit 2 Municipal Affordable Housing Development and Tax Increment Financing District Program Fund” (hereinafter the “Development Program Fund”) pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5250-A(3). The Development Program Fund shall consist of the Developer Project Cost Subaccount, which is pledged to and charged with the payment of Project costs described in the Development Program, as provided in 30-A M.R.S.A. § 5250-A(3)(A)(1). The Developer Project Cost Subaccount is pledged to and charged with the payment of costs in the manner and priority provided in Section 3.1(b) below.

Section 2.2. Liens.

The City shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the Developer Project Cost Subaccount described in Section 2.1 hereof or any funds therein, other than the interest in favor of Developer hereunder; provided, however, that nothing herein shall prohibit the creation of property tax, sewer or other liens on property in the District in accordance with and entitled to priority pursuant to Maine law.

Section 2.3. Captured Assessed Value; Deposits into Development Program Fund.

(a) Each Tax Year during the term of this Agreement, commencing with the April 1, 2021 Tax Year and continuing thereafter through the April 1, 2050 Tax Year (collectively the “CEA Years”), the City shall retain in the District seventy-five percent (75) of the Increased Assessed Value as Captured Assessed Value. The remaining 25% of the Increased Assessed Value is referred to herein as the Non-Captured Increased Assessed Value.

In the event of a revaluation of taxable property within the City, the Captured Assessed Value of this District may be adjusted in proportion to the change in taxable assessed property valued within the District in the year of the revaluation resulting from such revaluation.

(b) For each of the CEA Years, the City shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to seventy-five percent (75%) of that portion of the property tax payment constituting Tax Increment Revenues. The City shall allocate such 75% portion to the Developer Project Cost Subaccount. The remaining 25% portion of the property tax payment constituting Tax Increment Revenues shall be deposited into the City's general fund.

(c) Notwithstanding anything herein to the contrary, if the District property becomes exempt from the obligation to pay property taxes, after application by the owner of the District property to the City for such exemption, then upon the granting of such exemption, this Agreement shall terminate and no further deposit or payment obligations on the part of the City shall exist.

(d) Any and all revenues resulting from investment earnings on deposits in the Development Program Fund shall be retained in the Development Program Fund and applied for Development Program purposes relating to the Development Program Fund as prescribed by 30-A M.R.S.A Section 5250-A(3), subject to the payment obligations set forth in Article III below.

Section 2.4. Use of Monies in Development Program Fund.

All monies in the Development Program Fund that are allocable to and/or deposited in Developer Project Cost Subaccount shall in all cases be used and applied to fund fully the City's payment obligations to Developer as described in Articles II and III hereof. Developer shall be obligated to use such payments for operating costs of the Project and credit enhancement pursuant to the Development Program and Title 30-A M.R.S.A. § 5249.

Section 2.5. Monies Held for Benefit of Developer.

All monies required to be deposited with or paid into Developer Project Cost Subaccount under the provisions hereof and the provisions of the Development Program, exclusive of any investment earnings thereon, shall be held by the City for the benefit of Developer, subject to the payment obligations set forth in Article III below.

Section 2.6 Additional Obligations of Developer.

Upon execution of this Agreement, and as a condition to receiving payments under this Agreement, Developer shall enter into an agreement with the City relating to the provision of a public restroom at the Project site on substantially the terms and conditions set forth on the Term Sheet attached hereto as **Exhibit 3**, and shall perform all obligations and covenants thereunder.

ARTICLE III PAYMENT OBLIGATIONS

Section 3.1. Developer Payments.

(a) On an annual basis beginning with the City Fiscal Year 2022 (July 1, 2021 through June 30, 2022) which is Tax Year 2021 (April 1, 2021 through March 31, 2022) and ending with City Fiscal Year 2051 (July 1, 2050 through June 30, 2051) which is Tax Year 2050 (April 1, 2050 through March 31, 2051), the City agrees to pay Developer, within thirty (30) days of the end of

each Fiscal Year, an amount equal to the lesser of (1) the total amount of Developer's Qualified Reimbursable Costs for the Fiscal Year in question beginning with City Fiscal Year 2022/Tax Year 2021, or (2) all amounts then on deposit in the Developer Project Cost Subaccount. In no event shall the total aggregate amount paid to Developer during the term of this Agreement exceed the cumulative amount of Qualified Reimbursable Costs. Any funds remaining in the Developer Project Cost Subaccount after Developer has received all allowable payments under this Agreement shall be returned to the City's general fund. For the avoidance of doubt, in the event that Developer's Qualified Reimbursable Expenses for any Tax Year are less than seventy-five percent (75%) of the Tax Increment Revenues for that Tax Year, Developer will not be permitted in subsequent Tax Years to recover Qualified Reimbursable Expenses that exceed seventy-five percent (75%) of the Tax Increment Revenues for such subsequent Tax Years.

(b) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against real or personal property located in the District remain unpaid, because of a bona fide valuation dispute being pursued by Developer, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value and deposited into the City's general fund; and second, shall constitute payment of Property Taxes with respect to Non-Captured Increased Assessed Value and deposited into the City's general fund; and third, shall constitute payment of Property Taxes with respect to Captured Assessed Value, to be applied to payment of Developer's share of the Tax Increment Revenues for the year concerned and deposited into Developer Project Cost Subaccount.

Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against real or personal property located in the District remain unpaid from successor owners of real or personal property within the District, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value and deposited into the City's general fund; and second, shall constitute payment of Property Taxes with respect to Non-Captured Increased Assessed Value and deposited into the City's general fund; and third, shall constitute payment of Property Taxes with respect to Captured Assessed Value, to be applied to payment of Developer's share of the Tax Increment Revenues for the year concerned and deposited into Developer Project Cost Subaccount.

(c) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against real or personal property located in the District remain due to the City from and unpaid by Developer, for any reason other than a bona fide valuation dispute, or if any portion of any other fee or charge due to the City by Developer including but not limited to sewer fees, ambulance fees, or assessments, remain unpaid, no payment of Developer's share of the Tax Increment Revenues for the year concerned will be deposited into the Developer Project Cost Subaccount until such property taxes assessed against real or personal property located in the District are paid in full.

(d) Annually on or before March 15 of each year, Developer will provide the City with reasonably satisfactory documentation to evidence the amount of Qualified Reimbursable Costs in the prior Tax Year, all of which documentation will be kept confidential by the City to the extent permitted by law. Such documentation shall include, but not be limited to, the types of documents listed on Exhibit 2.

(e) Prior to receiving the first payment under this Agreement, Developer shall provide evidence to the City that the Developer has closed on complete financing for the Project.

(f) On a bi-weekly basis during the course of construction of the Project, Developer must provide documentation in a form reasonably satisfactory to the City demonstrating that all firms employed in the construction phase of the Project have compensated their employees, at all relevant times, the current wage rates and fringe benefits as required under applicable state prevailing wage law, 26 M.R.S. §1306, or the City's minimum wage requirements set forth in Chapter 33, Sections 1-12 of the Portland City Code, whichever is greater. The City will provide the Developer with information that the Developer must include in all bid materials that the Developer provides to prospective contractors who may bid on the project to ensure that the wage requirements set forth in this section are met.

(g) Developer must provide evidence reasonably satisfactory to the City demonstrating that the Project was designed, constructed and rehabilitated in accordance with the City's Green Building Code set forth in Chapter 6, Article VII, of the Portland City Code.

Section 3.2. Failure to Make Payment.

In the event the City should fail to, or be unable to, make any of the payments at the time and in the amount required under the foregoing provisions of this Article III including in the event that the amount deposited into Developer Project Cost Subaccount is insufficient to reimburse Developer for the full amount due to Developer under this Agreement, the amount or installment so unpaid shall continue as a limited obligation of the City, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. Developer shall have the right to initiate and maintain an action to specifically enforce the City's obligations hereunder, including without limitation, the City's obligation to deposit Tax Increment Revenues to Developer Project Cost Subaccount and its obligation to make payment out of Developer Project Cost Subaccount to Developer.

Section 3.3. Manner of Payments.

The payments provided for in this Article III shall be paid directly to Developer at the address specified in Section 8.7 hereof in the manner provided hereinabove by check drawn on the City.

Section 3.4. Obligations Unconditional.

Subject to Developer's compliance with the terms and conditions of this Agreement, the obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional, and the City shall not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, other than pursuant to this Agreement or by court order or by reason of a final judgment by a court of competent jurisdiction that the District is invalid or otherwise illegal.

Section 3.5. Limited Obligation.

The City's obligations of payment hereunder shall be limited obligations of the City

payable solely from Tax Increment Revenues pledged therefor under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of Tax Increment Revenues payable to Developer hereunder, whether or not actually deposited into Developer Project Cost Subaccount in the Development Program Fund. This Agreement shall not directly, indirectly or contingently obligate the City, the State of Maine, or any other City or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the pledge of the Tax Increment Revenues established under this Agreement.

ARTICLE IV PLEDGE AND SECURITY INTEREST

Section 4.1. Pledge of and Grant of Security Interest in Developer Project Cost Subaccount.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to Developer by the City, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the City's covenants and agreements contained herein, the City does hereby grant a security interest in and pledge Developer Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein to Developer.

Section 4.2. Perfection of Interest.

(a) Upon written request by Developer, the City will establish the Developer Project Cost Subaccount described in Section 2.1 hereof as a segregated fund under the control of an escrow agent, trustee or other fiduciary selected by Developer so as to perfect Developer's interest therein. The cost of establishing and monitoring such a fund (including the cost of counsel to the City with respect thereto) shall be borne exclusively by Developer. In the event such a fund is established under the control of a trustee or fiduciary, the City shall cooperate with Developer in causing appropriate financing statements and continuation statements naming Developer, or its designee, as pledgee of all such amounts from time to time on deposit in the fund to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder.

(b) In the event Developer requires the establishment of a segregated fund in accordance with this Section 4.2, the City's responsibility shall be expressly limited to delivering the amounts required by this Agreement to the escrow agent, trustee or other fiduciary designated by Developer. The City shall have no liability for payment over of the funds concerned to Developer by any such escrow agent, trustee or other fiduciary, or for any misappropriation, investment losses or other losses in the hands of such escrow agent, trustee or other fiduciary. Notwithstanding any change in the identity of Developer's designated escrow agent, trustee or other fiduciary, the City shall have no liability for misdelivery of funds if delivered in accordance with Developer's most recent written designation or instructions actually received by the City.

Section 4.3. Further Instruments.

The City shall, upon the reasonable request of Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City; and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the City with respect thereto) shall be borne exclusively by Developer.

Section 4.4. No Disposition of Developer Project Cost Subaccount.

Except as permitted hereunder, the City shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in Developer Project Cost Subaccount and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part thereof not permitted hereby.

Section 4.5. Access to Books and Records.

All books, records and documents in the possession of either of the parties to this Agreement relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Developer Project Cost Subaccount shall at all reasonable times and upon reasonable notice be open to inspection by both parties to this Agreement, and the agents and employees of the parties to this Agreement.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

- (a) Any failure by the City to pay any amounts due to Developer when the same shall become due and payable;
- (b) Any failure by the City to make deposits into Developer Project Cost Subaccount as and when due;
- (c) Any failure by the City or Developer to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the City or Developer to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof; and
- (d) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of Developer's affairs shall have been entered against the Developer or the Developer shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Developer or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by the Developer or the failure by the Developer to have an involuntary petition in

bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Developer.

- (e) If any secured lender of Developer accelerates the indebtedness owed to it;
- (f) If any written representation or warranty given to the City by Developer is knowingly incorrect or incomplete in any material respect, other than statements made about or in agreements with the City that were later changed by mutual consent;
- (g) If Developer fails to maintain adequate surety bonding during construction at the levels and terms as may be required from time to time by the Developer's secured lenders and/or Developer allows mechanics' liens to encumber the Project for a period of more than sixty (60) days.
- (h) Any discontinuance of the District property as "affordable housing," pursuant to the definition contained in Title 30-A M.R.S.A. Section 5246.

Section 5.2. Remedies on Default.

Subject to the provisions contained in Section 8.13, whenever any Event of Default described in Section 5.1 hereof shall have occurred and be continuing, the nondefaulting party, following the expiration of any applicable cure period, shall have all rights and remedies available to it at law or in equity, including the rights and remedies available to a secured party under the laws of the State of Maine, and may take whatever action as may be necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the nondefaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder. Further, the non-defaulting party may elect to terminate this Agreement upon 30 days' written notice to the defaulting party.

Section 5.3. Remedies Cumulative.

Subject to the provisions of Section 8.13 below concerning dispute resolution, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

ARTICLE VI

EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

Notwithstanding any other provision of this Agreement, this Agreement is conditioned upon receipt of the Director's unconditional approval of the City's designation of the District and adoption of the Development Program. Following execution and delivery of this Agreement, the Agreement shall not be or become binding and enforceable until receipt of such unconditional approval. Upon receipt of such approval, this Agreement shall remain in full force from the Effective Date of the Development Program and shall expire March 31, 2050 or sooner upon the payment of all amounts due to Developer hereunder and the performance of all obligations on the part of the City hereunder, unless even sooner terminated pursuant to Section 3.4 or any other applicable provision of this Agreement.

The City may terminate this Agreement by delivering written notice of such termination to Developer in the event that Developer does not receive a certificate of occupancy for the Project by June 30, 2024.

Termination by City. Notwithstanding anything to the contrary in this Agreement, in the event that the Declaration, as that term is defined below, is terminated by foreclosure of a lien on the Project that has priority over the Declaration, the City shall have the right to terminate this Agreement by providing Developer with 30 days written notice prior to the effective date of termination. If the City elects to exercise its right to terminate this Agreement due to a foreclosure of the Declaration, the Developer shall have the right to attempt to reinstate and enforce the Declaration. If the Developer elects to exercise its right to reinstate and enforce the Declaration, it shall provide written notice to the City within 30 days of receipt of the City's notice of its intent to terminate the Agreement. The Developer will then have one (1) year to reinstate the Declaration or cause the Declaration to be reinstated by the foreclosing party; provided, however, that the City shall have no obligation to make payments to Developer hereunder after it provides the termination notice unless and until the Declaration is reinstated and in full force and effect.

Section 6.2. Cancellation and Expiration of Term.

At the acceleration, termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the City and Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII

ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST

Section 7.1. Consent to Pledge, Collateral Assignment Or Grant of a Security Interest.

The City hereby acknowledges that Developer may pledge, assign and grant a security interest in its right, title and interest in, to and under this Agreement as collateral for financing by

a bank, financial institution, Maine State Housing Authority, or other public and private lending institutions and organizations to Developer for the Project, although no obligation is hereby imposed on Developer to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of and the grant of a security interest in all Developer's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Developer hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof. The City agrees upon request to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective pledgee or assignee or secured party, including without limitation recognition of the pledgee or assignee or secured party as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledgee or assignee or secured party the position of such assignee or pledgee or secured party and the irrevocable and binding nature of this Agreement, and provide to the pledgee or assignee such rights and/or remedies as the parties may reasonably deem necessary for establishing, perfection and protection of its interest herein. Developer shall be responsible for the City's necessary and reasonable costs of counsel with respect to any such pledge or assignment.

Section 7.2. Transfer.

Except as specified in Section 7.1 hereof, Developer shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE VIII MISCELLANEOUS

Section 8.1. Successors.

In the event of the dissolution, merger or consolidation of the City or Developer, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties-in-Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and Developer any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and Developer.

Section 8.3. Severability.

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 8.4. No Personal Liability of Officials of the City.

(a) No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity, and neither the City Council nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation or agreement of Developer contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future officer, agent, servant or employee of Developer in his or her individual capacity, and no official, officer, employee or agent of Developer shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.6. Governing Law.

The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the City or Developer pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

If to the City:

City of Portland
Attn. Housing and Community Development Division
389 Congress Street
Portland, ME 04101

With a copy to:

Corporation Counsel's Office
389 Congress Street
Portland, Maine 04101

If to Developer:

Brown Tower, LLC
3100 McKinnon St, STE 250

Dallas, TX 75201

With a copy to:

Gary Vogel
84 Marginal Way, STE 600
Portland, ME 04101

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 8.8. Amendments.

This Agreement may be amended only with the concurring written consent of both of the parties hereto.

Section 8.9. Records.

The City shall maintain records which are adequate in all respects to make the calculation of Increased Assessed Value and Tax Increment Revenues required to calculate the deposits into the Development Program Fund hereunder, and shall provide to Developer, upon request by Developer, a summary of such calculations.

Section 8.10. Reserved.

Section 8.11. Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and Developer relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.12. Reserved.

Section 8.13. Dispute Resolution.

In the event of a dispute regarding this Agreement or the transactions contemplated by it, the parties hereto will use all reasonable efforts to resolve the dispute on an amicable basis. If the dispute is not resolved on that basis within sixty (60) days after one party first brings the dispute to the attention of the other party, either party may file suit to resolve the dispute in the Superior Court located in Cumberland County, State of Maine, which the parties agree shall have exclusive jurisdiction for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder. This clause shall not bar the City's assessment or collection of property taxes in accord with law, including by judicial proceedings, including tax lien thereof.

Section 8.14. Tax Laws and Valuation Agreement.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any non-payment of taxes by Developer. Without limiting the foregoing, the City and Developer shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Developer's property. In addition, the Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The City and Developer hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program shall in no way (a) prejudice the rights of any party or be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of or abatement proceedings relating to Developer's property for purposes of ad valorem property taxation or (b) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

Section 8.15. Affordability Covenants.

The Developer and the City shall, in order to assure the continued affordability of the units in the Project as required by the Development Program, Maine State Housing Authority and applicable laws, regulations and ordinances, execute a declaration (the "Declaration") which is substantially in the same form as the Declaration of Covenants, Conditions and Restrictions which is attached to the Development Program as Exhibit I.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

WITNESS:

CITY OF PORTLAND, ME

By: _____

Name: Jon P. Jennings

Its City Manager

[Signatures continue on next page]

BROWN TOWER, LLC

WITNESS

By: _____

Name: _____

Its: _____

EXHIBIT 1

Copy of District Map to be included/attached

EXHIBIT 2
45 BROWN STREET UNIT 2 AFFORDABLE HOUSING DEVELOPMENT DISTRICT
Authorized Project Costs Categories and Supporting Document Checklist

As outlined in the Development Program and Credit Enhancement Agreement, authorized project costs within this development district are in compliance with the Affordable Housing Tax Increment Financing statute at 30-A M.R.S.A. §§5245-5250-G and specifically **§5249 1. Authorized Project Costs.**

Costs of improvements made within the affordable housing development district, including, but not limited to:

(1) Capital costs, including, but not limited to:

(a) The acquisition of land or construction of public infrastructure improvements for affordable housing development;

☐ Copy of signed Settlement Statement documenting the acquisition cost

☐ Copy of certified appraisal supporting the acquisition cost

(b) The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures;

☐ Contractor/Vendor invoice(s) and proof of payment

(c) Site preparation and finishing work; and

☐ Contractor/Vendor invoice(s) and proof of payment

(d) All fees and expenses that are eligible to be included in the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses;

☐ Contractor/Vendor invoice(s) and proof of payment

(2) Financing costs, including, but not limited to, closing costs, issuance costs and interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity;

☐ Statement from bond lender documenting principal and interest amounts due and proof of payment

(3) Professional service costs, including, but not limited to, licensing, architectural, planning, engineering and legal expenses;

☐ Contractor/Vendor invoice(s) and proof of payment

(4) Operating costs, including but not limited to property management and administration, utilities, routine repairs and maintenance, insurance, real estate taxes and funding of a projects capital reserve account;

☐ Detailed income and expense statement documenting operating costs associated with delivering the affordable units.

EXHIBIT 3

Term Sheet Relating to Public Restroom Facility

This term sheet sets out proposed terms between the City of Portland (the “City”) and Brown Tower, LLC (“Developer”), with respect to a public restroom to be sited on the ground floor of Developer’s residential housing development (the “Project”) located on Brown Street in Portland Maine (the “Site”).

The parties contemplate entering into an agreement or agreements that will have substantially the following terms:

- Developer will provide at no cost to the City an ADA compliant space approximately 10 feet by 12 feet on the ground floor of the Site with ingress and egress directly to the sidewalk on Brown Street, which will be a dry-walled, white unfinished box with utility stubs as described below (the “Restroom Space”).
- The Developer will ensure that the Restroom Space has utility service roughed in for any and all utilities necessary for the operation of the public restroom in the Restroom Space. The City will provide the Developer with cut sheets for utility layout.
- The Restroom Space may be a separate condominium unit within the Project.
- The City and Developer will enter into a lease agreement pursuant to which the City will lease the Restroom Space from the Developer (the “Lease”) for the purpose of the City providing a public restroom for members of the general public (the “Public Restroom”).
- The Lease will have a term coterminous with a certain Credit Enhancement Agreement to be entered into between Developer and the City with respect to the Project. Rent for the Restroom Space for the term of the Lease will be one dollar (\$1.00).
- The Lease shall obligate the City to pay the costs of construction of the Public Restroom, including without limitation the cost all fixtures and plumbing from the utility stubs, and, except as otherwise specified, to pay all operating and maintenance expenses in connection with the operation of the Public Restroom, including without limitation cost of cleaning, supplies, security, repairs and maintenance with respect to the Public Restroom. The Developer shall be responsible for monthly charges for all utilities serving the Public Restroom, and for all costs of maintenance and repair of the exterior of the Restroom Space, the structural components of the Restroom Space, and the sprinkler, hot water, and HVAC systems serving the Restroom Space.
- The Lease shall obligate the City to comply with standards of cleanliness, security and safety with respect to operation and management of the public restroom, including, without limitation:
 - An obligation to establish rules and regulations for the operation of the Public Restroom that incorporate at least of all of the safety and sanitation provisions of the Lease, and to post those at the Restroom Space.

- An obligation to clean the Public Restroom, with multiple cleanings on a daily basis with the number of cleanings to be agreed upon
- An obligation to ensure that the Portland Police Department will provide regular patrols and special attention checks to the Public Restroom, as deemed appropriate by the Police Department.
- That the Public Restroom's Operating Hours will be 8 AM until 6 PM and will be locked at all other times.
- An obligation to provide security cameras on the exterior of the Public Restroom with the Developer having full access to such video feeds and recordings, except to the extent prohibited by applicable law.
- An obligation to reasonably respond to, address, and resolve any complaints from the Developer or any member of the public
 - For reports of criminal conduct within a time frame to be agreed upon, which must include police response.
 - For reports of unsanitary conditions conduct within a time frame to be agreed upon
 - For reports of improper conduct, including without limitation, drug or alcohol use or loitering or other improper conduct within a time frame to be agreed upon.
- To provide a hazardous medical waste disposal receptacle within the Public Restroom for disposal of hazardous medical items such as hypodermic needles, and to provide for emptying of such receptacle in accordance with all applicable health and safety laws and regulations.
- An obligation to maintain general liability insurance or self-insure pursuant to the Maine Tort Claims Act with respect to the operation of the Public Restroom.
- The Lease shall have provisions permitting the suspension or termination of the operation of the Public Restroom on the following terms:
 - Suspension – The Lease will provide that the Developer may temporarily suspend public access to the Public Restroom in the event that conditions or activities at the Public Restroom that are prohibited by the Lease constitute unsafe or unsanitary conditions, until such time as such conditions or activities are remedied.
 - Termination – The Lease will contain provisions allowing termination of the Lease in the event of repeated or un-remedied failure of the City to manage, operate and maintain the Public Restroom in accordance with the Lease terms.
 - City's right to terminate – The Lease will contain a provision allowing the City to temporarily suspend operation of the Public Restroom or terminate the Lease for its convenience upon 30 days' prior written notice to the Developer.
- The Credit Enhancement Agreement between the City and the Developer shall contain a provision requiring Developer to enter into and perform the foregoing agreements as a condition of continued funding under the Credit Enhancement Agreement, but in the event of a lawful

termination of the Lease by Developer, Developer's benefits under the Credit Enhancement Agreement will not be affected.

MEMORANDUM
City Council Agenda Item

FROM: Katharine Cahoon

DATE: February 23, 2021

SUBJECT: Order 245-20/21 Accepting and Appropriating a \$42,500 Donation from Matthew Best in honor of Arthur Best to the Fire Department Medical Crisis Unit - Sponsored by Jon P. Jennings, City Manager

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

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 3/15/2021

Final Action 3/29/2021

Can action be taken at a later date: No It is recommended that the City accept this donation so that funds may be expedited immediately.

PRESENTATION: Fire Chief Keith Gautreau will present a 3 minute oral presentation and Principal Financial Officer, Benjamin Bettez, will be available to answer questions.

I. SUMMARY

The City Council is asked to accept a donation to the Portland Maine Fire Department (Portland FD) from Matthew Best in honor of the late Arthur Best, to support the mission of the Medical Crisis Unit (MEDCU).

II. AGENDA DESCRIPTION

This item accepts and appropriates a donation of \$42,500 from Matthew Best in honor of his uncle, Arthur Best, to the Portland Maine Fire Department, to support the mission of the Medical Crisis Unit (MEDCU). The MEDCU consists of five ambulances that serve the City for all Emergency Medical responses such as; cardiac arrest, seizures, overdose calls, trauma calls, vehicle accidents and much more. MEDCU responded to 16,081 calls for service last year for fire and emergency medical services. The donation will be placed in a special MEDCU account that will accrue a small amount of interest over time.

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

III. BACKGROUND

Arthur Best, a retired Portland Fire Fighter, recently passed away last year. Matthew Best, the nephew and executor of Arthur Best's will, is honoring Arthur's wishes with a donation to the Portland FD, please see the attached letter from Matthew Best.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

To support the mission of the MEDCU by providing funds for the Fire Department to finance educational materials and trainings with the objective of furthering the knowledge and skills of the MEDCU personnel.

V. FINANCIAL IMPACT

The donation will benefit the citizens of Portland.

VI. STAFF ANALYSIS AND BACKGROUND

See attached letter from Matthew Best dated February 19, 2021.

VII. RECOMMENDATION

The Fire Department recommends accepting the donation.

VIII. LIST ATTACHMENTS

1. Arthur Best Donation Letter 2.19.2021

Prepared by:

Katharine Cahoon

Date: 2/23/2021

Keith Gautreau, Fire Chief

Portland Fire Department

380 Congress Street

Portland, ME 04101

02/19/2021

Re: Estate of Arthur Best

Dear Chief Gautreau,

Please accept this letter as verification that I am trying to carry out my uncle's dying wishes to donate funds for the benefit of the Medical Crisis Unit for the purposes of education, equipment and scholarship. I have a check for \$42,500 ready to submit once you are ready to accept the donation.

Thank you for your time and consideration.

Sincerely,

Matthew Best

Matthew Best



FY2022 Board of Education Recommended Budget

April 13, 2021



Portland Public Schools FY2022 Budget Timeline

All meetings will be conducted remotely, with zoom links accessible via [BoardDocs](#) unless otherwise noted.

Tuesday, March 16, 2021

School Board Meeting
Superintendent Presents Recommended
FY22 Budget
6:00 PM

Thursday, March 18, 2021

School Finance Committee Budget Review
6:00 PM

Monday, March 22, 2021

School Finance Committee Budget Review
Public Hearing
6:00 PM

Thursday, March 25, 2021

Joint Finance Committee Meeting
Budget Review
5:00 PM

Thursday, April 1, 2021

School Finance Committee Budget Review
Vote to Recommend to Board
6:00 PM

Tuesday, April 6, 2021

School Board 1st Reading of Recommended
FY22 Budget and Public Hearing;
School Board Budget Workshop
6:00 PM

Thursday, April 8, 2021

Joint Finance Committee Meeting
Budget Review
5:00 PM

Tuesday, April 13, 2021

School Board Vote to Recommend FY22
(Special Meeting)
School Budget to City Council
6:00 PM



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Monday, April 26, 2021

School Board Presents Recommended FY22
Budget to City Council
Time TBD

Thursday, April 29, 2021

City Finance Committee
Review of Referred Board Budget and Vote
to Recommend to City Council
Time TBD

Monday, May 3, 2021

City Council 1st Reading of FY22 Budget
Public Hearing
Time TBD

Monday, May 10, 2021

City Council 2nd Reading
Vote on School Budget for Referendum
Time TBD

Tuesday, June 8, 2021

Public Referendum on FY22 School
Budget



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Mayor Snyder and Members of the Portland City Council:

On behalf of the Portland Board of Public Education and in accordance with the City Charter, I am presenting our recommended FY22 budget for the Portland Public Schools. The Board approved the budget on April 13.

I am proud to recommend this budget to you. Its theme is “Advancing Equity,” and it turns a corner on the critical work that we first set out to do as a district in 2017, when the Board adopted the Portland Promise.

As the strategic plan for Maine’s largest and most diverse school district, the Portland Promise is centered on its equity goal, a vision for improving opportunities and outcomes for students who have been at the margins far too long: students of color, our English language learners (ELL), students with disabilities, and those who are economically disadvantaged. It commits us as a district to repaying long-standing educational debt owed to students of color after generations. And since we are only as strong as our students who struggle the most, this budget makes good on our promise to all students and families of Portland.

Equity is at the center of this budget and our focus as a district because, while outcomes for our middle class white students are generally quite good and comparable to those students from affluent suburban districts, we do not have the same outcomes for students of color, our ELL students, and those living in poverty. The huge achievement and opportunity gaps in our city are unacceptable. And we know we can’t keep doing the same thing and expecting different results. That’s where the FY22 budget comes in.

The Board’s FY22 budget of \$125.2 million is up 4.4 percent or \$5.3 million over this year’s budget of \$119.9 million.

It is approximately \$660,000 less than the \$125.8 million budget proposed by Superintendent Xavier Botana in March. Since that time, we learned that the district’s share of health insurance costs for employees would be less than anticipated and our share of state funding for career and technical education was more than expected.

Other than those fiscal changes, the goals of our budget are aligned to the ones presented by the superintendent, designed to address achievement and opportunity gaps for ELL students and those who have disabilities and are economically disadvantaged. The gaps for many of those students have greatly increased during the pandemic. The Board was so united around the superintendent’s budget that we had zero substantive amendments to it. In fact, there wasn’t a single amendment even *proposed* to the budget. It’s unprecedented and indicative of how aligned we are as a School Board and district leadership team.

The budget requires an increased investment of \$6.2 million from local taxpayers, and would result in adding 64 cents to the school portion of the tax rate, a 5.5 percent increase. Yes, this budget asks us – residents of our great City – for an investment, but it is an absolutely critical investment to address the inequities in our school district.

About \$2.4 million of the increase in our budget is a baseline budget that maintains current programs and services and covers increased costs for salaries, benefits, and debt service. New investments totaling \$2.9 million make up the remainder.

Those investments result from years of work, led by Superintendent Botana, to understand how to address the deep inequities in our school district. They will help us achieve three budget priorities: advancing equity; integrating innovations from COVID-19; and rebuilding academic and social emotional foundations post COVID-19.

Portland is a city that says it values its rich diversity. But the killing of George Floyd and protests for racial justice last summer turned a spotlight on the stark inequities throughout the nation, including right here in our own city.

Nearly a year later, there are signs supporting Black Lives Matter all across our city and our businesses routinely put out press releases embracing racial equity. Young people and many others continue to push for a racial reckoning in city government, our police department, and, yes – in our schools.

This school budget meets that moment. It presents a compelling vision for what our city aspires to be. It lays a foundation for creating the type of schools that are reflective of our ethos and consistent with our values as a school system and community.

Prior to last year's budget, we had made strides toward realizing the Portland Promise.

In FY19, we established that student access to challenging core content required strong uniform support, orchestrated centrally by skilled and dedicated academic leaders; we also strengthened our support for our students' social-emotional development and their ability to have a meaningful relationship with a caring adult.

In FY20, we expanded on those commitments as a Board, when we committed to expanding access to pre-kindergarten over the next four years. We also created a behavioral health continuum across our elementary, middle, and most of our high schools.

Last year, the superintendent's initial FY21 budget proposal, titled "Addressing the Opportunity Gap," attempted to advance many of the same equity priorities included in this year's budget. Shortly after that proposal, as you will recall, we pulled many of them back in response to the uncertainty posed by the pandemic. Our initial plan called for an increase in the school tax rate of 3 percent. We ultimately adopted a budget that had a zero tax increase.

Over this past year, however, the pandemic exacerbated the long-standing disparities between different groups of students in our schools. While we embrace our diversity as a district and city and see it as a strength, we have failed to recognize that the disparities in opportunities for our students belie the sincerity of our values.

The Board's FY22 budget, which assumes a return to full in-person learning this fall, takes steps to redress this pattern by targeting resources to the students to whom we owe a large educational debt: our Black students and other students of color.

The \$2.9 million in investments are grouped into the three budget priorities mentioned earlier. Their cost also is indicated in rounded-off numbers:

Budget Priority #1: Advancing Equity

- Continuing our pre-K expansion by increasing seats and reducing barriers: \$217,000
- Implementing elements of the Lau Plan to support our students who are English Language Learners: \$1.03 million
- Continuing to prioritize core instruction for equity and rigor through: Wabanaki and Africana Studies; a continuation of our math and literacy equity work; the implementation of our STEM plan; and development of a formative assessment strategy: \$103,000
- Increasing staff diversity and inclusion efforts by: compensating staff for identity-based work; recruiting and supporting BIPOC educators; and creating career pathways for diverse staff: \$399,000
- Operationalizing structures to enable the district to recognize and redress harassment, sexual harassment, and discrimination (including adding an ombudsman and school liaisons): \$121,000
- Making key special education investments to support students with disabilities through extending support for students with autism and adding Functional Life Skills program staffing for increased caseloads: \$414,000
- Supporting and institutionalizing the district's equity work by shifting the cost of the district's director of diversity, equity, and inclusion from philanthropic grants to the operating budget: \$119,000

Budget Priority #2: Integrating Innovation from COVID-19

- Establishing a technology integration and support position to help integrate new investments in technology: \$123,000
- Funding an outdoor learning coordinator position in order to continue and expand on this year's outdoor learning initiative into the future: \$93,000

Budget Priority #3: Rebuilding Academic and Social Emotional Foundations post COVID-19

- Creating support structures to reconnect students to learning and community by: investing in student physical and mental health (increasing nursing and social work staffing): \$273,000
- Significant summer opportunities (district, school, and community based) (Federal Coronavirus relief funding)

While many of these investments are focused on supporting our marginalized students, I want to stress that they carry benefits for all of our students. It should not have to be said that we are only as strong as a district and city as those among us who are struggling the most. But I will give a few concrete examples of how this budget impacts all students: Pre-K helps all students succeed in school and even beyond; students on the autism spectrum can be found throughout our entire student population; and many of our students have experienced mental health challenges during COVID and will benefit from having more social workers in our schools. Additionally, all our students will gain from our staff diversity efforts because having diverse teachers enhances learning. As a [Scientific American article](#) found: "Being around people who are different from us makes us more creative, more diligent and harder-working."

The district also has received \$24.4 million in various Coronavirus relief packages to date. The money is being used for a variety of needs that include 53 new staff members in one-year positions, facilities improvements, agreements with community partners to provide childcare programs for students when not in school, new technology, dedicated substitute teachers, a robust summer school program to help students reconnect to school that is district, school and community based, and for increasing in-person learning while adhering to physical distance requirements, through such purchases as tents and new furniture and equipment.

To realize an FY21 budget with no tax increase last year, \$1.3 million in Federal funding was used to pay the salaries and benefits of 20 custodians. The district plans to continue to use CRF money to fund those

positions over the next two budget years. But it is important to remember that can't continue when the federal support ends; those positions will need to return to the district's operating budget.

That situation illustrates why we can't use this temporary federal funding for other long-term budgetary needs, such as our equity-based investments. Not only does Federal COVID-related funding have limitations on the ways it can be used, but using time-limited funding for such needs as additional permanent staff positions would create more of a budgetary fiscal cliff in a couple of years when that funding ends.

The district expects to receive additional CRF funding of approximately \$18 million from the most recent pandemic relief package, which can be used through the summer of 2024. Some of that money will be used to address our need to rebuild academic and social foundations post COVID through additional extended learning opportunities such as summer school in FY23 and FY24. Also, that funding will go to support reopening school this fall, used for such needs as additional teachers and other staff if physical distancing guidelines still are in place.

On April 6th, the Superintendent proposed a participatory budgeting process for the remainder of the CRF money, in which community stakeholders would develop sustainable ideas that could include such things as improving science labs across the school system or improving Central Kitchen facilities to enhance the kind of meals students have access to. Those ideas would be vetted and voted on by stakeholders and approved by the Board. It's an intriguing proposal, and the Board is looking forward to considering it at upcoming Board meetings.

It should also be underscored that the district is receiving less state education aid in this FY22 budget. Our share of state Essential Program and Services (EPS) funding is almost \$1 million dollars lower than our FY21 EPS funding, a decrease of 5.1 percent. The decrease is largely due to the increase in the City of Portland's valuation. The EPS formula allots less state funding to communities like ours that have high property valuation, because the state expects those communities to be able to contribute their equitable share to support education.

Which brings us to the city's current revaluation, which some have pointed to as a reason for not supporting these investments in our school budget.

However, reassessment does not increase the amount of tax revenue a municipality needs; it impacts the distribution of who pays what toward that fixed amount.

Revaluation will make property taxes less regressive. The fact that we haven't done a reassessment for 15 years hurts working class and low-income members of our community. Proportionately, they carry more of the burden of property taxes.

Indeed, consider a family with a house previously valued at \$250,000, the average assessed value prior to revaluation, and whose valuation increases by 30 percent — nearly \$100,000 — which would bring it in line with the state's valuation. Because the tax rate will also drop noticeably because of the revaluation, that family would not see their school taxes increase beyond what they would increase without revaluation.

The bottom line is we need to do the revaluation AND invest in our schools.

In conclusion, the School Board strongly believes in each of these investments in this budget. We know that each one is necessary, from meeting our legal and moral obligations to our English Language Learners, to supporting and growing our staff of color. And we know that these investments are urgent.

As city leaders, together, we must reject the status quo, which is failing kids and families in our city. As city leaders, we cannot on one hand decry and on the other hand ignore the deep inequities in our city and schools. As city leaders, we must meet this moment and pass this budget and enable students of color to thrive in the same way that our white students do.

You, city councilors, get the final say on the school budget before sending it to our voters – who have consistently demonstrated their support for the importance and value of public education at the polls each year. We ask you to join us in supporting this budget and in doing so send a message that we are a community that is true to its values. Thank you.

Respectfully submitted,

Emily Figdor, Chair

Portland Board of Public Education



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March 16, 2021

Members of the Board of Public Education,

A year to the date from when the Coronavirus pandemic changed the face of our schools, city and world, I bring you the FY22 Portland Public Schools Superintendent's proposed budget. This year's budget theme is "Advancing Equity." It accelerates our commitment to putting equity at the center of our Portland Promise. Indeed, to represent this, our Portland Promise graphic has been revised to reflect this evolution in our commitments.

The Coronavirus pandemic has made indisputable the long-standing disparities that exist between different groups of students in our schools. While we relish our diversity and see it as a strength, we have failed to recognize that the disparities in opportunities for our students who are learning English, who have disabilities or are economically disadvantaged, belie the sincerity of that commitment.

This past year it became evident that government institutions – including our school system – have failed to realize their potential for creating a more inclusive, just and equitable world. This proposed FY22 budget, which assumes a return to full in-person learning this fall, takes steps to redress this pattern by targeting resources to the students to whom we owe the largest educational debt: those who are learning English, have disabilities or are alienated in our schools.

My FY21 budget proposal attempted to advance many of these same priorities. Shortly after that proposal, as you will recall, we pulled many of them back in response to the uncertainty posed by the pandemic. Our initial proposal called for an increase in the tax rate of 3%. We ultimately adopted a budget that did not increase taxes.

Prior to last year's hiatus, we had made strides toward realizing the Portland Promise. In FY19, we established that student access to challenging core content required strong uniform support orchestrated centrally by skilled and dedicated academic leaders; we also strengthened our support for our students' social-emotional development and their ability to have a meaningful relationship with a caring adult.

In FY20, we expanded on those commitments as the Board vowed to expand access to pre-kindergarten over the next four years. We also created a behavioral health continuum across our elementary, middle and most of our high schools.

Over the past few Board and Board committee meetings, we have presented the key investments that are needed to realize our equity goal of rooting out ongoing inequities in our system. The proposed budget includes \$2.9 million in investments directly linked to this work. Specifically, my budget calls for:

- Continuing to expand the district's pre-kindergarten program with two additional classrooms as part of the district's five-year pre-K expansion plan (included in the baseline budget), as well as providing transportation by adding two dedicated bus routes and increasing supervision on other bus routes, for a total of \$220,535.
- Sustaining and deepening core instruction by scaling up curriculum and professional development by supporting high school mathematics instruction and resourcing the development of Wabanaki and Africana studies curriculum, at a cost of \$103,808.
- Investing in the district's Lau plan by ensuring that our schools have the necessary ELL teachers in K-12 to enable us to establish collaboration structures to allow mainstream teachers to effectively meet the needs of their students who are English language learners within the mainstream classroom setting, while preserving the level of intensive English language learning supports that these students need; establishing a support structure for students with limited and interrupted formal educational experiences; and supporting the needs of students who are dually identified as having disabilities while also learning English as a second language, for a total of \$1,031,624.
- Establishing special education services for students with autism spectrum disorder in our middle schools and adding a classroom for students with ASD at the elementary level in response to growing numbers, for a total of \$309,458.
- Enhancing high school functional life skills services by adding a teacher and educational technician at Deering High School to support the increase in students in this program, for a total cost of \$109,867.
- Providing the resources to effectively implement the School Board's new Harassment, Sexual Harassment and Discrimination policy, at a cost of \$121,808.
- Affirming our commitment to developing our staff capacity to become an anti-racist institution by shifting the cost of our director of diversity, equity and inclusion from philanthropic grants to the district's budget, at a cost of \$120,208.
- Strengthening our hiring and support for a diverse workforce by funding a position in our Human Resources department to operationalize recruitment and affinity groups for educators of color, compensating our diverse staff appropriately for linguistic and identity-based work they perform and creating pathways to career development for our diverse staff, at a cost of \$399,647.

My proposed budget also recognizes that the pandemic has had a significant impact on the physical and mental health of our students. As part of recovering from the pandemic, the budget proposes to increase our nurse (.2 FTE) and social work staffing (3.5 FTE), for a total cost of \$274,778.

Finally, the budget reflects a commitment to incorporating innovation and new learning from the pandemic. Specifically, the proposed budget includes funding to support a position to lead the ongoing professional development and support needed to integrate our new investments in technology, for a cost of \$123,400. It also expands and extends this year's outdoor learning initiative into the future, at a cost of \$93,479.

This year's proposed budget calls for a 6.3% increase in the school portion of the tax rate. This reflects a 5% increase in expenditures resulting in a \$125.8 million budget, up \$5.9 million over last year's approved budget. More than half of the increase – \$3 million – maintains current programs and services and covers increased costs for salaries, benefits and debt service.

It requires an increased investment of \$6.99 million from local taxpayers. This results from a reduction in State Essential Program and Services of \$947,434, a 5.1% decrease from last year's State allocation to the district. This is largely due to the increase in the City of Portland's valuation as assessed by the State of Maine. We are grateful that Governor Mills' proposed budget continues to increase the percentage of school funding born by the State. Without that commitment, which reduced the State mill rate, we would have seen a much larger decrease in State funding for education in Portland.

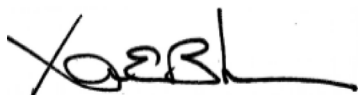
The district is fortunate to have significant federal Coronavirus-related funding. Most of the district's remaining federal funding current allocation of nearly \$6 million is being directed primarily to support one-time investments in materials, professional development and infrastructure. Some eligible costs have been shifted from the district's budget to federal funding. Additionally, the remainder of this funding – nearly \$2.5 million – is being reserved for summer programs and expanded learning to accelerate recovery from the challenges of this year.

We expect to receive additional funding from the most recent pandemic relief package approved last week. These funds are intended to support many of the same expenditures into FY23 and FY24. They are welcome and necessary as we work to steward those resources strategically into the coming budget years.

In the midst of this challenging year, there have been many bright spots. I have been humbled by the resilience and perseverance of our faculty and staff, our students and their families. They have shown incredible commitment to learning, grace through trials and a strong desire to overcome the challenges. I also have been blessed to grow professionally and personally with the School Board as we deepened our understanding of and commitment to becoming anti-racists leaders. These experiences serve as the impetus for this equity-centered budget proposal. I look forward to discussing it with you in the coming weeks.

A complete [budget timeline](#) can be found at this link on the district's website.

Sincerely,

A handwritten signature in black ink, appearing to read 'X Botana', with a long horizontal line extending to the right.

Xavier Botana, Superintendent



PORTLAND PUBLIC SCHOOLS

prepared & empowered

Vision

All learners will be fully prepared and succeed in a diverse and ever-changing world.

Mission

The Portland Public Schools are responsible for ensuring a challenging, relevant, and joyful education that empowers every learner to make a difference in the world. We build relationships among families, educators, and the community to promote the healthy development and academic achievement of every learner.

Goals

Goal 1 – Achievement - All PPS students will be prepared for college and career and empowered to pursue a productive postsecondary path.

Goal 2 – Whole Student - All PPS students will develop the skills, habits, and mindsets they need to engage in and contribute to our diverse city and ever-changing world.

Goal 3 – Equity - PPS is vigilant in supporting each and every student's particular path to achieving high standards, rooting out systemic or ongoing inequities.

Goal 4 – People - PPS attracts, supports and retains talented and diverse people who use their strengths to achieve our shared goals.

**Portland Public Schools
FY2022 Board of Education Recommended Budget**

April 13, 2021

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Portland Public Schools
FY2022 Summary Revenue Budget
General, Adult Ed, and Food Services Funds
Board of Education Recommended Budget
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	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
Local Revenue (non-tax)							
General	\$ 470,344	\$ 420,500	\$ 420,500	\$ 420,500	\$ 420,500		
Adult Ed	116,374	190,000	179,849	179,849	179,241		
Food Services	351,721	415,877	393,517	393,517	393,517		
Total Local Revenue	938,440	1,026,377	993,866	993,866	993,258	\$ (33,119)	-3.2%
State Revenue							
EPS	14,251,970	15,223,289	14,364,498	14,364,498	14,454,060		
Debt Service Reimb	3,559,926	3,453,482	3,364,840	3,364,840	3,364,840		
Other	228,379	269,500	262,747	262,747	262,747		
Adult Ed	526,687	609,742	592,998	592,998	592,998		
Food Services	49,549	51,885	51,885	51,885	51,885		
Total State Revenue	18,616,511	19,607,898	18,636,968	18,636,968	18,726,530	(881,368)	-4.5%
Federal Revenue							
General	477,545	1,125,000	1,140,900	1,140,900	1,140,900		
Food Services	2,997,952	2,935,325	2,941,606	2,941,606	2,941,606		
Total Federal Revenue	3,475,498	4,060,325	4,082,506	4,082,506	4,082,506	22,181	0.5%
Total Non-tax Revenue	\$ 23,030,449	\$ 24,694,600	\$ 23,713,340	\$ 23,713,340	\$ 23,802,294	\$ (892,306)	-3.6%
Use of Fund Balance							
General	-	500,000	500,000	500,000	500,000		
Food Services	-	310,000	250,000	250,000	250,000		
Adult Education	-	19,333	20,000	20,000	20,000		
	-	829,333	770,000	770,000	770,000		
Property Taxes							
General Education	91,502,259	92,551,184	99,332,772	99,332,772	98,612,770		
Adult Education	1,718,445	1,717,219	1,793,743	1,793,743	1,783,513		
Food Services	124,435	70,341	205,905	205,905	186,123		
Total Property Tax	93,345,139	94,338,744	101,332,420	101,332,420	100,582,406	6,243,662	6.6%
Total Revenue	\$ 116,375,588	\$ 119,862,677	\$ 125,815,760	\$ 125,815,760	\$ 125,154,700	\$ 5,292,023	4.4%

Portland Public Schools
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April 13, 2021

	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
GENERAL FUND							
LOCAL REVENUE							
REQUIRED LOCAL SHARE (tax levy)	\$ 70,510,825	\$ 74,271,401	\$ 77,010,122	\$ 77,010,122	\$ 77,010,122	\$ 2,738,721	3.7%
LOCAL ONLY DEBT SERVICE (tax levy)	577,882	392,289	385,252	385,252	385,252	(7,037)	-1.8%
ADDITIONAL LOCAL FUNDS (tax levy)	20,413,552	17,887,494	21,937,398	21,937,398	21,217,396	3,329,902	18.6%
TUITION PUBLIC K-8	142,796	140,000	140,000	140,000	140,000	-	0.0%
TUITION PUBLIC 9-12	102,871	100,000	100,000	100,000	100,000	-	0.0%
SUMMER SCH TUITION 9-12	9,540	10,000	10,000	10,000	10,000	-	0.0%
TRANSPORT - OTHER ORG	75,035	90,000	90,000	90,000	90,000	-	0.0%
INTEREST ON INVESTMENTS	3,000	3,000	3,000	3,000	3,000	-	0.0%
ADMISSIONS 9-12	8,040	15,000	15,000	15,000	15,000	-	0.0%
BUILDING RENTALS	45,083	52,000	52,000	52,000	52,000	-	0.0%
MISC LOCAL REVENUE	1,896	10,000	10,000	10,000	10,000	-	0.0%
SPED REVENUE/OTHER LOC GOV	80,064	-	-	-	-	-	0.0%
MISC SALES & REFUNDS	20	500	500	500	500	-	0.0%
PROCEEDS FROM DISPOSAL OF BUSES	2,000	-	-	-	-	-	0.0%
TOTAL LOCAL	91,972,603	92,971,684	99,753,272	99,753,272	99,033,270	6,061,586	6.5%
STATE REVENUE							
STATE SHARE EPS (State Subsidy)	14,251,970	15,223,289	14,364,498	14,364,498	14,454,060	(769,229)	-5.1%
STATE REIMB. DEBT SERVICE	3,559,926	3,453,482	3,364,840	3,364,840	3,364,840	(88,642)	-2.6%
STATE AGENCY CLIENT	192,475	220,000	220,000	220,000	220,000	-	0.0%
NAT'L BOARD - SALARY SUPLMNT	35,904	49,500	42,747	42,747	42,747	(6,753)	-13.6%
TOTAL STATE	18,040,275	18,946,271	17,992,085	17,992,085	18,081,647	(864,624)	-4.6%
FEDERAL REVENUE							
MAINECARE MEDICAID REIMB	428,198	1,670,000	1,690,900	1,690,900	1,690,900	20,900	1.3%
SEED WITHHOLDING	-	(700,000)	(700,000)	(700,000)	(700,000)	-	0.0%
FEDERAL IMPACT AID	49,347	55,000	50,000	50,000	50,000	(5,000)	-9.1%
INDIRECT COST RECOVERY	-	100,000	100,000	100,000	100,000	-	0.0%
TOTAL FEDERAL	477,545	1,125,000	1,140,900	1,140,900	1,140,900	15,900	1.4%
TOTAL GENERAL FUND	110,490,424	113,042,955	118,886,257	118,886,257	118,255,817	5,212,862	4.6%
USE OF FUND BALANCE	-	500,000	500,000	500,000	500,000	-	0.0%
TOTAL GENERAL FUND REVENUE & FUND BALANCE	\$ 110,490,424	\$ 113,542,955	\$ 119,386,257	\$ 119,386,257	\$ 118,755,817	\$ 5,212,862	4.6%
ADULT EDUCATION							
AE LOCAL REVENUE							
LOCAL FUNDS (tax levy)	\$ 1,718,445	\$ 1,717,219	\$ 1,793,743	\$ 1,793,743	\$ 1,783,513	\$ 66,294	3.9%
TUITION-INDIV-ENRICHMT	58,316	130,000	119,849	119,849	119,241	(10,759)	-8.3%
TUITION-INDIV-VOC	29,561	40,000	40,000	40,000	40,000	-	0.0%
TUITION-OTHER-ACADEMIC	28,498	20,000	20,000	20,000	20,000	-	0.0%
FUND TRANSFERS	-	-	-	-	-	-	0.0%
TOTAL LOCAL	1,834,819	1,907,219	1,973,592	1,973,592	1,962,754	55,535	2.9%
AE STATE REVENUE							
STATE SUBSIDY	526,687	609,742	592,998	592,998	592,998	(16,744)	-2.7%
TOTAL STATE	526,687	609,742	592,998	592,998	592,998	(16,744)	-2.7%
USE OF FUND BALANCE	-	19,333	20,000	20,000	20,000	667	3.5%
TOTAL ADULT EDUCATION REVENUE	\$ 2,361,506	\$ 2,536,294	\$ 2,586,590	\$ 2,586,590	\$ 2,575,752	\$ 39,458	1.6%

Portland Public Schools
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	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
FOOD SERVICE							
FS LOCAL REVENUE							
LOCAL FUNDS (tax levy)	\$ 124,435	\$ 70,341	\$ 205,905	\$ 205,905	\$ 186,123	\$ 115,782	164.6%
DAILY SALES - LUNCH	229,823	292,063	274,517	274,517	274,517	(17,546)	-6.0%
DAILY SALES NON REIM	78,259	104,814	100,000	100,000	100,000	(4,814)	-4.6%
SPECIAL FUNCTIONS	35,505	10,000	10,000	10,000	10,000	-	0.0%
BUILDING RENTALS	6,000	6,000	6,000	6,000	6,000	-	0.0%
MISC REFUNDS	2,134	3,000	3,000	3,000	3,000	-	0.0%
TOTAL LOCAL	476,156	486,218	599,422	599,422	579,640	93,422	19.2%
FS STATE REVENUE							
STATE REIMBURSEMENT	49,549	51,885	51,885	51,885	51,885	-	0.0%
TOTAL STATE	49,549	51,885	51,885	51,885	51,885	-	0.0%
FS FEDERAL REVENUE							
AFTER SCHL SNACK	3,388	3,760	1,920	1,920	1,920	(1,840)	-48.9%
SUMMER FOOD PROG	456,237	154,662	100,000	100,000	100,000	(54,662)	-35.3%
PERFORMNC-BASED LUNCH	25,175	38,247	38,247	38,247	38,247	-	0.0%
REIMB LUNCH - REGULAR	122,279	185,770	191,233	191,233	191,233	5,463	2.9%
REIMB LUNCH - REDUCED	45,778	61,496	63,553	63,553	63,553	2,057	3.3%
REIMB LUNCH - FREE	812,908	1,251,259	1,287,703	1,287,703	1,287,703	36,444	2.9%
REIMB BREAKFAST	501,786	762,368	784,339	784,339	784,339	21,971	2.9%
PAYMTS IN LIEU OF COMM	182,566	198,063	202,161	202,161	202,161	4,098	2.1%
FRESH FRUITS AND VEGGIES	50,813	79,700	72,450	72,450	72,450	(7,250)	-9.1%
CHILD/ADULT CARE FOOD PRGM	124,600	200,000	200,000	200,000	200,000	-	0.0%
TRANSFER FROM GENERAL FUND	672,394	-	-	-	-	-	0.0%
PROCEEDS FM PROPERTY DISPOSAL	27	-	-	-	-	-	0.0%
TOTAL FEDERAL	2,997,952	2,935,325	2,941,606	2,941,606	2,941,606	6,281	0.2%
USE OF FUND BALANCE	-	310,000	250,000	250,000	250,000	(60,000)	-19.4%
TOTAL FOOD SERVICE REVENUE	\$ 3,523,658	\$ 3,783,428	\$ 3,842,913	\$ 3,842,913	\$ 3,823,131	\$ 39,703	1.0%
TOTAL REVENUE AND OTHER FUNDING SOURCES							
	\$ 116,375,588	\$ 119,862,677	\$ 125,815,760	\$ 125,815,760	\$ 125,154,700	\$ 5,292,023	4.4%

Portland Public Schools
FY2022 Summary Expenditure Budget
General, Adult Ed, and Food Services Funds
Board of Education Recommended Budget
April 13, 2021

	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
Wages							
Regular	\$ 65,954,066	\$ 67,529,023	\$ 71,262,140	\$ 71,262,140	\$ 71,262,140		
Temp/Sub/Tutor/OT	2,256,048	2,326,876	2,326,225	2,326,225	2,326,225		
Add pay/Stipends	2,319,250	2,454,918	2,562,380	2,562,380	2,562,380		
<i>Total Wages</i>	70,529,364	72,310,817	76,150,745	76,150,745	76,150,745	\$ 3,839,928	5.3%
Benefits							
Health	15,473,475	16,000,018	17,067,858	17,067,858	16,406,798		
Retirement	3,512,180	3,620,217	3,675,096	3,675,096	3,675,096		
All other	2,391,111	2,605,479	2,814,771	2,814,771	2,814,771		
<i>Total Benefits</i>	21,376,767	22,225,714	23,557,725	23,557,725	22,896,665	670,951	3.0%
Contracted Services							
Professional & Tech. Svcs	1,475,344	1,581,429	1,532,067	1,532,067	1,532,067		
Employee Training/Dev	348,774	532,868	523,220	523,220	523,220		
SPED Contracted Svcs	464,391	483,228	513,458	513,458	513,458		
Student Transportation	185,366	345,000	345,000	345,000	345,000		
Tuition	748,799	933,566	980,676	980,676	980,676		
Legal Services	150,212	150,000	150,000	150,000	150,000		
Water & Sewer	131,090	177,590	197,230	197,230	197,230		
Repair & Maintenance	2,576,923	2,836,343	2,794,566	2,794,566	2,794,566		
Rentals	322,805	378,230	381,130	381,130	381,130		
Loans/Leases	244,334	239,600	46,000	46,000	46,000		
Liability Insurance	436,532	521,924	603,719	603,719	603,719		
Other Services	661,046	815,954	825,045	825,045	825,045		
<i>Total Contracted Services</i>	7,745,615	8,995,732	8,892,111	8,892,111	8,892,111	(103,621)	-1.2%
Supplies							
Education Supplies	1,000,531	1,132,315	1,128,035	1,128,035	1,128,035		
Tech Related Supplies	72,533	146,770	142,080	142,080	142,080		
General Supplies	626,855	698,883	699,684	699,684	699,684		
Custodial Supplies	281,375	240,475	240,475	240,475	240,475		
Software Licenses	423,926	548,555	585,995	585,995	585,995		
Utilities	1,854,633	2,279,760	2,147,562	2,147,562	2,147,562		
Gasoline	58,523	127,082	127,082	127,082	127,082		
Food/Non-food supplies	1,368,593	1,695,360	1,695,360	1,695,360	1,695,360		
<i>Total Supplies</i>	5,686,971	6,869,200	6,766,273	6,766,273	6,766,273	(102,927)	-1.5%
Other Costs							
Field Trip Transportation	264,705	347,111	334,921	334,921	334,921		
Miscellaneous	1,925,938	374,709	357,232	357,232	357,232		
Capital	241,002	315,950	201,675	201,675	201,675		
<i>Total Other Costs</i>	2,431,644	1,037,770	893,828	893,828	893,828	(143,942)	-13.9%
Debt Service							
Bond DS	7,879,775	8,423,444	9,555,078	9,555,078	9,555,078	1,131,634	13.4%
Total Expenditures	\$ 115,650,135	\$ 119,862,677	\$ 125,815,760	\$ 125,815,760	\$ 125,154,700	\$ 5,292,023	4.4%

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SALARIES & BENEFITS							
<i>Regular Salaries</i>							
PROFESSIONAL SALARY	\$ 44,270,984	\$ 45,977,764	\$ 48,341,267	\$ 48,341,267	\$ 48,341,267	\$ 2,363,503	5.1%
INSTRUCTIONAL AIDE/ASST	5,617,192	5,952,091	6,326,005	6,326,005	6,326,005	373,914	6.3%
ADMINISTRATOR/ REG SUPPORT	16,065,889	15,599,168	16,594,868	16,594,868	16,594,868	995,700	6.4%
Total Regular Salaries	65,954,066	67,529,023	71,262,140	71,262,140	71,262,140	3,733,117	5.5%
<i>Temporary Salaries</i>							
TEMPORARY SALARY	837,446	1,013,630	1,011,528	1,011,528	1,011,528	(2,102)	-0.2%
TUTOR	30,529	46,703	48,104	48,104	48,104	1,401	3.0%
SUBSTITUTE	1,120,363	1,116,043	1,116,043	1,116,043	1,116,043	-	0.0%
TEACHER ADDITIONAL PAY	69,095	114,799	106,291	106,291	106,291	(8,508)	-7.4%
AIDE/ASST OVERTIME	277	-	-	-	-	-	0.0%
REGULAR SUPPORT OVERTIME	267,433	150,500	150,550	150,550	150,550	50	0.0%
STIPEND/DIFFERENTIAL	1,558,884	1,675,399	1,791,369	1,791,369	1,791,369	115,970	6.9%
STIPEND-RETIREMENT SICK	677,863	640,000	640,000	640,000	640,000	-	0.0%
STIPEND/OTHER	13,408	24,720	24,720	24,720	24,720	-	0.0%
Total Temporary Salaries	4,575,298	4,781,794	4,888,605	4,888,605	4,888,605	106,811	2.2%
Total Salaries	70,529,364	72,310,817	76,150,745	76,150,745	76,150,745	3,839,928	5.3%
<i>Benefits</i>							
HEALTH INSURANCE	15,473,475	16,000,018	17,067,858	17,067,858	16,406,798	406,780	2.5%
MEDICARE	970,082	1,049,136	1,107,959	1,107,959	1,107,959	58,823	5.6%
RETIREMENT	3,512,180	3,620,217	3,675,096	3,675,096	3,675,096	54,879	1.5%
TUITION REIMBURSEMENT	225,064	210,000	269,520	269,520	269,520	59,520	28.3%
WORKER'S COMP	509,058	599,865	599,865	599,865	599,865	-	0.0%
ALL OTHER	686,907	746,478	837,427	837,427	837,427	90,949	12.2%
Total Benefits	21,376,767	22,225,714	23,557,725	23,557,725	22,896,665	670,951	3.0%
TOTAL SALARIES & BENEFITS	91,906,131	94,536,531	99,708,470	99,708,470	99,047,410	4,510,879	4.8%
CONTRACTED SERVICES							
PURCHASED PROF & TECH SVC	1,400,344	1,441,429	1,392,067	1,392,067	1,392,067	(49,362)	-3.4%
CONTRACTUAL PRE-K	75,000	140,000	140,000	140,000	140,000	-	0.0%
EMPLOYEE TRAIN & DEV SVCS	348,774	532,868	523,220	523,220	523,220	(9,648)	-1.8%
OTHER PROFESIONNAL SVCS	10,636	15,000	17,000	17,000	17,000	2,000	13.3%
SECURITY	104,239	161,067	161,067	161,067	161,067	-	0.0%
ALARMS	4,050	4,325	4,325	4,325	4,325	-	0.0%
ARCHITECT/ENGINEER - NSA	22,682	20,000	20,000	20,000	20,000	-	0.0%
ADULT ED CONTRACTED SVCS	230	6,000	6,000	6,000	6,000	-	0.0%
SPEC ED CONTRACTED SVCS	464,391	483,228	513,458	513,458	513,458	30,230	6.3%
LEGAL SERVICES	150,212	150,000	150,000	150,000	150,000	-	0.0%
WATER	41,302	50,740	55,624	55,624	55,624	4,884	9.6%
SEWER	89,788	126,850	141,606	141,606	141,606	14,756	11.6%
REPAIR AND MAINT SVCS	1,059,913	1,217,466	1,079,762	1,079,762	1,079,762	(137,704)	-11.3%
HVAC MAINTENANCE	534,024	517,703	595,514	595,514	595,514	77,811	15.0%
MOWING/PLOWING/FIELDMAINT	566,297	610,766	610,766	610,766	610,766	-	0.0%
ASBESTOS/MOLD SVCS	15,379	20,000	20,000	20,000	20,000	-	0.0%
VEHICLE & EQUIPMT REPAIR	25,979	26,000	31,000	31,000	31,000	5,000	19.2%
WASTE DISPOSAL SERVICES	106,366	101,126	114,242	114,242	114,242	13,116	13.0%
RECYCLING SERVICES	111,676	122,040	122,040	122,040	122,040	-	0.0%
HAZ WASTE DISPOSAL SVCS	-	8,000	8,000	8,000	8,000	-	0.0%

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April 13, 2021

	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
PEST MGMT SERVICES	16,157	17,850	17,850	17,850	17,850	-	0.0%
FIRE EXTINGUISHER MAINT SVCS	10,162	10,000	10,000	10,000	10,000	-	0.0%
RENTALS	322,805	378,230	381,130	381,130	381,130	2,900	0.8%
COMPUTER LEASE	238,533	239,600	46,000	46,000	46,000	(193,600)	-80.8%
LEASES-NOT DOE APPROVED	5,800	-				-	0.0%
OTHER PURCHASED SERVICES	953	1,450	1,360	1,360	1,360	(90)	-6.2%
STUDENT TRANSPORT SVCS	-	250	250	250	250	-	0.0%
STUDENT TRANS PURCH-PRIV	181,499	315,000	315,000	315,000	315,000	-	0.0%
STUDENT TRANS/PRIV-SPED OOD	309	15,000	15,000	15,000	15,000	-	0.0%
STUDENT TRANS/PRIV-HOMELESS	3,558	15,000	15,000	15,000	15,000	-	0.0%
INSURANCE-GEN LIABILITY	436,532	521,924	603,719	603,719	603,719	81,795	15.7%
POSTAGE	60,756	75,763	71,279	71,279	71,279	(4,484)	-5.9%
PHONE	173,369	146,652	158,052	158,052	158,052	11,400	7.8%
INTERNET CONNECTIVITY	51,576	52,426	52,426	52,426	52,426	-	0.0%
EBOOKS & ONLINE SUBSCRPTNS	32,811	31,219	37,634	37,634	37,634	6,415	20.5%
ADVERTISING	4,524	16,000	15,750	15,750	15,750	(250)	-1.6%
ADULT ED ADVERTISING	15,395	25,000	25,000	25,000	25,000	-	0.0%
PRINTING/BINDING	27,150	52,252	57,743	57,743	57,743	5,491	10.5%
PHOTOCOPYING	136,809	157,800	157,800	157,800	157,800	-	0.0%
TUITION TO IN-STATE SAU	125,940	110,550	122,510	122,510	122,510	11,960	10.8%
TUITION TO PRIVATE SOURCE	607,594	808,016	843,166	843,166	843,166	35,150	4.4%
TUITION TO POST-SECONDARY	15,265	15,000	15,000	15,000	15,000	-	0.0%
STAFF TRAVEL	146,840	235,942	224,551	224,551	224,551	(11,391)	-4.8%
ADULT ED TRAVEL-STATE MTG	-	200	200	200	200	-	0.0%
TOTAL CONTRACTED SERVICES	7,745,615	8,995,732	8,892,111	8,892,111	8,892,111	(103,621)	-1.2%
SUPPLIES							
GENERAL SUPPLIES	626,855	698,883	699,684	699,684	699,684	801	0.1%
CUSTODIAL SUPPLIES	281,375	240,475	240,475	240,475	240,475	-	0.0%
INSTRUCTIONAL SUPPLIES	604,542	658,556	677,483	677,483	677,483	18,927	2.9%
NATURAL GAS	910,323	1,062,000	943,800	943,800	943,800	(118,200)	-11.1%
ELECTRICITY	891,162	1,131,060	1,117,062	1,117,062	1,117,062	(13,998)	-1.2%
BOTTLED GAS	9,632	19,700	19,700	19,700	19,700	-	0.0%
OIL	43,516	67,000	67,000	67,000	67,000	-	0.0%
GASOLINE	58,523	127,082	127,082	127,082	127,082	-	0.0%
FOOD	1,244,557	1,549,283	1,549,283	1,549,283	1,549,283	-	0.0%
NON-FOOD SUPPLIES	124,036	146,077	146,077	146,077	146,077	-	0.0%
BOOKS/PERIODICALS	394,892	467,014	445,657	445,657	445,657	(21,357)	-4.6%
TECH-RELATED SUPPLIES	72,533	146,770	142,080	142,080	142,080	(4,690)	-3.2%
SOFTWARE LICENSES	423,926	548,555	585,995	585,995	585,995	37,440	6.8%
AUDIOVISUAL SUPPLIES	1,097	6,745	4,895	4,895	4,895	(1,850)	-27.4%
TOTAL SUPPLIES	5,686,971	6,869,200	6,766,273	6,766,273	6,766,273	(102,927)	-1.5%
MISCELLANEOUS							
DUES AND FEES	137,283	171,584	181,230	181,230	181,230	9,646	5.6%
BANK FEES	639	3,000	2,000	2,000	2,000	(1,000)	-33.3%
MAINE STATE BILLING FEES	31,555	68,452	68,452	68,452	68,452	-	0.0%
SCHOOL BOARD CONF FEES	-	2,000	2,000	2,000	2,000	-	0.0%
BAD DEBT	5,466	-	-	-	-	-	0.0%
FIELD TRIP TRANSPORTATION	264,705	347,111	334,921	334,921	334,921	(12,190)	-3.5%

Portland Public Schools
FY2022 Detail Expenditure Budget
Board of Education Recommended Budget
April 13, 2021

	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
MISC EXPENDITURES	1,364	8,673	7,550	7,550	7,550	(1,123)	-12.9%
OTHER ITEMS	9,030	96,000	96,000	96,000	96,000	-	0.0%
FUND TRANSFERS OUT	1,740,602	25,000	-	-	-	(25,000)	-100.0%
TOTAL MISCELLANEOUS	2,190,642	721,820	692,153	692,153	692,153	(29,667)	-4.1%
CAPITAL EQUIPMENT							
EQUIPMENT > \$10,000	67,381	109,000	64,000	64,000	64,000	(45,000)	-41.3%
EQUIPMENT < \$10,000	-	11,000	10,000	10,000	10,000	(1,000)	-9.1%
TECH-RELATED EQUIP < \$10,000	82,621	195,950	127,675	127,675	127,675	(68,275)	-34.8%
STUDENT TRANS. VEHICLES	91,000	-				-	0.0%
TOTAL CAPITAL EQUIPMENT	241,002	315,950	201,675	201,675	201,675	(114,275)	-36.2%
DEBT SERVICE							
DEBT SERVICE - OTHER	7,834,449	8,382,169	9,200,132	9,200,132	9,200,132	817,963	9.8%
DEBT SERVICE - BUSES	31,343	30,039	21,388	21,388	21,388	(8,651)	-28.8%
DEBT SERVICE - TECHNOLOGY	13,983	11,236	8,558	8,558	8,558	(2,678)	-23.8%
BOND ISSUANCE	-	-	325,000	325,000	325,000	325,000	100.0%
TOTAL DEBT SERVICE	7,879,775	8,423,444	9,555,078	9,555,078	9,555,078	1,131,634	13.4%
TOTAL EXPENDITURES	\$ 115,650,135	\$ 119,862,677	\$ 125,815,760	\$ 125,815,760	\$ 125,154,700	\$ 5,292,023	4.4%

Portland Public Schools
Board of Education Recommended Budget
FY2022 Expenditures by State Budget Categories
April 13, 2021

State Budget Category	FY20 Actual	FY21 Approved	FY22 Supt Recommended	FY22 Fin Comm Recommended	FY22 Board Recommended	\$ +/- v FY21	% +/- v FY21
1. Regular Instruction	\$ 45,734,596	\$ 47,816,535	\$ 49,012,977	\$ 49,012,977	\$ 48,757,638	\$ 941,103	2.0%
2. Special Ed. Instruction	17,215,740	18,240,094	19,480,692	19,480,692	19,318,601	1,078,507	5.9%
3. CTE (Voc.) Instruction	3,169,812	3,224,162	3,242,859	3,242,859	3,224,795	633	0.0%
4. Other Instruction	2,018,971	2,322,625	2,232,342	2,232,342	2,229,348	(93,277)	-4.0%
5. Student & Staff Support	10,035,285	10,548,935	12,049,369	12,049,369	11,987,053	1,438,118	13.6%
6. System Administration	3,804,809	4,238,092	4,739,437	4,739,437	4,717,328	479,236	11.3%
7. School Administration	5,691,923	5,736,533	5,928,915	5,928,915	5,895,946	159,413	2.8%
8. Transportation & Buses	3,000,509	3,349,809	3,633,282	3,633,282	3,600,985	251,176	7.5%
9. Facilities Maintenance	12,096,272	11,549,622	12,463,403	12,463,403	12,422,367	872,745	7.6%
10. Debt Service	6,194,685	6,016,698	6,041,774	6,041,774	6,041,774	25,076	0.4%
11. All Other Expenditures	1,076,146	499,850	561,207	561,207	559,982	60,132	12.0%
Total General Fund	\$ 110,038,749	\$ 113,542,955	\$ 119,386,257	\$ 119,386,257	\$ 118,755,817	\$ 5,212,862	4.6%
Adult Education	2,336,891	2,536,294	2,586,590	2,586,590	2,575,752	39,458	1.6%
Food Service	3,274,496	3,783,428	3,842,913	3,842,913	3,823,131	39,703	1.0%
Total	\$ 115,650,135	\$ 119,862,677	\$ 125,815,760	\$ 125,815,760	\$ 125,154,700	\$ 5,292,023	4.4%

Portland Public Schools
Board of Education Recommended Budget
FY2022 Cost Center Summary - Expenditure
April 13, 2021

Cost Center		FY20 Actual	FY21 Approved	FY22 Recommended	\$ +/-	% +/-
Elem.	Cliff Island	\$ 128,062	\$ 135,255	\$ 140,947	\$ 5,692	4.2%
	East End	4,730,969	5,014,739	5,288,812	274,073	5.5%
	Longfellow	3,100,783	3,090,465	3,230,993	140,528	4.5%
	Lyseth	4,648,336	5,321,251	6,008,654	687,403	12.9% *
	Ocean Avenue	4,951,704	5,218,617	5,218,472	(145)	0.0%
	Peaks Island	842,214	941,283	965,610	24,327	2.6%
	Presumpscot	2,767,226	2,806,896	3,126,498	319,602	11.4%
	Reiche	4,525,935	4,511,077	4,907,164	396,087	8.8%
	Rowe	4,866,320	4,699,697	4,897,935	198,238	4.2%
	Talbot	5,994,915	6,090,931	6,090,684	(247)	0.0%
Middle	King	6,010,584	6,413,835	6,626,985	213,150	3.3%
	Lincoln	5,830,827	6,093,379	6,312,134	218,755	3.6%
	Moore	6,301,055	6,625,893	7,332,983	707,090	10.7%
High	Portland	9,409,634	9,818,382	9,973,519	155,137	1.6%
	Deering	9,856,111	10,109,435	10,480,746	371,311	3.7%
	Casco Bay	3,334,007	3,574,834	3,637,919	63,085	1.8%
	PATHS	3,169,812	3,224,162	3,224,795	633	0.0%
Other	Special Education	2,406,593	2,597,163	2,745,733	148,570	5.7% **
	Summer School	32,170	17,187	-	(17,187)	-100.0%
	Breathe Program	1,879,077	1,918,033	417,737	(1,500,296)	-78.2% ***
	Communications Office	284,695	270,750	297,056	26,306	9.7%
	School Board	205,207	394,886	403,812	8,926	2.3%
	Superintendent	632,974	639,264	633,339	(5,925)	-0.9%
	Assistant Superintendent	224,029	257,139	388,956	131,817	51.3%
	Finance	1,734,606	1,224,952	1,260,583	35,631	2.9%
	Debt Service	6,194,685	6,016,698	6,041,774	25,076	0.4%
	Human Resources	1,037,282	951,986	1,260,773	308,787	32.4%
	District-wide benefits	643,105	769,865	769,865	-	0.0%
	Facilities Department	6,033,640	5,322,768	5,887,381	564,613	10.6% ****
	IT Department	1,660,892	1,863,868	1,822,081	(41,787)	-2.2%
	MultiLingual/District ELL Prgms	1,575,825	1,600,263	2,736,849	1,136,586	71.0% *****
	Department of Academics	1,723,175	1,781,162	2,214,854	433,692	24.3%
	District-wide PreK	182,735	647,931	546,263	(101,668)	-15.7% ***
	Transportation Services	3,119,566	3,578,909	3,863,911	285,002	8.0%
	Total General Fund	\$ 110,038,749	\$ 113,542,955	\$ 118,755,817	\$ 5,212,862	4.6%
	Adult Education	2,336,891	2,536,294	2,575,752	39,458	1.6%
	Food Service	3,274,496	3,783,428	3,823,131	39,703	1.0%
	Total	\$ 115,650,135	\$ 119,862,677	\$ 125,154,700	\$ 5,292,023	4.4%

*Includes \$1,284,121 in debt service for Lyseth school improvements

**The majority of this budget is located in school cost centers

***FTEs previously budgeted centrally in Central Breathe and PreK Cost Center now budgeted in schools

****Includes an increase of \$592,051 in debt service categorized in the Facilities cost center per state requirements.

*****Increase includes entire proposed ELL programs investment of \$1,031,625.

**Portland Public Schools
Board of Education Recommended Budget
FY2022 Tax Rate Computation
April 13, 2021**

	General Fund		Food Service		Adult Ed		TOTAL
Total Expenditures	\$	118,755,817	\$	3,823,131	\$	2,575,752	\$ 125,154,700
Less: General Revenue		(1,824,147)		(3,387,008)		(772,239)	(5,983,394)
State EPS		(14,454,060)					(14,454,060)
State reimbursed Debt Svc		(3,364,840)					(3,364,840)
Use of Fund Balance per Policy DA		(500,000)		(250,000)		(20,000)	(770,000)
Tax Levy	\$	98,612,770	\$	186,123	\$	1,783,513	\$ 100,582,406
<i>Valuation</i>		8,155,000,000					
Tax Rate:							
FY22	\$	12.09	\$	0.02	\$	0.22	\$ 12.33
FY21	\$	11.47	\$	0.01	\$	0.21	\$ 11.69
<i>\$ Increase</i>	\$	0.624	\$	0.014	\$	0.006	\$ 0.644
<i>% Increase</i>		5.44%		161.84%		2.78%	5.51%

Portland Public Schools
Board of Education Recommended Budget
FY22 Comparative Tax Levy Summary
April 13, 2021

	FY20	FY21	FY22	\$ +/-	% +/-
<i>Food Service</i>					
Expenditures	\$ 3,772,269	\$ 3,783,428	\$ 3,823,131	\$ 39,703	1.0%
Revenue	(3,647,824)	(3,713,087)	(3,637,008)	76,079	-2.0%
Tax Levy	124,445	70,341	186,123	115,782	164.6%
<i>Adult Ed</i>					
Expenditures	2,432,506	2,536,294	2,575,752	39,458	1.6%
Revenue	(714,071)	(819,075)	(792,239)	26,836	-3.3%
Tax Levy	1,718,435	1,717,219	1,783,513	66,294	3.9%
<i>General Fund</i>					
Expenditures	111,184,495	113,542,955	118,755,817	5,212,862	4.6%
Revenue	(19,682,237)	(20,991,771)	(20,143,047)	848,724	-4.0%
Tax Levy	91,502,258	92,551,184	98,612,770	6,061,586	6.5%
<i>Total</i>					
Expenditures	117,389,270	119,862,677	125,154,700	5,292,023	4.4%
Revenue	(24,044,132)	(25,523,933)	(24,572,294)	951,639	-3.7%
Tax Levy	\$ 93,345,138	\$ 94,338,744	\$ 100,582,406	\$ 6,243,662	6.6%

Portland Public Schools
Board of Education Recommended Budget
FY21 to FY22 Comparative Staffing--Locally Funded
April 13, 2021

Location	<u>Student Enrollment</u>		<u>Teachers (PEA)</u>		<u>Ed Techs</u>		<u>Principals (PAA)</u>		<u>Support Staff (BASE)^</u>		<u>Admin & Support (Non-union)</u>		<u>Total</u>		Diff.
	10/1/2019	10/1/2020	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	
Cliff Island Elementary	5	3	1.40	1.40	-	-	-	-	0.25	0.25	-	-	1.65	1.65	-
East End Community	419	423	38.18	44.68	16.79	18.29	2.00	2.00	6.00	4.00	0.18	0.18	63.14	69.15	6.01
Longfellow Elementary	327	295	27.86	27.86	4.09	4.09	1.50	1.50	1.50	4.00	0.18	0.18	35.12	37.62	2.50
Lyseth Elementary	511	496	38.79	42.99	8.00	10.00	2.00	2.00	2.00	2.00	0.18	0.18	50.97	57.17	6.20
Ocean Avenue Elem.	341	336	39.28	39.28	23.29	24.79	2.00	2.00	6.00	3.00	0.18	0.18	70.74	69.24	-1.50
Peaks Island Elem.	40	33	6.90	6.80	2.00	2.00			2.50	2.50	0.18	0.18	11.58	11.48	-0.10
Presumpscot Elem.	271	247	24.53	27.53	5.00	5.50	1.00	1.00	3.00	3.00	0.18	0.18	33.71	37.21	3.50
Reiche Elementary	446	394	39.15	43.35	8.30	10.15			2.00	3.75	0.18	0.33	49.63	57.58	7.95
Rowe Elementary	426	437	38.54	43.54	15.93	17.72	2.00	2.00	2.00	2.50	0.18	0.18	58.65	65.93	7.28
Talbot Elementary	438	384	45.38	48.18	24.00	24.00	2.00	2.00	2.00	2.75	0.18	0.18	73.56	77.11	3.55
King Middle School	476	479	52.17	53.34	9.80	9.80	2.00	2.00	7.25	7.25	0.50	0.50	71.72	72.89	1.17
Lincoln Middle School	502	467	50.42	51.89	7.00	9.00	2.00	2.00	8.50	8.00	0.19	0.19	68.11	71.08	2.97
Moore Middle School	486	484	50.04	56.70	16.00	20.50	2.00	2.00	8.50	8.00	0.19	0.19	76.73	87.39	10.66
Casco Bay High	389	394	32.74	33.14	1.20	1.20	1.00	1.00	2.00	2.00	-	-	36.94	37.34	0.40
Deering High School	798	735	72.59	75.50	15.03	20.96	4.00	4.00	12.75	12.75	3.20	3.20	107.57	116.41	8.84
Portland High School	873	888	67.98	69.48	14.60	13.60	4.00	4.00	13.00	13.00	3.20	3.20	102.78	103.28	0.50
PATHS	-	-	20.00	20.00	5.00	5.00	1.00	1.00	8.50	8.50	0.20	0.20	34.70	34.70	-
Breathe Program*	-	-	17.50	3.50	10.00	-	-	-	1.00	1.00	-	-	28.50	4.50	-24.00
Special Services	-	-	5.70	5.70	2.70	2.70	1.00	1.00	1.00	1.00	5.18	5.18	15.57	15.57	-
Superintendent Office	-	-	-	-	-	-	-	-	-	-	3.00	3.00	3.00	3.00	-
Asst Supt/School Mgmt	-	-	-	-	-	-	-	-	-	-	2.00	3.00	2.00	3.00	1.00
Asst Supt/Academics	-	-	5.40	6.60	-	-	-	-	-	-	3.70	5.70	9.10	12.30	3.20
District-wide PreK**	-	-	3.00	-	3.00	-	-	-	-	-	1.50	1.50	7.50	1.50	-6.00
Multilingual/Lang Dev.	-	-	3.97	4.70	-	-	-	-	2.00	2.00	13.25	13.55	19.22	20.25	1.03
Communications Office	-	-	-	-	-	-	-	-	0.60	0.60	1.50	1.80	2.10	2.40	0.30
Finance	-	-	-	-	-	-	-	-	1.00	1.00	8.00	8.00	9.00	9.00	-
Human Resources	-	-	-	-	-	-	-	-			7.00	8.00	7.00	8.00	1.00
Information Technology	-	-	-	-	-	-	-	-	5.00	5.00	6.00	6.00	11.00	11.00	-
Facilities	-	-	-	-	-	-	-	-	7.65	7.65	3.00	3.00	10.65	10.65	-
Transportation	-	-	-	-	-	-	-	-	35.87	40.25	2.92	3.32	38.79	43.57	4.78
Adult Ed	-	-	8.93	9.03	-	-	2.00	2.00	6.63	6.63	2.00	2.00	19.56	19.66	0.10
Food Service	-	-	-	-	-	-	-	-	34.94	34.94	1.00	1.00	35.94	35.94	-
Total	6748	6495	690.45	715.19	191.71	199.28	31.50	31.50	183.44	187.31	69.10	74.25	1,166.20	1,207.52	
Change		-253		24.74		7.57		0.00		3.87		5.15		41.32	

*Most Breathe staff budgeted centrally in FY21 now reflected in school-based costs centers.

**Partner site & expansion classroom staffing previously reflected in district-wide now reflected at Reiche, where students are rostered. Proposed partner expansion reflected at Talbot.

^All changes to BASE staff in elementary schools represents differences in which custodial staff (20 FTEs) were shifted to CARES funding in FY21 versus the budget due to grant stipulations.

**Portland Public Schools
FY2021 Staffing Changes During Fiscal Year--Locally Funded
Board of Education Recommended Budget
April 13, 2021**

FY21 Budgeted Positions at Beginning of the Year	1,166.20
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Approved during FY21:

Nurse	0.20	Lyseth	Teacher
Communications Coordinator	0.30	Communications	Non-Union
Adult Ed Literacy Teacher	0.10	Adult Ed	Teacher
Teaching Strategist	0.50	King Middle School	Teacher
Teaching Strategist	0.50	Lincon Middle School	Teacher
Teaching Strategist	0.50	Moore Middle School	Teacher
World Language Teacher	(0.50)	King Middle School	Teacher
School Secretary	(0.50)	Lincon Middle School	BASE
School Secretary	(0.50)	Moore Middle School	BASE
* Custodian (net FTE adj, cost neutral)	0.50	Custodians	BASE
** Classroom Teacher (FY21 budget error)	(1.00)	Ocean Ave	Teacher
Misc. adjustments (net)	0.02	Misc.	Misc.
	0.12		

FY21 Current Staffing	1,166.32
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Notes

* In the FY21 budget, 20.5 custodial FTEs were budgeted to shift to CARES funding. Ultimately, the position mix identified for grant funding only allowed to 20.0 FTEs to be shifted. The total cost of those 20 positions was the same as the originally identified 20.5 positions.

** The # of FTEs for Ocean Ave. classroom teachers was inadvertently overbudgeted in FY21. This does not reflect a reduction in a current teacher position.

**Portland Public Schools
FY2022 Staffing Changes Proposed--Locally Funded
Board of Education Recommended Budget
April 13, 2021**

FY21 Current Staffing 1,166.32

Proposed in FY22:

Investments	Pre-K Teacher	1.00	Lyseth	Teacher
	Pre-K Teacher	1.00	Partner Site	Teacher
	Pre-K Ed Tech	1.00	Lyseth	Ed Tech
	Pre-K Ed Tech	1.00	Partner Site	Ed Tech
	Bus Drivers (Pre-K Transportation)	2.00	Transportation	BASE
	Bus Aides (Pre-K Transportation)	3.00	Transportation	BASE
	Special Ed ASD Teacher	1.00	Ocean Ave	Teacher
	Special Ed ASD Ed Techs	3.00	Ocean Ave	Ed Tech
	Special Ed ASD Teacher	1.00	Lincoln Middle School	Teacher
	Special Ed ASD Ed Tech	1.00	Lincoln Middle School	Ed Tech
	Special Ed Functional Life Skills Teacher	1.00	Deering High School	Teacher
	Special Ed Functional Life Skills Ed Tech	1.00	Deering High School	Ed Tech
	Dual ID Special Ed/ELL Teacher	1.00	District	Teacher
	ELL Teacher (0.5 Pre-K)	2.50	East End	Teacher
	ELL Teacher (1.0 Pre-K)	2.00	Lyseth	Teacher
	ELL Teacher	0.50	Presumpscot	Teacher
	ELL Teacher	2.00	Reiche	Teacher
	ELL Teacher (1.0 Pre-K)	2.00	Rowe	Teacher
	ELL Teacher (1.0 Pre-K)	2.00	Talbot	Teacher
	ELL Teacher	0.50	Deering High School	Teacher
	ELL Teacher	0.50	Portland High School	Teacher
	ELL SLIFE Literacy Teacher	1.00	Deering High School	Teacher
	ELL SLIFE Ed Tech	1.00	Deering High School	Ed Tech
	ELL SLIFE Social Worker	0.50	Deering High School	Teacher
	Social Worker	0.50	East End	Teacher
	Social Worker	1.00	Lyseth	Teacher
	Social Worker	0.20	Presumpscot	Teacher
	Social Worker	0.50	Reiche	Teacher
	Social Worker	0.80	Talbot	Teacher
	Social Worker	0.50	Casco Bay High School	Teacher
	High School Math Coach	1.00	District/Academics	Teacher
	Social Studies Teacher Leader	0.20	District/Academics	Teacher
	Outdoor Learning Teacher Leader	1.00	District/Academics	Teacher
	Technology Integration Coordinator	1.00	Academics	Non-Union
	Director of Diversity, Equity & Inclusion	1.00	Academics	Non-Union
	BIPOC Career Pathways Coordinator	1.00	Human Resources	Non-Union
	Ombudsperson	1.00	Asst Superintendent	Non-Union
Reductions	Professional Learning Teacher Leader	(1.00)	Academics	Teacher
		41.20		

FY22 Proposed Staffing 1,207.52

FY21 Authorized Positions (Budget) 1,166.20

FTE Change 41.32

Portland Public Schools
Certified October 1st Attending Enrollment~

Cost Center		Oct 2015 (FY16)	Oct 2016 (FY17)	Oct 2017 (FY18)	Oct 2018 (FY19)	Oct 2019 (FY20)	Oct 2020 (FY21)	Oct 2021 Proj 1 (FY22)*	Oct 2021 Proj 2 (FY22)*
ELEMENTARY SCHOOLS									
010	Cliff Island	4	5	2	2	5	3	3	5
030	East End	405	400	416	384	419	423	420	420
040	Rowe	395	425	403	435	426	437	458	459
050	Longfellow	337	315	334	334	327	295	282	304
060	Lyseth	504	471	491	515	511	496	488	516
065	Ocean Ave	416	405	381	357	341	336	339	371
070	Peaks Island	40	38	37	39	40	33	36	38
080	Presumpscot	268	252	248	246	271	247	237	272
090	Reiche	427	434	437	436	446	394	392	468
100	Talbot	468	457	442	437	438	384	376	415
	PK exp							32	32
	Total Elementary	3,264	3,202	3,191	3,185	3,224	3,048	3,063	3,300
MIDDLE SCHOOLS									
110	King	517	517	519	497	476	479	476	504
120	Lincoln	485	499	513	528	502	467	457	492
130	Moore	480	501	444	453	486	484	528	564
	Total Middle School	1,482	1,517	1,476	1,478	1,464	1,430	1,461	1,560
HIGH SCHOOLS									
310	Portland	793	734	756	741	873	888	881	901
340	Deering	901	908	913	906	798	735	657	676
340	Casco Bay	389	378	386	385	389	394	393	396
	Total High School	2,083	2,020	2,055	2,032	2,060	2,017	1,931	1,973
TOTAL SCHOOL ENROLLMENT		6,829	6,739	6,722	6,695	6,748	6,495	6,455	6,833
Change		-158	-90	-17	-27	53	-253	-40	338
Percent change		-2.3%	-1.3%	-0.3%	-0.4%	0.8%	-3.7%	-0.6%	5.2%
Subsidy (EPS) counts		6,789	6,740	6,695	6,672	6,730	6,471	6,431	6,809

* Projection 1 is based on current year enrollment, which has been significantly impacted by the pandemic. Projection 2 assumes a return to pre-pandemic enrollment trends.

Notes:

Counts reflect attending enrollment as certified by the Maine Department of Ed. except for FY22, which are projections only.

Only Portland resident PATHS students are included above, and are counted at their home school.

~ Data provided by Maine Dept of Education at <https://www.maine.gov/doe/data-reporting/reporting/warehouse/enrollment>

Investment Narratives

Investment	Curriculum Support	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	1.2 FTE	\$103,808
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$103,808 or \$0.01 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
1.0 HS Math Coach	Academics	\$84,003
0.2 Social Studies Teacher Leader	Academics	\$19,805
	Total	\$103,808

Narrative:

1.0 HS Math Coach

For the last 5 years, Math has been the focus of our instructional priorities within the Portland Promise. We have invested significantly in math coaching at the elementary and middle school level because we believe that embedded professional development is what best supports teachers, resulting in the most sustainable transformation to instructional practice and the greatest coherence across the system. We began the math transformation work with a “vertical team” of representatives in PK-12 and drafted a vision. Meanwhile, we ensured that every elementary and middle school had a math coach, and provided each coach with professional development and their own coaching to support teachers in aligning instruction to our vision. We also adopted a consistent problem-based math curriculum that aligns to our district vision. Coaches have been supporting the implementation of that curriculum while still focusing broadly on the key practice changes that align with our vision.

This year, students entering 9th grade will have benefited from this laser-like focus on math. Students will have had teachers who had a math coach for 4 years, as well as an engaging, accessible, and aligned curriculum--Illustrative Mathematics--for 3 years. We are ready to align our instruction PK-12 to a vision of math that is joyful, believes that all students can achieve at high levels, values students' thinking, and fosters discourse and language development within the math classroom. This HS math coach will support 3 schools, roughly 30 math teachers, special educators, and EL teachers that support math, and ensure that all students in Portland have access to high quality math instruction. This coach will be able to pull in an understanding

of the work at the elementary and middle school levels to ensure coherence in the math experience at the high school level. They will also be able to collaborate with middle and elementary coaches on what students are missing at the high school level in order to refine the work at the younger grades. They will provide coaching and support meaningful collaboration across high school math departments.

.2 Social Studies Teacher Leader

Fiona Hopper is our part-time Social Studies Teacher Leader, and is currently leading a process involving over 30 educators and countless community members to develop a Wabanaki Studies curriculum that is viewed as a model for the State of Maine. This curriculum, supported and vetted by tribal leaders, scholars, and parents, will benefit all students in Portland in grades Pre-K through 12. Ms. Hopper, along with the educators that she is leading and coordinating, is also developing a scope and sequence for Social Studies that will align the content and approach to Social Studies across the curriculum to be culturally responsive, decolonized, and also ensure that students, regardless of which school they attend, will learn both broad knowledge needed to succeed in the world, as well as the depth of knowledge needed to think critically about such important topics as power, economics, and natural resources.

Next year, Ms. Hopper will continue this work and with the additional time afforded by this increase in FTE, will take on coordinating and leading the development of an Africana Studies curriculum for PK-12. Students, educators and the community have been calling on Portland to expand its social studies curriculum to deeply embed African and African American Studies for years. We have great urgency to continue the momentum that was started this year and to move into deeper curriculum development work next year. This additional .2 FTE will afford Hopper the time needed to write and coordinate, along with educators, community members, and scholars in this field, a comprehensive curriculum for students at every age in Portland.

Investment	Enable Collaboration and Specialized ELL Instruction (Lau Plan)	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	15.5 FTE	\$1,031,624
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$1,031,624 or \$0.13 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
8.5 ELL Teachers	East End (2.0), Lyseth (1.0), Presumpscot (0.5), Reiche (2.0), Rowe (1.0), Talbot (1.0), Deering (0.5), Portland (0.5)	\$552,532
3.5 PreK ELL Teachers	East End (0.5), Lyseth (1.0), Rowe (1.0), Talbot (1.0)	\$227,514
1.0 Dual ID Special Ed/ELL Teacher	District	\$109,209
1.0 SLIFE Literacy Teacher	Deering High School	\$65,004
0.5 SLIFE Social Worker	Deering High School	\$32,502
1.0 SLIFE Ed Tech	Deering High School	\$44,863
	Total	\$1,031,624

Narrative:

ELL Teacher Roles

Background & Current State

One year ago we revised the district Lau Plan and explained the moral and legal obligation that we have to serve our English Learners (ELs). In order to operationalize this commitment, we recognize the importance and value of collaboration among general educators and EL teachers and must keep in mind the requirement of providing direct specialized language instruction to ELs. Currently, we are underserving our English Learners who must receive direct instruction from an ESOL (English for Speakers of Other Languages) endorsed teacher.

Students with more basic knowledge of English must receive more intensive instruction. Students close to proficiency must receive less intensive direct English instruction. All ELs will learn best when their classroom teacher has the tools and mindset to collaborate with EL

teachers to maximize academic content instruction and English language development. This investment takes into consideration the need for smaller class ratios at the elementary level, the balance of direct instruction and teacher co-planning and co-teaching and the recommended pedagogy of English development. This request was brought forward last year and remained unfunded. We are bringing it forward again. The needs remain an urgent priority, especially in the context of our Equity goal.

Process to Get to This Level of Service

For the past four years we have been monitoring closely the number of ELs and EL staff at each school and across the district throughout the school year. We have looked at the complexity of ELs including their date of arrival, native language literacy, McKinney-Vento status, Long Term EL status, social-emotional needs, dual identified (Special Education/EL) status and other key factors that must be considered in delivering EL services to students. Based on that analysis, as well as February 2020 guidance from the MDOE regarding required frequency of direct English instruction and each school's proposal for meeting the needs of their EL population, the Department of Language Development has landed on current recommendation of staffing.

Five-Year Goal

The long-term goal of this investment is to maximize our general educators' expertise in working with English Learners. Collaboration and ESOL certification for educators are two key ways to develop our teaching staff. Though the benefits are predominantly for our English Learners, all academic language learners will be the beneficiaries of this investment in core instruction.

Portland Promise Goal

Collaboration among EL teachers and general educators will help us achieve the Equity and Achievement goals of our Portland Promise. This investment is designed to meet the needs of our current students and to help us build momentum as an organization in transformative core instructional practices.

This Investment Allows us to:

- Meet the needs of our current English Learners as described in the revised PPS Lau Plan
- Be in compliance with MDOE expectations for EL instruction
- Professionally develop classroom teachers and equip them with the tools and mindset to effectively meet the needs of English Learners

SLIFE Roles

Over the last five years, Portland has received an increasing number of students who are at the beginning of their English language journey, more of whom have experienced limited or interrupted education. In order to meet the needs of Students with Limited or Interrupted Formal Education (SLIFE) at the secondary level, we will provide English language development, heritage language support, foundational literacy/numeracy instruction and social-emotional support using a Mutually Adaptive Learning Program (MALP). This approach and staffing is based on research and best practice. It calls for the following:

- A full-time EL teacher / Reading teacher who can work directly with secondary students *on reading instruction* and co-plan with EL teachers / Literacy and Math coaches *to scaffold instruction or modify curriculum*. Students would receive direct services from this teacher while Individual Language Plans are kept by the Language Acquisition Committee and implemented by school staff in conjunction with this itinerant teacher.
- A full-time Language Acquisition Ed Tech (or Support Contractors in multiple languages) to help students with the transition to American schools and to provide language support in primary language. Currently there is a need for Portuguese and Spanish speakers. This may change depending on the countries of origin of our students.
- A part-time social worker to help students with the social emotional support needs associated with various ACES common among immigrants arriving in the U.S. with limited or interrupted education

Dual Identified Role

With close to 260 students identified to receive English Learner and Special Education services across the district, and many more students referred to Response to Intervention programming regularly and at a disproportionate rate, this population is characterized by complex identification and programming. This role would be filled by a full-time dual-certified special education teacher who is ESOL endorsed (or EL teacher with an SE background). This person would also have an early literacy background/emergent reading for older students, along with skills and experience in diagnostic, standardized and formative assessments. Part of this role includes the creation of systems, documenting them, and working with building administrators, special educators, and EL teachers to develop them in school personnel in order to ensure that students get the language development/ special education services and academic support they need from the adult professionals. This resource is most needed in self-contained special education district-programs (FLS, FA, Breathe, Beach, Gov. Baxter School, SLIFE).

When an EL student is being considered for special education, whether informally or through the referral process, the person in this position will be involved in planning and assessing the RTI, evaluations, and other data collected. They will guide the team in thinking about how to consider language needs when determining special education eligibility, to ensure that students are identified only when appropriate.

Investment	ACAA Harassment Policy Implementation	
Sponsor	Aaron Townsend, Assistant Superintendent	
FTE Additions	1.0 FTE	\$91,801
Non-FTE Additions	Stipends	\$30,007
Reduced Costs	n/a	\$0
Total Budget Impact		\$121,808 or \$0.01 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
1.0 Ombudsperson	Administration	\$91,801
	Total	\$91,801

Background and Current State

The Portland Board of Education approved modifications to Policy ACAA (Harassment, Sexual Harassment and Discrimination) this past Fall after a year-long process of review and community engagement. The policy has far reaching implications for how the district receives and investigates allegations. In order to operationalize it effectively, this budget investment provides the staffing needed to oversee and manage this process. It includes a staff role reporting to the Assistant Superintendent for School Management and stipends for school liaisons at each secondary school in the district.

Last summer, a large number of students and former students came forward through a series of social media posts alleging multiple violations of this policy. This event highlighted the fact that some students/former students did not know how to make those claims visible at the school or had previously come forward with concerns within their school but perceived that nothing changed as a result.

This highlights an opportunity for us to create a system to make it easier for students and others to raise concerns about PPS to a central resource, who can then ensure that complaints are addressed in a fair and consistent manner, and with clear communication.

Investment	Portland Pre-Kindergarten Promise	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	9.0 FTE	\$459,335
Non-FTE Additions	Supplies, Contractual	\$62,000
Revenue Offset	32 students x \$9,400	(\$300,800)
Reduced Costs	n/a	\$0
Total Budget Impact		\$220,535 or \$0.03 on tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
2.0 Teachers	Lyseth and Partner	\$130,008
2.0 Ed Techs	Lyseth and Partner	\$89,725
2.0 Bus Drivers	Transportation	\$102,295
3.0 Bus Assistants (4 positions @ 0.75 FTE each)	Transportation	\$137,307
	Total	\$459,335

Narrative:

This year's proposed investment in the Pre-Kindergarten Promise provides staffing for two additional Pre-K classrooms and expands transportation to Pre-K students, addressing one of the key barriers families face in accessing Pre-K.

Portland's public Pre-K program was established in 2010 with a grant from the Cohen Foundation and was folded into the district budget in 2011. As of today, the district runs twelve classrooms (with an additional mixed Pre-K/K class at Peaks Island Elementary School), serving a total capacity of approximately 195 students. Including the class at Peaks, nine classrooms are located in elementary schools, one is housed at Portland Arts and Technology High School, and three are located in community partnership sites.

In 2016, we partnered with Starting Strong in a year-long process that helped us understand the need in our community in terms of the number and location of Pre-K seats, and the barriers families face when trying to take advantage of this opportunity.

The barriers include the need for an extended day, transportation, and flexible enrollment. In FY20, the Board of Education committed to increasing by seven the number of pre-kindergarten classrooms in the district. In the summer of 2019, we hired a Pre-K director to lead the expansion efforts, provide oversight of the program, and enhance communication and collaboration with building leaders and community partners.

This year's budget includes the scheduled expansion of two classrooms (bringing total classrooms to 14 plus Peaks). Staffing requested includes two teachers and two ed techs. The cost of classroom expansion is largely offset by the increase in state EPS funding we receive by enrolling an additional 32 Pre-K students in the district. The state allows districts who are expanding Pre-K classrooms to count those Pre-K seats toward subsidy for the year in which the expansion will occur (normally EPS is based on the enrollment count of the year prior, not anticipated future enrollment). That means that our EPS subsidy for FY22 includes funding (at about \$9,400/student) for the 32 new students we intend to enroll in our expansion classrooms.

Transportation is especially important for those families who live in neighborhoods in which there is no Pre-K classroom in their neighborhood elementary school. We also believe that many families do not even engage in our PPS Pre-K lottery process due to lack of transportation. In our FY22 budget we propose providing transportation services to Pre-K students. This will require a staffing investment of 5.0 FTEs at a cost of about \$240K. This will allow us to add two pre-kindergarten dedicated routes and ensure that all of our buses transporting pre-kindergarten students have a monitor on board.

Investment	Special Ed: Extend the Continuum of Service for Students with Autism	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	6.0 FTE	\$309,458
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$309,458 or \$0.04 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
1.0 Special Ed Teacher	Ocean Ave	\$65,004
3.0 Ed Techs	Ocean Ave	\$134,588
1.0 Special Ed Teacher	Lincoln Middle School	\$65,004
1.0 Ed Tech	Lincoln Middle School	\$44,863
	Total	\$309,458

Narrative:

Middle School BEACH Program (1 teacher, 1 ed tech)

The District has had the BEACH Autism Spectrum Disorder (ASD) elementary program for many years, and recently added a high school program as well. However, there has never been a counterpart program at the middle school level. While some students in the BEACH elementary program are able to gain skills and strategies to successfully transition to their neighborhood school prior to leaving 5th grade, others continue to require BEACH supports in middle school and beyond. Middle school students who do not receive these supports are currently served either in programs that do not have the full capacity to address their needs, such as Functional Life Skills or Breathe, or in some cases require placement at special purpose schools outside of the district. This happens at a cost that can go up to \$83,000 a year per student. Even though we now have a high school level program, it can be difficult to bring students back to our schools once they have been placed out of the district. Therefore, we propose to establish a middle school BEACH program to serve a projected 10-12 students next year. This will allow students to access the BEACH continuum for as much of their time in PPS

as needed. This program will be staffed by one teacher and three ed techs, with the other two ed tech FTEs being reassigned from existing middle school positions.

Elementary BEACH Program (1 teacher, 3 ed techs)

There are 8-10 students who are entering PPS in the fall from preschool who are projected to require the BEACH program, and the two existing program classrooms are already projected to be at the maximum capacity of eight students each. As with the middle school program, students that we cannot serve in the BEACH program may end up in other district programs not totally designed to meet their needs, or with a high-cost out of district placement. Therefore, we propose establishing a third elementary BEACH program to serve these students.

The FY2021 budget impact for these increases would be \$309,458 for 2 FTE teachers and 4 FTE educational technicians.

Investment	Special Ed: Functional Life Skills	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	2.0 FTE	\$109,867
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$109,867 or \$0.01 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
1.0 Special Ed Teacher	Deering High School	\$65,004
1.0 Ed Tech	Deering High School	\$44,863
	Total	\$109,867

Narrative:

High School Functional Life Skills and Functional Academics Programs (1 teacher, 1 ed tech)

In January 2021, the Maine DOE directed school districts that effective immediately, students with IEPs are eligible for services until they turn 22, or graduate from high school. Previously, the rule had been that students had been eligible until the end of the year in which they turned 20 (or graduated from high school). For the vast majority of students with IEPs, this change will likely have no effect, as they will still graduate by age 19 or 20. But for the small group of students with the highest needs, the IEP teams will now likely determine that their transition plan should continue until age 22. This year, almost all of the students who would have aged out, except for this new rule, attend the Functional Life Skills (FLS) and Functional Academics (FA) programs at Deering High School . There are eight total students in these two programs that we now anticipate staying past this year, who would not have done so under the old eligibility rules.

Therefore, we propose adding another special education teacher and ed tech to Deering High School, allowing the district to reorganize these two programs and serve the oldest students separately. Without this change, we will end up with a range of students from ages 14-21 in the same classrooms, and will put the FLS class above its maximum capacity. Given the differences that could exist in these students physically, as well as in terms of their academic and functional needs, it is in their best interests to have another class for the oldest students.

Investment	Diversity Hiring and Support	
Sponsor	Barbara Stoddard, Executive Director, Human Resources* Grace Valenzuela, Executive Director, Communications and Community Partnerships	
FTE Additions	1.0 FTE	\$100,008*
Non-FTE Additions	Stipends/Temp Course Reimbursement Fees/Training Pay Level Upgrade Extended Work Year	\$92,812* \$59,520* \$13,700* \$87,072 \$46,535
Total Budget Impact		Combined impact of \$399,647 or \$.05 on the tax rate

FTE Detail:

Position	Location	Total Cost (Salary & Benefits)
1.0 Director of BIPOC Career Pathways & Leadership Development	Human Resources	\$100,008
	Total	\$100,008*

Narrative:

The FY22 Diversity Hiring & Support budget is a research-based proposal to respond to the needs of our Black, Indigenous and People of Color (BIPOC) students and staff, and to implement three out of five strategies named in the Portland Promise People goal.¹

The budget funds efforts to increase the diversity of our staff and is grounded in research showing that there are cognitive, social and emotional benefits for all students who interact with classmates and educators from different backgrounds, cultures, and orientations to the world. Studies show that the impact of teachers of color is especially significant for students of color who have higher test scores, fewer unexcused absences, are less likely to be chronically absent, and are more likely to graduate high school and to succeed in college when they've had teachers of color who serve as role models and support connections to school and to learning. Current PPS demographics indicate that our student body is almost 50% students of color, yet our overall staff and our educators are only 11% and 6% BIPOC, respectively. Our schools

¹ 1. Articulating our **core values** and unique PPS identity to attract new talent and strengthen organizational culture, 2. Build **career pathways** that motivate and retain our talented and diverse people, and 3. Build and implement a **diversity recruitment** strategy.

need to be representative of everyone and we need our teaching staff to reflect the diversity of our school community.

Additionally, from an organizational perspective, research shows that more diverse organizations perform better on key organizational metrics like recruiting and employee satisfaction; ethnically/racially diverse organizations are 35% more likely to outperform their peers. To achieve these gains as an organization, we need to focus on our organizational culture, specifically, inclusion and belonging. Creating strong inclusive cultures in the district is the lever to our diversity work and is the key to staff retention. We learned about the need for inclusive and equitable practices in a recent study of PPS BIPOC educators. We learned that a deep disconnect is experienced by our BIPOC staff who think our focus on equity is intended for students alone, and not our staff. The *Educators of Color* report highlighted that without a focus on inclusion and belonging, without attention to our internal staff culture and the workplace environment where we want highly qualified and diverse talent to stay, without addressing the structural and cultural barriers that exist for BIPOC staff, we won't be able to achieve the goals set out in the Portland Promise.

For all of these reasons we need to have the work grounded in a dedicated leadership role. This 1.0 FTE role will focus on growth & retention of BIPOC staff, will be involved in our recruiting efforts, work as part of our educator mentoring team, and will support the diverse needs of BIPOC staff ranging from organizing affinity groups to helping navigate the certification process (\$100,008).

Creating intentional pathways to accelerate our current BIPOC staff into teacher and leadership roles in the district includes allowances for additional coursework to attain the necessary Maine DOE certification (\$59,520). Funds for fees and training are also budgeted for professional development, and the cost associated with testing and other teacher preparation work, as well as licensing for Educators Rising, a high school-based grow-your-own teacher program (\$13,700).

Other related diversity hiring and support costs include stipends and additional pay for staff who are engaged in the hiring process, career pathways through mentoring, instructional support and teaching, and for those who will lead new formalized affinity groups for our diverse staff. Finally, funds are being dedicated for staff who are engaged in linguistic and identity-based work that is being recognized, elevated and expanded due to the importance and impact of this work on our most marginalized students and families (\$92,812).

One of the things that the pandemic has magnified is the essential work that Parent Community Specialists do in serving multilingual families in Portland Public Schools. They ensure that families can access critical information that the district provides to them in a language that they speak, read, or write. They also act as culture brokers to bridge the cultural differences that can so easily lead to misunderstanding. They are trusted allies and important lifelines to families. As such, Parent Community Specialists feel obligated to respond even beyond work hours, particularly since many families work second or third shifts. Parent Community Specialists do their work above and beyond, despite being among the lowest paid employees in the district,

because they understand that education is an equalizer and that educational justice is embedded in the work they do every day.

To meet the demands of the job and to professionalize the role, we propose a 12-month work year (\$46,535) and an upgrade in their salary level (a total cost of \$87,072). A new job description that matches the actual work they already do is being developed. The additional four weeks would help us catch up with translations of documents such as policies, guidelines, and school handbooks, as well as provide educational workshops and orientation sessions for parents.

Investment	Director of Diversity, Equity and Inclusion	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	1.0 FTE	\$120,208
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$120,208 or \$0.01 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
1.0 Director of Diversity, Equity and Inclusion	Academics	\$120,208
	Total	\$120,208

Narrative:

This proposed investment related to the Equity Goal of the Portland Promise seeks to move the position of Director of Diversity, Equity and Inclusion into the local operating budget. It has been fully grant-funded since its inception.

This position was established in 2017 as a cross district role initially funded by a grant from the J.T.Gorman foundation following the adoption of the Portland Promise. Over the last several years the position has been funded through a second J.T. Gorman Foundation grant, the Barr Foundation and Title IX funds (related to professional development). As the focus on equity has grown and expanded in the district so have the responsibilities of the position.

The Director of DEI advances equity related work and consults with all departments and schools to help hold us all accountable for bringing an equity lens to all that we do. Examples of the current responsibilities include: building system-wide equity literacy via Equity Leaders Cohort; designing and distributing resources that are responsive to equity related needs (e.g. n-word guidance); improving school and district climate through equity focused audits and action planning; supporting school and district staff with response to issues and current events; training new employees on foundational equity literacy via new employee orientation; ensuring alignment with equity related PPS policies including Transgender and Gender Expansive Students policy, Harassment, Discrimination and Sexual Harassment Policy and district Equity Policy (in draft); collaboration with Human Resources to ensure equitable hiring practices.

The Director of DEI is an essential role for advancing the equity goal in the district. Local and national foundations have enabled the district to launch the role and prove its worth. It is time to embed it in the local budget.

Investment	Integrating Innovations	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	2.0 FTE	\$216,879
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$216,879 or \$0.03 on the tax rate

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
1.0 Tech Integration Coordinator	Academics	\$123,400
1.0 Teacher Leader - Outdoor Learning	Academics	\$93,479
	Total	\$216,879

Narrative:

Outdoor Learning Coordinator (OLC): This Fall, Portland Public Schools sought to take teaching and learning outside. The intention behind this effort was to create safe, outdoor classroom sites on all our campuses for teachers and students to work together. It accomplished that goal--getting outside, but outdoor learning is so much more than just getting outside. The long term intention of the district is to continue nurturing, supporting and deepening these efforts long after Covid 19 dissipates. An OLC is needed to shepherd this work. PPS has built a great deal of momentum, locally and nationally, this position will allow the work to continue and grow. The OLC will help further the mission of outdoor learning, as well as, provide a hub where core curriculum, Equity, and SEL goals intersect with this type of learning to assist in fulfilling the vision of the Portland Promise. Please see this [job description](#) to see the roles and responsibilities of this position.

Tech Integration Coordinator: This fall, Portland Public Schools experienced an unprecedented leap in teachers integrating technology into their classrooms. Suddenly, all teachers, except for the very tech-savvy, were utilizing technology in ways that they never had before. There was a very steep learning curve. Some elementary teachers in Remote Academy, a new program that opened in September to meet the request for remote learning, needed tutorials on how to cut and paste or open a browser. Pre-K teachers learned how to engage 4-year-olds and their families remotely. Teachers in middle school and high school suddenly needed to lead remote and asynchronous classes with little training or support, except informally from their colleagues or through tutorials on youtube.

The learning, however, is not over. With a tech integration coordinator, we can capitalize on this moment, further our capacity and bring the district into the 21st Century. Without it, we will fall back to the tech-savvy, and not move forward into common and consistent practices. We believe a Tech Integration Coordinator is needed in order to codify what we learned, integrate the technology with our district's instructional vision, and provide intensive and ongoing professional development that teachers need to be able to use technology consistently.

Innovate K-12, a national consulting firm conducted an organizational review of the district's data and technology staffing and benchmarked it against national standards for technology support. Based on their assessment, the district should add 3 positions to support technology integration. This proposed investment is the first step in working toward that standard.

Investment	Pandemic Recovery - Physical and Mental Health	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	3.7 FTE	\$274,778
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$274,778 or \$0.03 on the tax rate

FTE Detail

Position Addition	Location	Total Cost (Salary & Benefits)
0.5 Social Worker	Casco Bay High School The 0.5FTE social work position that was assigned to Casco Bay High School is being increased to 1.0 FTE to come into better alignment with the recommended ratios and to meet increased special education and mental health needs of students.	\$36,343
0.2 Social Worker	Presumpscot The 0.2 FTE social work addition is currently funded by Title I. It is included in the local budget this year because it is likely this will not be able to be funded by Title I this year given the ranking and distribution formula and the resulting funds that the school is entitled to. This move guarantees the school will maintain a full time social worker, which they currently have.	\$15,247
0.8 Social Worker	Talbot The 0.8 FTE social work addition is being included in the local budget, from Title I. It is included in the local budget this year because it is likely this will not be able to be funded by Title I this year given the ranking and distribution formula and the resulting funds that the school is entitled to. This move guarantees the school will maintain the three full-time social workers they currently have.	\$76,188

1.0 Social Worker	Lyseth The 1.0 FTE social work addition is being included for Lyseth Elementary School (currently 478:1) given the extremely high ratio of students to social worker.	\$65,004
0.5 Social Worker	Reiche Currently, Reiche has 1.0 social worker. The school has a high number of students experiencing homelessness, recently having experienced homelessness or at increased risk for experiencing homelessness. The 0.5 FTE social work addition is being included to support these students.	\$32,502
0.5 Social Worker	East End Currently, Reiche has 1.0 social worker for the school (and 1.0 Breathe Social Worker). The school has a high number of students experiencing homelessness, recently having experienced homelessness or at increased risk for experiencing homelessness. The 0.5 FTE social work addition is being included to support these students.	\$32,502
0.2 Nurse	Lyseth	\$16,992
	Total	\$274,778

Narrative:

Ratio Based Additions (CBHS and Lyseth)

School social workers are licensed professionals who consult and collaborate with students, families, colleagues, and community resources in areas that impact student learning. The primary role of the school social worker is to identify and assess needs through behavior assessment, counseling, and case management services and make appropriate referrals to community-based supports for assistance. It has become increasingly critical that we embrace and embed social and emotional support in our schools in an effort to reduce barriers to learning for our most vulnerable students.

It is recommended that school social work services are provided at a ratio of one school social worker to each school building serving up to 250 general education students, or a ratio of 1:250 students. When a school social worker is providing services to students with intensive needs, a lower ratio, such as 1:50, is suggested ([recommended ratios](#)).

While many of our schools do not meet (or come close to meeting) the recommended ratios, we are prioritizing two schools that are especially far from best practice national norms. CBHS has a slightly higher ratio of social worker to students as compared to the other high schools and does not have a 0.5 dedicated Breathe social worker like the other two high schools have. Their combined mental health supports need to be increased and this add means that they will have a full time social worker on site and available to students. We are also recommending an additional social worker for Lyseth, which is our largest elementary school and the furthest from the recommended ratios.

[Student: Mental Health Supports Ratios](#)

Moving Title I Social Work Costs into Local (Presumpscot and Talbot)

Presumpscot and Talbot have portions of their social work funded out of Title I. Given the nature of the rank and distribution formula and its application to these schools, we are concerned that we may not be able to fund these positions out of Title I this year and so this move is intended to ensure these positions stay full time for the future.

Increasing Social Work Support for Schools Serving High McKinney Vento Populations

East End Community School and Reiche receive the highest number of students experiencing homelessness, being at risk for homelessness, or having recently experienced homelessness. These 0.5 adds would provide much needed additional social work support for these schools serving these

Nurse Addition: A 0.2 FTE reflects a commitment to meet student health needs during the pandemic and beyond, while also increasing Lyseth School's nursing staff to a 1.0 FTE consistent with nursing staff at other schools the size of Lyseth throughout our district (with the exception of Cliff and Peaks Island Elementary Schools). Additions of 0.3 FTE at Lyseth, 0.4 at Peaks, and 0.1 at Presumpscot were approved as part of the FY21 budget process, and those increases have also been retained in the FY22 budget.

Addendum

Investment	Teaching & Learning (Curriculum, Assessment, SEL Support)	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	n/a	\$0
Non-FTE Additions	Various non-salary	\$677,021
Reduced Costs	n/a	\$0
Total Budget Impact		\$0 (\$677,021 would represent an \$.08 tax rate impact if not using federal funds)

FTE Detail - **NA**

Position	Location	Total Cost (Salary & Benefits)
	Total	\$0

Narrative:

Social Studies and Science Curriculum Development (teacher additional pay) (\$59,425):

Currently, we have no consistent curriculum expectation or set of materials and tools for Social Studies and Science in the district. In an effort to align our resources with our new Social Studies and Science instructional visions, we are working to build out curricular tools for teachers to use. The goal is for students to have a coherent progression of learning throughout their PK-12 experience. We are putting a deep focus on decolonizing our curriculum both in terms of the content that is taught and the pedagogy that is used. We are using collaborative structures for teachers to design materials and/or make decisions about which tools and materials fit our PPS instructional visions. We need to pay teachers for their time spent working on curriculum design. These funds will specifically support:

- Development of Wabanaki and Africana Studies Units
- Embedding literacy standards into the Social Studies and Science units

Wabanaki and Africana Studies Curriculum Materials and Aligned Professional Development (\$106,551)

These funds will support the materials (books, maps, film, etc.) needed to implement the third grade unit, “Water Protectors”, which integrates Wabanaki Studies, Science and Literacy. This is one of the first units we are pushing out as we begin the implementation

of and scale-up of our Social Studies and Science curriculum. We are also seeking to purchase some of the Africana Studies textbooks for the emerging scale-up of Africana Studies at the high school level. Finally, we will need to provide aligned professional development for teachers in order to implement these new units well and so we are proposing an investment in professional development.

Science Curriculum, Materials and Aligned Professional Development (\$157,870):

After two years of development and piloting at Talbot Elementary School, we are ready to begin the scale-up of an Elementary Science curriculum that is aligned to the Next Generation Science Standards and that reflects a “phenomena based” approach to pedagogy. This curriculum is interdisciplinary and aligned with literacy standards and in some cases with the Social Studies standards as well. This investment includes:

- Science Professional Development to support the instructional vision (training)
- Science aligned materials to support the vision (Gizmos for secondary, consumables for elementary and secondary)
- Grades 3-5 Science Curriculum, 4 schools, Amplify (to do all schools would be \$190K, this amount includes \$64,000 for just 4 schools since not all schools are ready for implementation this coming year)
- PK-8 E-books and online subscriptions (PK - 8 Generation Genius \$10,995, Consumables \$7442, Gizmos 6-8 \$5625, K - Go2Science \$9000)

Literacy for Equity Professional Development and Phonics Materials (\$35,936):

Building off the initial literacy work to adopt a consistent phonics curriculum, we are working to build a literacy vision for the district (like we have for math, science and social studies). This investment is for:

- Teacher additional pay for summer work around the development of the vision and the related district-wide moves (PD plans, books). This also includes a contract with Great Schools Partnership to support facilitation of this team of teachers.
- Materials for the third year of phonics implementation (Lively Letters and decodable texts for intermediate grades).
- Professional Development on Literacy for Equity for grades 6-12.

Sustaining Math Work: Curriculum, Consumables, Professional Development (\$116,976):

We are in year 4 of implementation of our math work, which has been focused on advancing equity through ensuring ALL students have access to engaging, grade level curriculum. We’ve been working on a shift to a “problem based” curriculum which prioritizes starting with students’ strengths. The pedagogy and curriculum is designed specifically to center the needs of EL learners. This investment is for:

- Illustrative Math scale-up at some HSs (training and books Alg 1, 2, Geometry)

- 6-12 Math PD and materials (building thinking classrooms book, whiteboards and whiteboard markers)
- Increase in Elem IM fee for workbook (last year's cost was in baseline, this is the increase from company 37K)

Educational Technology Integration, Embedding Innovations from COVID (\$45,470):

This investment is to continue the use of SeeSaw and Pear Deck, two key educational technology programs adopted district wide this year. Both tools promote student discourse and teacher feedback.

Balanced Assessment Strategy (\$68,097):

We have launched an Assessment Strategy Workgroup, which is charged with building a balanced assessment strategy for the district that prioritizes formative assessment tools and data, deepens a culture of looking at data to reflect and take action, emphasizes authentic assessment as well as having multiple ways to understand what students have learned and where they need help. These funds are for purchasing assessment tools, professional development around assessment strategy with a focus on how assessment and equity intersect, and for interpreters for PK and K screening.

Social Work (Professional Development, Integrating Diversity/Equity/Inclusion, Supporting PK) (\$20,200)

Social Workers play a crucial role in supporting our students' mental health and in ensuring we are able to access the network of supports each student needs. This year more than ever we have leaned on our social work team for a myriad of supports. We have also come to see that the role looks different in different schools. Sometimes this is based on the unique context of the school. Sometimes it's more connected to how the particular people in administration or the position see the role. We are striving to build a shared understanding of the role that is aligned with the standards of the National Association of Social Workers and the School Social Worker Association of America. In doing this work, we are making an intentional effort to take an equity oriented lens to the work. One way we are doing that is through a contract with a BIPOC social worker who is supporting the team to be accountable for the ways in which our approaches are or are not responsive to students of color. This person is also partnering with the department to recruit a more diverse group of social workers into the district. Finally, this investment supports social work for PreK students in partner sites.

Equity Leader Stipends (\$54,000):

This investment supports one or two paid Equity Leader stipends per building/program (depending on size/program needs). Our Equity Leaders have been crucial in lifting our district wide Equity professional development. In addition to leading PD in their buildings, this team also supports equity related initiatives as they arise. For example, we worked with this team and administrators to plan for and roll out the Educators of Color

report across buildings. They play a crucial leadership role in their schools and we believe they should be compensated for this teacher leadership work.

Social Emotional Learning/PBIS Related Investments (\$12,496)

- Professional development on de-escalation
- Maintaining enough Second Step materials (K-5)
- Maintaining and scaling SWIS (the PBIS data system)

Investment	Enable Collaboration and Specialized ELL Instruction (Lau Plan)	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	n/a	\$0
Non-FTE Additions	ESOL endorsement for coaches/strategists	\$49,500
Reduced Costs	n/a	\$0
Total Budget Impact	n/a	\$0 (\$49,500 would represent a \$0.01 tax rate impact if not using federal funds)

FTE Detail - NA

Position	Location	Total Cost (Salary & Benefits)
	Total	\$0

Narrative:

ESOL Endorsement: In order to maximize collaboration efforts to have language development instructional strategies front and center, the preferred strategy would be to have every general educator fully ESOL endorsed (660). With five graduate level courses necessary for the certification, this becomes cost prohibitive. Our math and literacy coaches at the elementary schools and our learning strategists at the middle school level have a widespread influence on instruction across multiple grade-levels and schools. Having the coaches and strategists approach their work with the ESOL language lens has and will continue to elevate instruction for all students and English learners specifically.

This is part of an on-going investment starting with coaches and strategists in FY22. The next phase will be supporting the ESOL endorsement for a percentage of general educators that will allow for clustering of English Learners in classrooms to maximize the influence of ESOL endorsed teachers.

Curriculum:

- **Imagine Learning** - This supplementary literacy and language program for elementary students and middle school students has been piloted in various elementary schools in our district and phased in across all elementary schools'

IELD students in FY21. The program provides native language support and instructions and has demonstrated effectiveness with our young and newest language learners. As we anticipate a potential wave of new students in the spring, summer and into the fall of 2021, this resource will become increasingly useful for our students. We are expecting 300 to 400 students using this software. The platform gives a common experience for all of our students, providing continuity for students who frequently transition in and out of our various schools.

- **Ellevation Strategies-** This extension to the ELlevation software platform will be integral to our EL teachers' work with English Learners. ELlevation Strategies promotes greater collaboration among EL teachers and general educators using research-based SIOP and high leverage principles for teaching English Learners. The database of instructional strategies would be available to all staff from PreK to Grade 12 helping us fulfill our Lau Plan goal of greater collaboration and integration of language development instructional and assessment tools throughout grade-levels and content-areas.

Investment	Special Ed: Program Support	
Sponsor	Melea Nalli, Assistant Superintendent of Teaching & Learning	
FTE Additions	n/a	\$0
Non-FTE Additions	Various - see below	\$161,082
Reduced Costs	n/a	\$0
Total Budget Impact	n/a	\$0 (\$161,082 would represent a \$0.02 tax rate impact if not using federal funds)

Narrative:

- \$8,470 - The driver of this increase is that new batteries are needed for all Automated External Defibrillators in the district.
- \$152,612 for Academics - The main drivers of this increase are \$90,766 for tuition (3% increase to current tuition and adds tuition for out of district placement students affected by the State's new policy of allowing students to remain in school until age 22), \$50,327 for programming for students who are now eligible until age 22, and \$51,825 for additional Extended School Year funds to extend the program for students (goal to expand ESY as a proactive way to respond to kids with high needs having missed time this year). We have offset these increases with decreases in other areas such as staff training for the resulting net.

Investment	Diversity Hiring and Support	
Sponsor	Barbara Stoddard, Executive Director, Human Resources	
FTE Additions	n/a	\$0
Non-FTE Additions	Various - see below	\$27,000
Total Budget Impact	n/a	\$0 (\$27,000 would represent a \$0.00 tax rate impact if not using federal funds)

Narrative:

The FY22 Diversity Hiring & Support budget is a research-based proposal to respond to the needs of our Black, Indigenous and People of Color (BIPOC) students and staff, and to implement three out of five strategies named in the Portland Promise People goal.¹

Efforts to increase the diversity of our staff and is grounded in research showing that there are cognitive, social and emotional benefits for all students who interact with classmates and educators from different backgrounds, cultures, and orientations to the world. Studies show that the impact of teachers of color is especially significant for students of color who have higher test scores, fewer unexcused absences, are less likely to be chronically absent, and are more likely to graduate high school and to succeed in college when they've had teachers of color who serve as role models and support connections to school and to learning. Current PPS demographics indicate that our student body is almost 50% students of color, yet our overall staff and our educators are only 11% and 6% BIPOC, respectively. Our schools need to be representative of everyone and we need our teaching staff to reflect the diversity of our school community.

Without a dedicated recruiter on staff in HR, we are limited in our ability to increase the number of BIPOC candidates in our hiring pools. In addition to the proposed funding for support from the general fund, we will use federal funds to engage the services of an external recruiter on a part-time basis during the hiring season. Additionally, we will compensate current BIPOC staff members who support our hiring efforts by 1) attending job fairs and 2) making personal connections with potential candidates. The total cost for these services in FY22 is \$27,000.

¹ 1. Articulating our **core values** and unique PPS identity to attract new talent and strengthen organizational culture, 2. Build **career pathways** that motivate and retain our talented and diverse people, and 3. Build and implement a **diversity recruitment** strategy.

Investment	Communications & Resource Development	
Sponsor	Grace Valenzuela, Executive Director, Communications and Community Partnerships	
FTE Additions	.5 Website Coordinator	\$38,809
Non-FTE Additions	Website/Design contractual services	\$57,900
Total Budget Impact	n/a	\$0 (\$96,709 would represent a \$.01 tax rate impact if not using federal funds)

FTE Detail:

Position	Location	Total Cost (Salary & Benefits)
.5 Website Coordinator	District Office	\$38,809
	Total	\$38,809

Narrative:

Serving over 6,500 students along with their families, educators, and other key stakeholders within the community, PPS needs an improved web presence that is:

- ▶ Easy to navigate
- ▶ Visually-driven
- ▶ Accessible for a multitude of audiences
- ▶ Easily translatable into any language
- ▶ Fully integrated and navigable on any device or browser
- ▶ ADA compliant
- ▶ Secure and safe
- ▶ Able to integrate dynamic digital content (videos, images w/ parallax effect, social media, etc.)
- ▶ Mobile friendly / fully responsive
- ▶ Fully integrated with Google analytics
- ▶ Able to accommodate TBD Third party API integrations
- ▶ Easy to manage for staff with limited technical expertise

Our current website was built at least five years ago. Every year web standards change radically to comply with the latest standards. It also uses HTML code that makes it difficult to update. Given that we have over 60 different linguistic groups, language accessibility is also critical for PPS. The current website doesn't give us a

reliable language translation system.

This investment supports a contract with a website vendor for the purchase and customization of a website platform to meet the district's needs. It also establishes a one year only position of a dedicated staff to assist in keeping the website current and assisting in the development of new web content and implementation of the new design.

Investment	Technology Integration & Support	
Sponsor	Gavin Goodall, Executive Director of Information Technology	
FTE Additions	n/a	\$0
Non-FTE Additions	Various - see below	\$846,787
Reduced Costs	n/a	\$0
Total Budget Impact	n/a	\$0 (\$846,787 would represent a \$0.10 tax rate impact if not using federal funds)

Narrative:

\$846,787 includes:

\$185,000 Tech Integration/IT - Data Center: Using high-end estimate of \$185,000 for one time costs with recurring annual charges (\$15,000 per year) - Several of our data servers are nearing end of life and will need to be replaced in the next year or two. By upgrading one of our newer servers and purchasing another one we will be able to consolidate several of our servers while upgrading them at the same time. These servers are essential in remote learning, running all of our day to day operations, and remaining federally compliant.

\$202,000 Tech Integration/IT - Firewall upgrade - Our current firewall's warranty is expiring and we need to upgrade our current system to handle greater throughput as we consider increasing our internet speed in the future. The upgrade will offer greater network security as well as the ability to identify issues more quickly and intuitively.

\$200,000 Tech Integration/IT - Projectors - Many of the projectors across the district were purchased more than 7 years ago and need to be replaced or upgraded. Several are not working or no longer functioning well.

\$192,440 Tech Integration/IT - Phones - We invested in upgrading our phone network to VoIP over the past few years and now we need to replace the handsets on the network because they have depreciated considerably in quality and are not taking full advantage of the new network.

\$67,347 Tech Integration/IT - New Device Insurance Quote - Difference between new quote of \$119,347.02 and \$52,000 remaining in our baseline budget - This is the cost to insure the new chromebooks we purchased for one year. The revised cost will continue in subsequent years.

Investment	Recovery and Acceleration - Summer School	
Sponsor	Melea Nalli, Assistant Superintendent	
FTE Additions	n/a	\$0
Non-FTE Additions	<i>*Estimate, which may include FTEs once plan is fully developed, and includes related transportation and food service costs (\$250,000).</i>	\$2,250,000
Additional Costs	Summer School Program costs removed from local budget	\$136,960
Total Budget Impact	n/a	\$0 (\$2,386,960 would represent a \$0.30 tax rate impact if not using federal funds)

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
	Total	\$0

Narrative:

Theory of Action

If we create varied opportunities that honor learners' immediate and long term needs, then we can ensure that all learners feel seen, challenged, and supported.

“Learning Loss”

Everyone agrees that this pandemic has taken a toll on students' (and likely everyone's) mental health, but the impact on student learning is less conclusive. Some believe that students, some more than others, have had decreased opportunities to advance their learning throughout the pandemic, and are now even further behind grade-level expectations. Others assert that “learning loss” is a fabricated construct that assumes the only learning that is valuable is what happens in school and that is measured by state and national assessments. Like so much that is complicated in this world, both of these can be true at the same time. No doubt, some students did not have the same access as others to teachers and the curriculum (whether due to technology or their own pandemic exigencies) — and they will need social and academic support to feel efficacious upon their return to school in the fall. But much learning did occur this year by all of us navigating profound uncertainties. Teachers and their students have engaged with the curriculum in new ways and learned so much about what they are capable of and how to build community and connection from a distance. Summer learning will need to respond to all of this, and that is why we are focusing our summer investments on: **Connection, Curiosity,**

Competency, and Cohesion.

Summer opportunities

Connection: *Support students in connecting with their peers and with their school community*

Summer Opportunities:

- Community Partner Subsidies
- Outreach Coordinators
- Early Childhood Playgroups
- Welcome Back Week

Curiosity: *Nurture and create space for students' innate love of learning and the questions that inspire them*

Summer Opportunities:

- Elementary School-Based Programs (Gorman Model)
- STEM Camp

Competency: *Design summer curriculum to support students in meeting learning standards*

Summer Opportunities:

- Sun School (Middle and High Schools)
- Standards Recovery Program (High School)
- Language Academy
- ESY Summer Program

Cohesion: *To support teachers in communicating student learning to the next grade level and identifying where students are through formative assessment*

Summer Opportunities:

- Transition Conversations
- Formative Assessment Work

Budget Strategy:

By investing a significant portion of federal funds in summer programming, we have the opportunity to reach more students, engage students at all grade spans, and provide resources to all schools. This opportunity had not existed previously. The district's investment of \$135,000 in previous years has helped to support district programs such as the high school credit recovery program, Language Academies, program coordination and some support for programs where federal Title I and III funds and private grants were not available. This summer we are able to create a school allocation for each of our schools to develop programming that will support students with opportunities to grow academically and social emotionally while maintaining health and safety protocols. The formula that was developed is a per pupil formula allocating \$800 per student with the number of students at each school being based on the school's directly certified free lunch students. This means a school with a higher poverty rate will receive more funds than a school with a lower poverty rate as we anticipate that the student needs will be higher at schools with a higher poverty rate. We will have the flexibility to reallocate funds based on actual student needs. Funds will support staff pay for designing and delivering programming, coordination at the district, program and building levels, language support and social work support for students and families, partnership with community programs, engaging instructional materials, transportation, and meals.

Investment	Other: Hazard Pay & Benefits	
Sponsor	Xavier Botana, Superintendent of Portland Public Schools	
FTE Additions	<i>estimate</i>	\$167,625
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact	n/a	\$0 (\$167,625 would represent a \$0.02 tax rate impact if not using federal funds)

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
Approximately 100 positions in PPS are eligible to receive the surcharge		\$167,625
	Total	\$0

Narrative:

In November, Portland voters supported Referendum Question C which raised the minimum wage to \$15 over three years, beginning in 2022. As part of that referendum question, if a State of Emergency is in place, it requires payment of 1.5 times the minimum wage rate be paid to any individual working in person during the pandemic. The current minimum wage is \$12.15, which makes the “hazard pay” minimum wage \$18.23 an hour in 2021.

In December, the Board of Public Education voted to enact this provision. There are currently approximately 100 positions in the Portland Public Schools impacted by this decision. The cost of about \$85,000 for FY 21 is included in the district’s overall budget plan approved by the Board in December 2020. For next fiscal year, we intend to use ESSERF funding to confront this pandemic related cost.

The \$167,000 cost uses the projected number of positions qualifying for this surcharge for the duration of FY 22. Should the emergency declaration be withdrawn, the hazard pay minimum wage would no longer be in force, and savings would result from that.

Investment	Other: Central Office	
Sponsor	Xavier Botana, Superintendent of Portland Public Schools	
FTE Additions	<i>estimate</i>	\$250,000
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact	n/a	\$0 (\$250,000 would represent a \$0.03 tax rate impact if not using federal funds)

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
	Total	\$0

Narrative:

Conceptually, this investment represents the estimated amount related to the operation of our existing Central Office building. It includes the equivalent of the district's current debt service on the 353 Cumberland Ave location as well as partial cost of utilities and contracted parking.

Since the start of the pandemic, we have operated with a much smaller centralized physical space. As a result, we intend to relocate most central staff to home offices and/or co-working spaces. We will still retain a "front-office" operation for correspondence delivery and basic gate-keeping. A handful of central operations including our district intake, will need to relocate to a physical space which we envision being in an existing school building or a smaller leased space. We will be transferring most records to virtual or physical storage.

The majority of this cost is related to our annual debt service payment, which we do not believe to be an allowable cost under federal grant guidelines. Therefore, we envision using federal funding to offset an additional \$250,000 of Custodial Salaries and Benefits. Once the building is successfully sold, we will transfer the custodial positions back to the general fund.

We envision the proceeds from the sale of the building (if any) being credited to a future budget.

Investment	Other: Dedicated Classroom Substitutes	
Sponsor	Kathie Winchenbach, Finance	
FTE Additions	<i>estimate</i>	\$300,000
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact	n/a	\$0 (\$300,000 would represent a \$0.04 tax rate impact if not using federal funds)

FTE Detail

Position	Location	Total Cost (Salary & Benefits)
Dedicated Substitutes (# of FTE)		\$300,000
	Total	\$300,000

Narrative:

In order to successfully open schools this past fall, the district established “dedicated substitute” roles in each of our schools (30 dedicated substitutes were hired across 15 locations). These positions were intended to allow schools to have a first set of substitutes that would help to fill absences-- particularly those caused by symptomatic staff needing to be sent home on short notice. If no substitutes were needed, these substitutes would be available to support other activities in schools. The fact that these substitutes were embedded in the school allowed for them to be more aware of the school’s protocols, be known to other school staff and students and otherwise form a part of the school’s fabric.

The program has been very successful. Building leaders credit these resources with allowing the Portland Schools to operate in a highly fluid environment where substitutes were often hard to find. This investment received among the highest level of support from building leaders.

The cost is an estimate based on a historical review of substitute teaching costs. It represents the difference between the cost associated with replacing the same number of daily subs as there are dedicated substitutes and the cost of the dedicated substitutes. Dedicated substitutes are paid at a higher daily rate (\$150/day) than our daily substitutes for their commitment to work on-site 4 days per week; they also receive a stipend toward purchasing the district’s health benefits.



**PPS Lau Plan
Revised
January 2020**

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Introduction

“All learners will be fully prepared and succeed in a diverse and ever-changing world.”

--- District Vision

The Portland Public Schools are responsible for ensuring a challenging, relevant, and joyful education that empowers every learner to make a difference in the world. We build relationships among families, educators, and the community to promote the healthy development and academic achievement of every learner.

---District Mission

English Learners (ELs) are a richly heterogeneous group bringing a wide variety of life situations and a wide range of educational experiences. The paths they take to acquire a new language and to adjust to their new cultural environment are varied and in keeping with their unique strengths, needs and experiences. Within the safe and welcoming school environment, administrators and teachers are given rare opportunities to tap the rich resource of knowledge and perspectives that ELs bring to school, and which, in turn, enrich the learning of all students in our classrooms. The role of the school and teachers is critical in supporting students' identity development as learners, and in helping students shape a vision of the future in which they will take their place in a global economy. The Portland Public School system is committed to providing appropriate placement, along with curricular, instructional and related services to ensure that all students who are identified as English Learners are held to high expectations and are given the opportunity to participate fully and effectively in the schools' educational programs.

To accomplish this, the Portland Public Schools' Lau Plan details the legally-compliant procedural requirements and services provided to ELs, from Pre Kindergarten through 12th grade, including identification, assessment, placement and exit from English Language Development (ELD) programming, and pre-referral procedures to ensure appropriate identification of ELs requiring Special Education and Gifted & Talented services. The overall goal is to ensure equitable access to grade-level instruction that is meaningful, rigorous and engaging given the support needed for academic success. The education of students who are English learners is the collective responsibility of all educators.



Lau Plan Advisory Committee

Robyn Bailey, Asst. Principal
Erin Bates-Letourneau, Asst. Dir. Student Services
Lori Bobinsky, Teacher Leader
Gail Cressey, Dir. of Interventions
Emily Daniels, Special Ed. Teacher
Ben Donaldson, Principal
Maureen Fox, EL Specialist

Carlos Gómez, Dir. of Language Development
Sheila Jepson, Principal
Brenda Murphy, EL Teacher
Melea Nalli, Asst. Superintendent
Priya Natarajan, Teacher
Joel Peck, EL Teacher
Cynthia Taylor, EL Teacher
Kelly Thornhill, Asst. Principal

Section 1. Roles, Responsibilities and Definitions

Superintendent - Responsible for implementing School Board policies and responsible for the teaching and learning of all students in the Portland Public Schools.

Director of Language Development - Ensures that all aspects of the Lau Plan are in place and that all federal and state requirements around ESOL instruction and assessment are met and that EL teacher supervision and evaluation is carried out. Working with EL teachers, building and district administration, the Director also ensures that there is a clear vision and adequate resources to implement the vision with ample opportunities for feedback and continuous improvement.

EL Specialists (District-Level) Help lead support of content and EL educators in integrating content with language goals, analyzing language demands of content areas and co-designing culturally and linguistically responsive instruction and assessment. Support professional learning to:

- a. Analyze the academic language demands involved in grade-level teaching and learning.
- b. Apply the background knowledge of ELs, including their language proficiency profiles, in planning differentiated teaching and assessment.
- c. Plan for integrating language and content teaching and learning around discipline-specific topics.
- d. Capitalize on the resources and experiences that ELs bring to school to build and enrich their academic language.

Language Development Coach/Teacher Leader (School-Level) - Has a literacy and assessment background. This person has the expertise to help teams (MTSS/IEP) distinguish between language acquisition and learning difficulties. The Language Coach is a resource for general educators in the use of various assessments (running records, NWEAs, WIDA Performance Definitions, WIDA Rubrics, formative assessments, etc.) and instruction (including collaboration/co-teaching, coaching cycles, and supplemental programs such as Imagine Learning, System 44 and Read 180) in much the same way as the math and literacy coaches do in PPS. Coaches add the language lens to overall student achievement across all content areas.

EL Teachers - These professionals are EL endorsed and provide services from direct student instruction to instructional specialist within the general education setting. Teachers work with students and collaborate with teachers. Additionally, all EL teachers take the lead with a caseload of students (between 25 and 45 based on grade span) in the Language Acquisition Committee (see below).

Ed Techs (English Language and Language Acquisition) - LA Ed Techs help with acculturation for new arrivals which includes transitions to American schools and support in the classroom and native/heritage language as a support to access English. EL Ed Techs work as cultural brokers with all English Learners serving as a linguistic and cultural liaison between the school and home. They support students and teachers in ensuring that academic standards and language targets are achieved, especially for students who have already transitioned to American schools.

Literacy Specialist/Coaches - Use age-appropriate literacy strategies, curricula and intervention strategies to teach literacy to all students who are emerging readers in a culturally and linguistically responsive way. EL students will benefit the most from professionals who are EL-endorsed.

Multilingual and Multicultural Center (MLC)

Provides support for multilingual students and families through registration assistance for new students, language access for families who need translation and interpretation services, parent orientation sessions for new arrivals to the United States, and parent workshop sessions.

Language Access Coordinator - The Language Access Coordinator manages the programs and services that ensure our non-English speaking students and families have equal access to important school information. The Coordinator is responsible for facilitating the interpreting and translation needs of schools and the district. The Coordinator manages Parent Community Specialists to carry out the interpreting, translating and cultural brokering which allows non-English speaking students and families equal access to education in the district.

English Language Assessment Specialist - Responsible for administering and scoring the English Proficiency screener and communicating the results to families and schools.

Parent Community Specialists (PCS)- Bilingual and bicultural PCS work out of the Multicultural and Multilingual Center to provide outreach and services for limited English parents in the PPS in a variety of ways: translation and interpretation services, parent advisory council (PAC) meetings, cultural brokering and referral to agencies and services. At the time of publication, we have PCS for language groups of 50 or more students.

DEFINITIONS AND ACRONYMS

English Learner (EL) - A student, who by law, understands or speaks a language other than English at home and must take the ACCESS exam annually until he/she/they demonstrate “proficiency” (currently with score a 4.5 Composite or higher). Formerly known as LEP (Limited English Proficient) and also referred to as ELL (English Language Learner). Many ELs are multilingual and bring a wide range of linguistic skills and experiences to their learning.

English Proficiency Level (EPL) - Measured by a score of 1.0 to 6.0 on the ACCESS Test. Officially, the state of Maine defines proficient as a Composite score of 4.5 or higher (as of 2018).

English Language Development (ELD) - Refers to the various programs a school district employs to teach English to English Learners. The most common ELD programming includes various types of Sheltered English Instruction (SEI).

Dual Language Learners (DLL) - Students up to age five who acquire two or more languages simultaneously, and learn a second language while continuing to develop their first language.

Language Acquisition Committee (LAC) - The LAC (formerly known as the MET) is a school team responsible for guiding and monitoring the placement, services and assessment of students who are ELs. The LAC may be comprised of content-area or general classroom teachers of ELs, assessment specialists, school administrators, school counselors, ESOL staff, parents/guardians, students and other members as appropriate. To ensure parent/guardian understanding, qualified interpreters may need to attend LAC meetings and document translations may need to be provided as well. The LAC is responsible for guiding and monitoring the placement and services of ELs using WIDA Performance Definitions, WIDA Rubrics, Can Do Descriptors and formative classroom assessments.

Individual Language Plan (ILP) - Developed by the EL teacher and reviewed by the Language Acquisition Committee (LAC), this document (see Section 4 for specifics) explains the reading, writing, listening and speaking goals and strategies to reach those goals for each English Learner (EL). It is reviewed at least once annually.

English for Speakers of Other Languages (ESOL) Endorsement- The endorsement (660) in the state of Maine which allows educators to assess and plan for the English language development program of students who are English Learners (ELs).

Intensive English Language Development (IELD) - Programming that focuses on the introductory instructional language of English Learners (in addition to academic language in all content areas) whose English Language Proficiency levels 1 and 2.

Cognitive Academic Language Skills (CALs) - Programming that focuses primarily on the academic language skills (in addition to expanded instructional language) of English Learners whose English Language Proficiency levels are 3.0 to proficiency.

WIDA (formerly the acronym for World-Class Data and Assessment out of the University of Wisconsin) - Advances academic language development and academic achievement for children and youth who are culturally and linguistically diverse through high quality standards, assessments, research, and professional learning for educators. WIDA develops the ACCESS exam.

ACCESS for ELLs® is a computer-based adaptive exam (paper-based for kindergarten) given annually in the State of Maine (and over 35 other states) to test English Learners in four language domains: reading, writing, speaking and listening.

Gifted and Talented Programming (Chapter 104) - School districts in Maine are mandated to screen, select and provide programming for students with exceptional abilities. Gifted and talented students are defined as children in grades K-12 who excel, or have the potential to excel beyond their age peers in the regular school programming, to the extent that they need and can benefit from programs for the gifted and talented.

Language Use Survey (LUS) - Official document that every student's family must complete upon enrollment into a publicly funded school. If at least one answer on the LUS indicates that the student speaks or understands another language, the student is identified as a potential English Learner and will require an English language screening to be administered.

Individualized Education Plan (IEP) - A written statement of the educational program designed to meet the needs of a student who receives special education services.

Every Student Succeeds Act (ESSA) - This federal law passed in December 2015 governs the United States K-12 public education policy and replaced its predecessor, the No Child Left Behind Act.

Multi-Tiered Systems of Support (MTSS) - Formerly known as **Response to Intervention (RTI)**, this is an instructional framework that includes universal screening of all students, multiple tiers of instruction and support services, and an integrated data collection and assessment system to inform decisions at each tier of instruction.

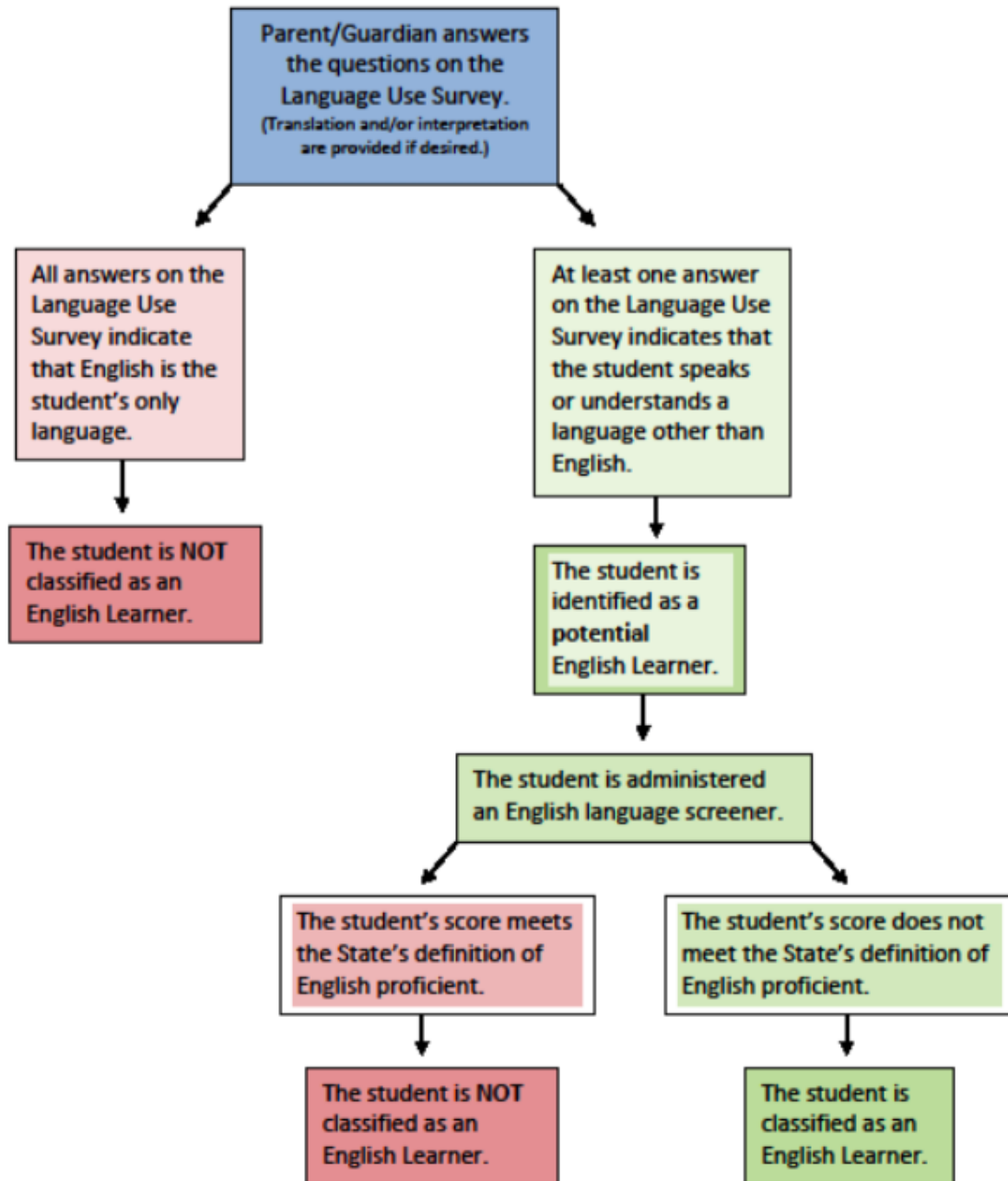
Students with Limited or Interrupted Formal Education (SLIFE) - "English language learners who have experienced interrupted education due to war, civil unrest, migration, or other factors; who have never had the opportunity to participate in any type of schooling before entering the United States; or who have experienced limited education in their home countries due to lack of resources or trained teachers, the type of schooling they participated in, or other circumstances." (Decapua & Marshall, 2016)

Long-term English Learners (LTELs) - Students who have been in English learner (also referred to as EL, ELL or ESOL) programs for the majority of their schooling are considered long-term ELs. The term refers to students who have been in the English learners program for more than five years.

Section 2: EL Flowchart

“The parents/guardians of all students enrolling in a district for the first time must complete the Language Use Survey. The entire identification process must be completed within thirty days of enrollment from the beginning of the school year or within two weeks of enrollment during the school year. Note that if a parent/guardian refuses to complete the Language Use Survey, the district is still required under federal law to identify all English Learners. In such cases, the “School Use Only “ section of the Language Use Survey must indicate observed or student-reported use of a primary or home language other than English before an English Language proficiency screener can be administered.” - Adapted from MDOE Resource Tool for Lau Plans

Figure 2.1: EL Identification and Exit Flowchart



Section 3: EL Identification

All of our students come to school with a wide variety of strengths and talents, including the ability to communicate in various languages. A student whose primary or home language is a language other than English, and who is not yet proficient in English, is considered an English learner, eligible for support and programming. Though an EL may have the academic language skills in an additional language(s) to perform at grade level, his/her/their academic English language skills (listening, reading, writing or speaking) are still developing.

Schools are required to identify students who have limited English language proficiency and develop appropriate programming for them within 30 days of the start of the school year or within two weeks of enrollment during the school year. This section describes the process for identifying English Learners (please see Section 5: Access to Academic and Extracurricular Programs for special education and other program identification).

Table 3.1 EL Identification Chart

ACTION (Required by Law or Policy)	WHEN (time frame)	HOW (protocol in place)	BY WHOM (person/title responsible)
Administration of the Maine DOE Language Use Survey (LUS) for ALL students	Upon entry to school- in school enrollment packet for all students	- School secretary has parent/guardian complete the LUS (providing translated form if needed); if there is a language other than English, the student will complete their enrollment through the Multilingual Center (MLC). - New families complete the LUS when enrolling to school at the MLC.	All schools and the MLC Intake staff, with the assistance of an interpreter as needed or requested, help parents complete the forms necessary for school registration.
Translation/ Interpretation Services Provided to Parents/ Guardians	Notice for language services are posted in all school offices and on our website. Translation/Interpreter assistance is available during the enrollment process upon request.	- Scheduled through the MLC - online ticket system to request services. - Language Line is available as needed.	Interpreters and translation services available through the MLC - Parent Community Specialists (covering languages spoken by 50 or more students) as well as additional contracted interpreters as needed.
Referral of all Potential English Learners for Screening	Can happen any time during the school year. A student with a home language other than English identified through the LUS and who was not previously identified as eligible for ELD programming, but who is now experiencing difficulties in a classroom in any Portland school, may be tested at any time to determine eligibility.	- Students are referred to the Language Acquisition Committee (LAC) at the school building. - The EL teacher reviews the LUS and updates it as part of the LAC. - The EL teacher arranges for the WIDA online screener to be administered through the MLC.	Parents, teachers, school administrators
Administration of English Language Proficiency Screener	Within the first 30 days of the new school year and within the first two weeks of enrollment once the school year begins.	- The WIDA screener online, Pre LAS or other appropriate ELP screener for Pre K (PreIPT) is administered to determine eligibility for English language programming. - Additional information is gathered through a family education history interview.	The MLC's English Language Assessment or EL Specialist determines status based on screener results and family history interview.
Language Acquisition Committee Meeting to Develop Program	Once a student enters the school (part of the Meet & Greet period during the transition into school) the LAC convenes	- The EL teacher completes the ELD Programming Form and reports to parents by the first grading period during the school year. - ELD Programming is	LAC - Will include EL endorsed teacher, a parent/guardian and other educators and/or school staff

Services for Identified English Learners*	to review the student's file and recommend program services.	communicated during Teacher/Parent conferences, a scheduled LAC meeting and each grading period following.	The LAC makes decisions regarding the ELD programming, services and develops the ILP.
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English Language Proficiency Screening Assessment Requirements

Grade	Screening Assessment	Minimum Score Required to be Non-EL
Pre-K (ages 3.5 - 4.4)	PreLAS (or other valid measure)	>77/Level 4 (Fluent English Speaker)
Pre-K (ages >4.5) / 1st semester K	Kindergarten MODEL	Oral language proficiency level 6.0
2nd semester K/1st semester 1st grade	Kindergarten MODEL	Composite proficiency level 6.0
2nd semester 1st grade-12th grade	WIDA Screener Online	Composite proficiency level 4.5

*The Kindergarten MODEL test is not aligned to ACCESS for ELLs and therefore has a different score requirement for EL identification.

Section 4: Development of Individualized Language Acquisition Programs

Portland Public Schools provides English language instruction within the context of academic content using grade-level curriculum for students at all levels of English language proficiency. English language development (ELD) programming provides students who are English learners with access to the general education curriculum through a continuum of instructional options to enable them to attain both English language proficiency and content area standards within a reasonable length of time.

- ELD programming decisions are made for newly registered students who are identified as English learners:
 - a. The WIDA online screener is given at the MLC during enrollment to determine eligibility for EL services within 30 days communicated to parents/guardians;
 - b. The Program Model and Services (time and frequency) are recorded on the **Individual Language Plan (ILP)** by the EL teacher and reviewed by the Language Acquisition Committee (LAC).
- There are a variety of evidence based program models tailored to the EL's individualized educational needs. The EL Teacher develops an **Individual Language Plan (ILP)**, to be reviewed by the LAC, for each student outlining individual goals and strategies for language development in all four domains (reading, writing, listening, speaking) based on the following evidence: ACCESS for ELLs results, classroom observations, grades, state and local standardized academic assessments. ILPs will be reviewed and updated as needed during existing student meetings (grade level, guidance, departmental, parent teacher conferences, student assistance team, MTSS, IEP meetings, etc.).
- The typical amount and frequency of services provided to ELs is based on the proficiency level and grade. See "**ELD Program Continuum**" below.
- Parents/guardians have the right to decline EL services. Parents can request a meeting at any time during the school year to decline services. The EL teacher/LAC, provides the **Decline ELD Program** form for parent/guardian signature after a discussion of the student's individual language needs. The EL Teacher informs the parent/guardian that they have the right to opt back into the ELD program or particular services at any time. Parents are informed that their child will continue to take the ACCESS test annually as required by federal law (see Section 6: Annual Testing for more information on opting out on testing). If the parent declines ELD programming or particular services recommended for the child, the school will document this and still provide meaningful education and the student will receive support within the general education program to ensure English language development across all content areas.
- Students with Limited or Interrupted Formal Education (SLIFE) as well as Long-Term

ELs (LTELS) will likely require additional resources, instruction and programming support to ensure access and participation in the general education program.

- The LAC reviews the EL's individual programming and reports to parents via a **Continued Eligibility Parental Notification Letter** which is sent home at the start of the school year.

English Language Development Program Continuum

All ELD program models adhere to the *High-Leverage Principles of Effective Instruction for English Learners*: 1) Determine and address the academic language demands of the lesson; 2) Build upon students' background knowledge; 3) Design and scaffold deeper learning tasks that integrate listening, speaking, reading, and writing domains; 4) Provide opportunities for student participation through extended oral discourse and structured collaboration; 5) Use formative assessment to support both language development and content goals. (Neri, Lozano, Chang, Herman, 2016) **All models in the ELD program continuum rely on collaborative planning, teaching, and assessment. Please see the description of the ELD Program Models in the Appendix.**

The Goal for EL Programming (Pre-K to Grade 12) is to accelerate the acquisition of English and academic content by meeting the following standards (Maine English Language Standards adopted from WIDA):

1. **Social and Instructional Language** - English learners communicate for social and instructional purposes within the school setting.
2. **Language of Language Arts** - English learners communicate information, ideas and concepts necessary for academic success in content area of language arts.
3. **Language of Mathematics** - English learners communicate information, ideas and concepts necessary for academic success in content area of mathematics.
4. **Language of Science** - English learners communicate information, ideas and concepts necessary for academic success in content area of science.
5. **Language of Social Studies** - English learners communicate information, ideas and concepts necessary for academic success in content area of social studies.

Table 4.1: ELD Program Continuum

ELD Program Continuum	K-12 Program Model (for Pre-K, see below)	Amount & Frequency of Services
English Language Proficiency Level (based on ACCESS Composite Score) IELD is Intensive English Language Development CALS is Cognitive Academic Language Support	<u>EL Program Models & Descriptions</u> • Transitional Bilingual Education • Dual Language Immersion • ESL or English Language Development (Push-In, Pull-Out, Sheltered) • Content Classes w/ Integrated EL Support (Co-Teaching/Collaboration) • Newcomer Programs • Extended Learning Time (afterschool /summer) • Tutoring • Consultation	Recommended amount and frequency of language support: • Overseen by an ESOL endorsed specialist, ESOL endorsed teacher or ESOL endorsed administrator; • Provided by a team of educators in collaboration; and • Reviewed by the LAC and guided by the student's ILP
Level 1 - Entering (IELD) Level 2- Beginning (IELD)	Language Programming may include: Elementary (Grades K - 5): • ELD Instruction • Content Classes with integrated EL Support • Push-In academic language support • Pull-out language development support in small groups • Newcomer Support Secondary (Grades 6-12): • One or more ELD class periods • Content Classes with integrated EL Support • Sheltered English Content Instruction • Push-In academic language support • Newcomer support	Elementary (Grades K-5): 1 - 2 hours of ELD instruction in or out of the general education classroom/day (Students who are SLIFE may require additional time). Secondary (Grades 6-12): 2 - 3 hours of ELD instruction in or out of the general education classroom/day (Students who are SLIFE may require additional time).

Level 3 - Developing (CALs)	Elementary & Secondary: English language programming may be a combination of services offered to students in Levels 2-4 depending on student needs (See items above and below)	Elementary (Grades K-5): 1 hour of direct instruction in or out of the general education classroom/day Secondary (Grades 6-12): 1-2 hour of direct instruction in or out of the general education classroom/day
Level 4- 4.4 - Expanding (CALs):	Elementary (Grades K - 5): - Targeted ELD for areas of need (reading, writing, listening, speaking, vocabulary development, etc.) - Content Classes with integrated EL Support - Push-in academic language support Secondary (Grades 6-12): - Targeted ELD for areas of need (reading, writing, listening, speaking, vocabulary development) - Tutoring, Extended Learning Time to target specific academic language goals	Elementary (Grades K - 5): 1 hour of direct instruction in the general education classroom/day. Secondary (Grades 6-12): 1-2 hour of direct instruction in or out of general education classroom/day.
Level 4.5 - 6 (Expanding/Bridging/Attained)	Exited - Placed on monitor status. Students continue to learn grade-level academic content and maintain growth in English language proficiency.	- Differentiated Instruction as needed Academic progress monitored for two years by LAC/Case Manager. - Eligible for re-entry into ELD Programming if appropriate.

Alternate ACCESS Levels A1 - P1.9	English language development instruction is supported across all settings. Each student has an Individual Language Plan (ILP) with language goals in reading, writing, listening, and speaking as appropriate.	ELD instruction is delivered in collaboration with the Special education teacher for an individualized continuum of English language support per the recommendation of the IEP team. Consult services may be determined appropriate by the IEP team which includes the EL Teacher. Students exit when they reach a composite score of P2 and are placed on monitor for two years.
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Pre-LAS for 4 Year Olds	Program Model: Individualized Continuum of Support	
Levels 1/2: IELD - Non English Speaker (NES) 0-56 Level 3: CALS - Limited English Speaker (LES) 57-76 Levels 4/5: Not EL- Fluent English Speaker (FES) 77- 100 NOTE: <i>Pre-K DLLS will have the opportunity to exit from ELD services in Kindergarten when they take the Kindergarten ACCESS for ELLs.</i>	English language development instruction is guided by the WIDA Early Years Promising Practices. Each student has an Individual Language Plan (ILP) with language goals in listening, speaking and reading and writing as appropriate. ELD support is integrated and embedded across all classroom activities throughout the day. Collaboration and co-planning between EL teacher and classroom teacher supports language development for emergent bilinguals.	Weekly support from an EL teacher in the general education classroom.

SECTION 5: Access to Academic and Extracurricular Programs

English learners have equitable access to all the academic and extracurricular programs that their schools offer. English language proficiency is not a prerequisite to participate in general education classes and other school activities, programs or events.

English language programming is provided in a way that encourages English learners to participate in all aspects of the school program, including advanced course work, AP, honors, career and technical education, gifted and talented programs (Chapter 104), Pre-Kindergarten, athletics, academic and career counseling, performing visual arts, honor societies and extracurricular activities. English learners are also included in the SAU's required "child find" policies and procedures to ensure that all children with disabilities residing in the state, and who are in need of special education and related services, are identified, located, and evaluated. This applies to all multilingual learners suspected of having a disability regardless of their English proficiency level.

Special Education and Other Programs: The timelines and procedures to identify ELs and non-ELs for programming for special education, gifted and talented, etc. is the same. Additional procedures and protocols that consider the student's sociocultural factors and native language proficiency help to ensure equitable and appropriate identification of ELs to these programs.

Screening for English Language Proficiency is separate and distinct from the process required for qualifying for special education. ELs can only receive special education services and programming if they qualify for special education services under the Federal guidelines of IDEA and MDOE regulations. For a student to qualify as a student needing special education services, there must be an identified and diagnosed disability. The disability must cause an adverse effect in learning and accessing education and require specially designed instruction.

English learners identified for special education services are entitled to both ELD programming and specialized instruction per their **Individual Education Plan (IEP)**. Procedures utilizing the district's **Multi-Tiered Systems of Support (MTSS)** teams must include the participation of an EL Teacher to assess the student's language proficiency skills in both English and other languages that the student speaks, identify and discuss the consideration of sociocultural factors, and to assist the team in determining the appropriateness of a referral for special education services. See Appendix for ELs with suspected disabilities.

- School administrators, EL teachers, guidance counselors, learning strategists, coaches and general education teachers are all responsible to ensure **ELs have access to all school programs and activities**. Parents/guardians requiring interpretation and

translation services are notified about all programs and activities that English speaking parents receive in a language that they can understand.

- Students who are ELs are provided the necessary support and accommodations to ensure that they have access to the same **rigorous, grade-level appropriate academic and extra-curricular programming** as their non-EL peers.

Section 6: Annual English Language Proficiency Test Administration

The ACCESS for ELLs ® or Alternate ACCESS, is an English language proficiency summative assessment administered annually in Maine to all students who are English learners from Kindergarten through 12th grade. ACCESS for ELLs ® meets the federal requirements of annually assessing English language proficiency and provides reliable, valid and useful information on the proficiency levels and progress of ELs acquiring academic English. Portland Public Schools recognizes that students are the rich sum of their collective experiences and while they are much more than the measure on a standardized test, we must administer this assessment in order to meet state and federal requirements.

All students who are English learners are administered the ACCESS for ELLs ® or Alternate ACCESS, if applicable annually during the testing window established by the Maine Department of Education until they reach the state determined proficiency level, currently a composite score of 4.5 or higher.

The district ACCESS Coordinator works with school ACCESS Coordinators in each building to administer the ACCESS for ELLs ®. ACCESS test administrators/proctors are trained and WIDA-certified. Additional support for testers/proctors is provided by the Portland Public Schools' Department of Language Development.

Parents/Guardians/Students age 18 or over can request a meeting and document that they are deciding to opt out of testing at any point during the school year. EL Teachers and/or administrators will explain that Maine is not an "opt out" state and that students, teachers, the school and the district will receive important information from ACCESS that will help individual student and school-wide programming. By practice and MDOE recommendation, the district does not force a student to take the ACCESS exam.

Section 7: Monitoring EL Students

The LAC is responsible for monitoring the progress of all ELs' academic language acquisition and academic achievement, including those who have opted out of EL services. The LAC will recommend any interventions or supports needed as part of their ELD programming. The district

is responsible for monitoring the progress of all ELs in achieving English language proficiency and in acquiring content knowledge.

- Parents/Guardians, teachers, administrators or students can request a meeting to review progress at any time during the school year.
 - The LAC meets at least once annually to review grades, attendance and behavior, including:
 - ACCESS and MEA test performance.
 - Grade-level core content area performance.
 - Periodic formative assessments of ELP.
- MTSS/RTI Teams, including an EL Teacher, may serve as the LAC to monitor ELs' progress taking into consideration sociocultural and linguistic factors.

Section 8: Exit from EL Identification and Post-Exit Monitoring

When an English learner meets Maine's definition of English language proficiency on ACCESS for ELLs/Alternate ACCESS (currently an overall composite proficiency level of 4.5, or Level P2 on Alternate ACCESS), the student is exited from English learner status.

- The LAC or EL teacher/case manager is responsible for reviewing the academic progress of all former English learners who are monitored for two years to ensure that English language support services are no longer needed. If concerns arise about the academic progress of a former EL on monitor status, the student is referred to the MTSS/RTI team which includes an EL teacher. The MTSS/RTI team determines if the lack of progress is due to language development. If it is determined that language is a concern after implementing interventions, the students will be referred to the MLC assessment coordinator for re-screening.
- If educators suspect that a former English learner is no longer proficient in English, the WIDA Screener Online may be re-administered to determine English learner status.
- PPS ensures that students who were screened for English learner status upon enrollment but did not qualify are provided an opportunity for rescreening and entered into English learner status if he/she/they qualifies. An educator or parent can refer a student at anytime (or a student over the age of 18 can self-refer) to a LAC during the school year if they believe the initial screener results are inaccurate and have concerns about the student's ability to access their educational program due to language concerns.

Section 9: Personnel, Facilities and Materials

English learners are provided with sufficient, qualified teaching staff to meet their language learning and academic content acquisition needs, as well as facilities and materials of comparable quality to those of their peers.

- When ELD support is provided by ed techs, aides and/or tutors, it is always overseen by qualified ESL endorsed teachers to meet students' ILP goals. Our ELD Vision Statement and Human Resources job description articulates the responsibilities for each of these roles.
- The caseload of teachers serving English learners allows for effectively meeting all English learners' needs. Student demographic changes periodically dictate adjustments in caseloads. The Director of Language Development reviews programming with administrators and EL staff to make adjustments as necessary (and at least annually) by reviewing demographic trends and staffing allocation as well as the language demands/needs of ELs at each school.
- The Department of Language Development works with Building Administrators and the district Academic Team to provide professional development to general educators in core instruction that incorporates the High Leverage Principles for Effective Instruction of ELs aligned to the MDOE adopted WIDA English Language Proficiency Standards.
- The Director of Language Development along with district and building administration ensure that students who are English Learners have equitable access to the same facilities along with materials and accommodations that specifically address content and language acquisition required to meaningfully participate in the general education program as compared to their non-English learner peers.
- Students who are English learners participate in all school activities with non-English learner peers. They are not unnecessarily segregated from their non-EL peers. Each EL has an ILP outlining their individualized English language learning goals and accommodations to guide instruction in all learning environments.
- Staff training is provided on when and how to provide translation/interpretation services for families, overseen by the MLC Language Access Coordinator. All new PPS employees are provided training at the beginning of the school year. School secretaries receive training at the start of each school year and additional training is provided upon request by any PPS employee. Professional Development, translation library access, support for parent teacher conferences, language line, three-way phone conferences, parent meetings are provided as requested.

Section 10: Communication with Parents/Guardians

PPS recognizes the importance of the school/home partnership and is committed to providing meaningful communication with multilingual parents/guardians who may have limited English proficiency in order to adequately notify them of information about programs, service, or activity called to the attention of non-EL parents.

PPS has procedures in place to determine which parents/guardians need translation/interpretation services upon enrollment and any time during the school year as needed, observed by the schools and the Multilingual Center. The MLC has a Language Access Coordinator who oversees the interpretation and translation services provided to parents and guardians and Parent Community Specialists who provide interpretation, translation, and cultural brokering services in languages spoken by more than 50 students in PPS. Each school has:

- A welcome language sign directing parents to the language they speak that is prominently displayed at the reception desk.
- Front desk staff who receive periodic training and are aware of the process for connecting with spoken language interpreters. Parents/guardians may request interpreter services through the Multilingual Center. When parents/guardians enroll their child through the MLC, they are asked if they need an interpreter/translation services and the language needed. This information is entered into the Multilingual Tab in Infinite Campus.

PPS has a language access policy/plan which includes the Standard Operating Procedures Handbook, available to all PPS staff through a shared district file that includes a translation library of district-wide documents for all parents. The Handbook provides the procedures for requesting spoken language interpretation and translation: Help Desk Ticket system; Language Select language line; using Bilingual Ed Techs; and accessing the translation library. This is overseen by the Language Access Coordinator in the MLC.

Section 11: Ongoing Program Evaluation

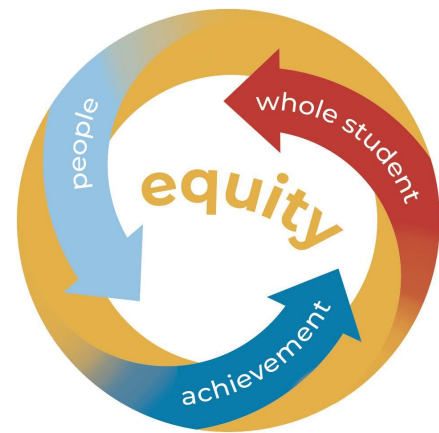
The district has procedures in place to regularly evaluate the effectiveness of the English language acquisition program and make any necessary revisions. The goals of the program are to support English Language Development while ensuring grade-appropriate academic achievement in grade-level standards.

- The goals of the ELD program are to be reached by focusing on foundational language proficiency skills in all language domains (reading, writing, listening, speaking) needed to meaningfully access the curriculum and meet grade-level standards in all content areas. The goals will also be reached through the provision of cross-cultural information and strategies for success in negotiating the American school system.
- A district-wide team of representatives from each school will review the progress of students who are ELs in an annual EL Data Retreat. Educators will share strategies, fine-tune practices and evolve structures resulting in school plans for EL programming which are reflected in School Success Plans. The Director of Language Development along with members of the Academic Team periodically revisit and reflect on these plans with school leaders (administrators, EL teacher teams and other school leaders) at each school further calibrating programming using various components of the **District Self Monitoring Compliance Checklist** tool provided by MDOE.
- The EL Data Retreat will include assessment of annual and longitudinal data to measure the progress of current and former English Learners in order to ensure long-term outcomes comparable to those of students who were never English learners.
- Program evaluation will include the district Lau Plan Advisory Committee's periodic review of district data on students who are ELs.

Section 12: Program Recordkeeping

Record keeping is ongoing throughout the school year as needed. All ELs have a blue file kept in the student's cumulative file in each schools' office. A list of the required documents that must be included is on the cover of the blue file. EL teachers, guidance counselors, school secretaries and MLC staff are responsible for record keeping. All listed documents can be found in the Appendix.

- Parents/guardians are notified of ACCESS test results and eligibility for ELD programming on an annual basis.
- Language goals, ELD services, ELP assessments, progress monitoring data, and accommodations, are documented and reported to parents/guardians at least annually.

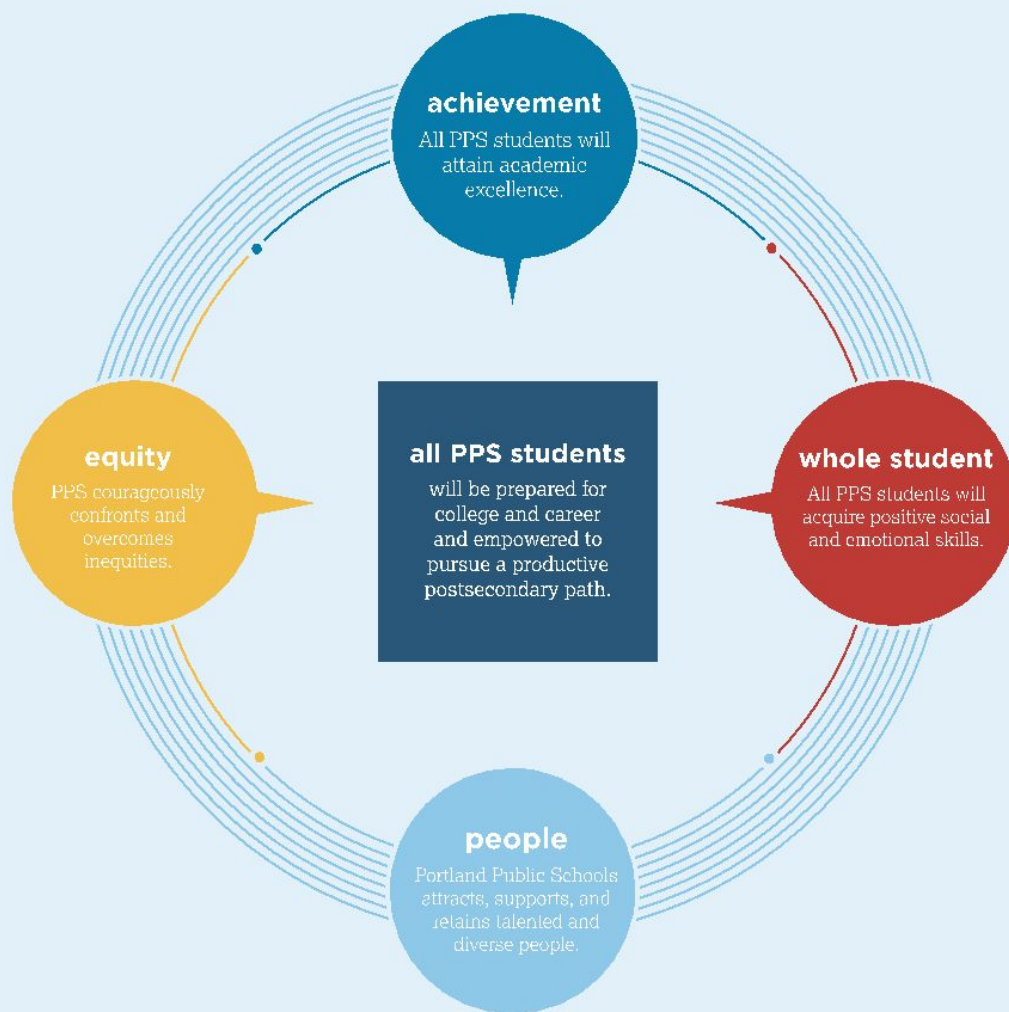


PORTLAND
PUBLIC SCHOOLS
prepared & empowered

FY 2022 Finance Committee Approved Budget: Board Presentation

April 13, 2021

FY22 Budget Focus: Advancing Equity



EQUITY

PPS is vigilant in supporting each and every student's particular path to achieving high standards, rooting out systemic or ongoing inequities.

Metric: 50% reduction in academic achievement and opportunity gaps.

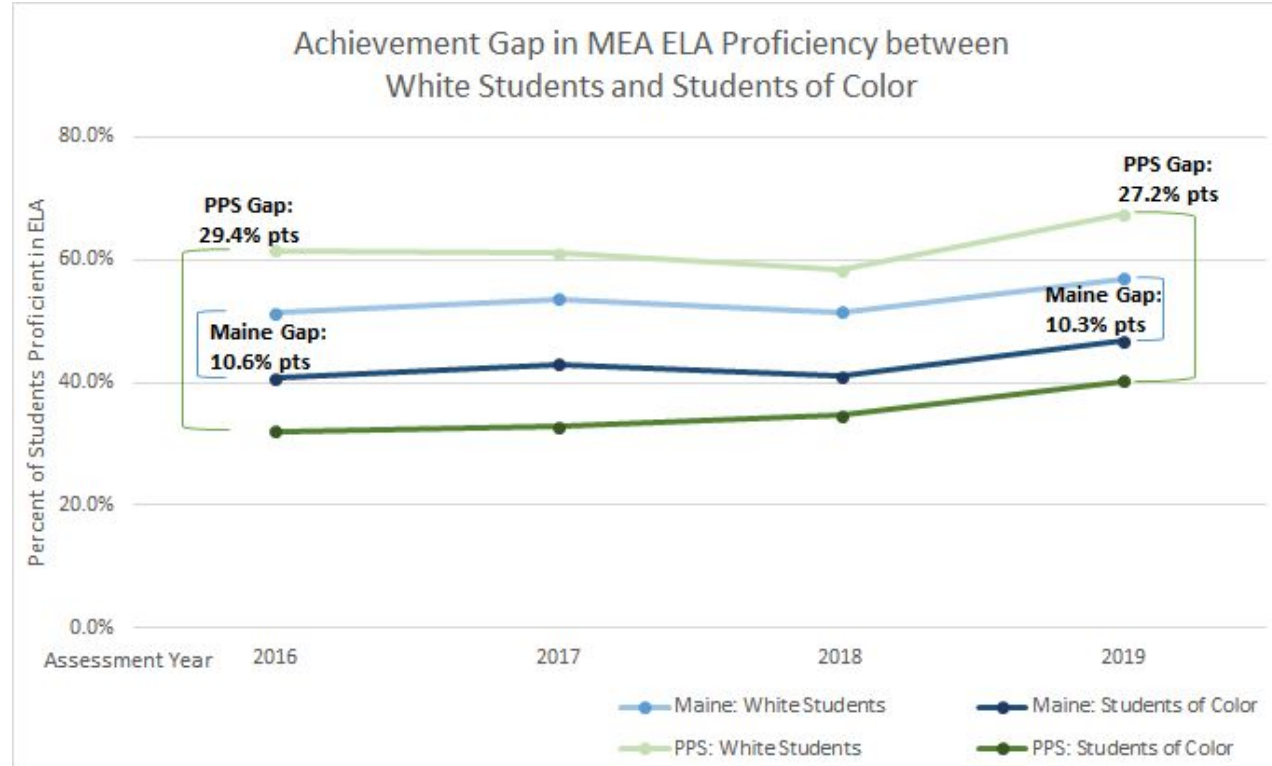


State Comparisons

Academic Achievement Gap by Race: English Language Arts

Net Change in the ELA Achievement Gap by Race between spring 2016 and spring 2019:

- **Statewide** - decrease of 0.3 percentage points
- **PPS** - decrease of 2.2 percentage points

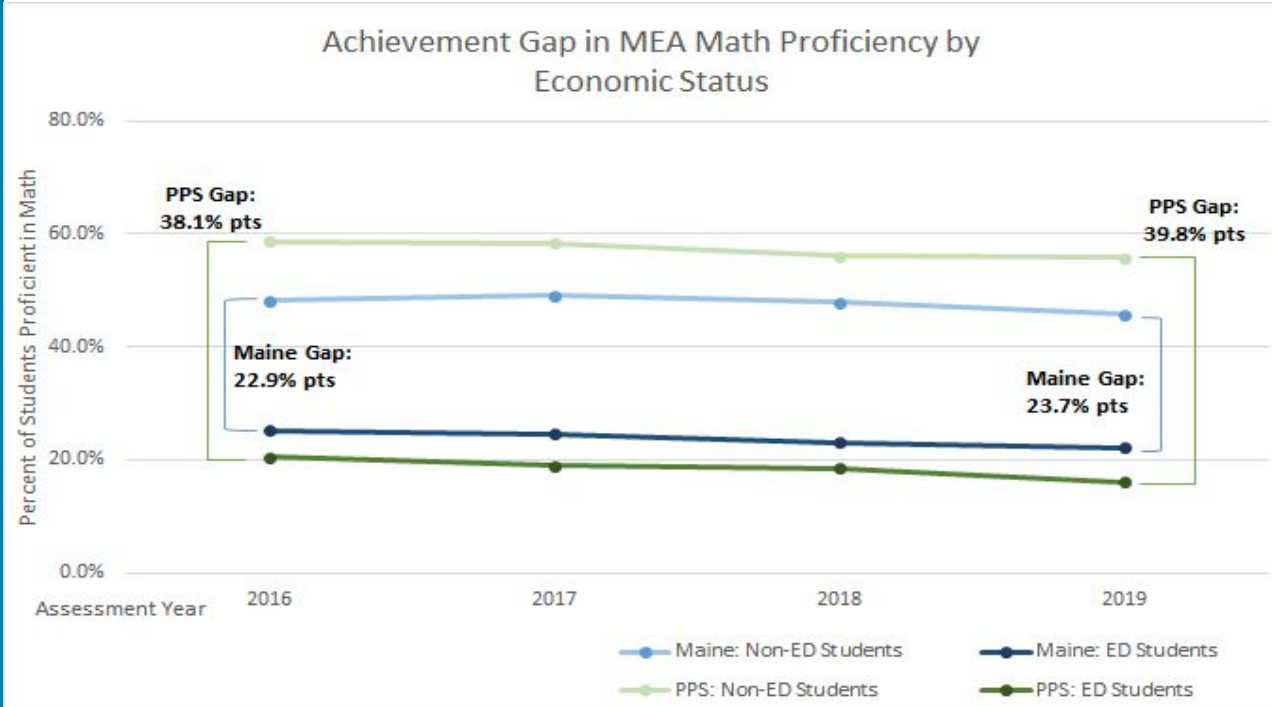


State Comparisons

Academic Achievement Gap by Economic Status: Math

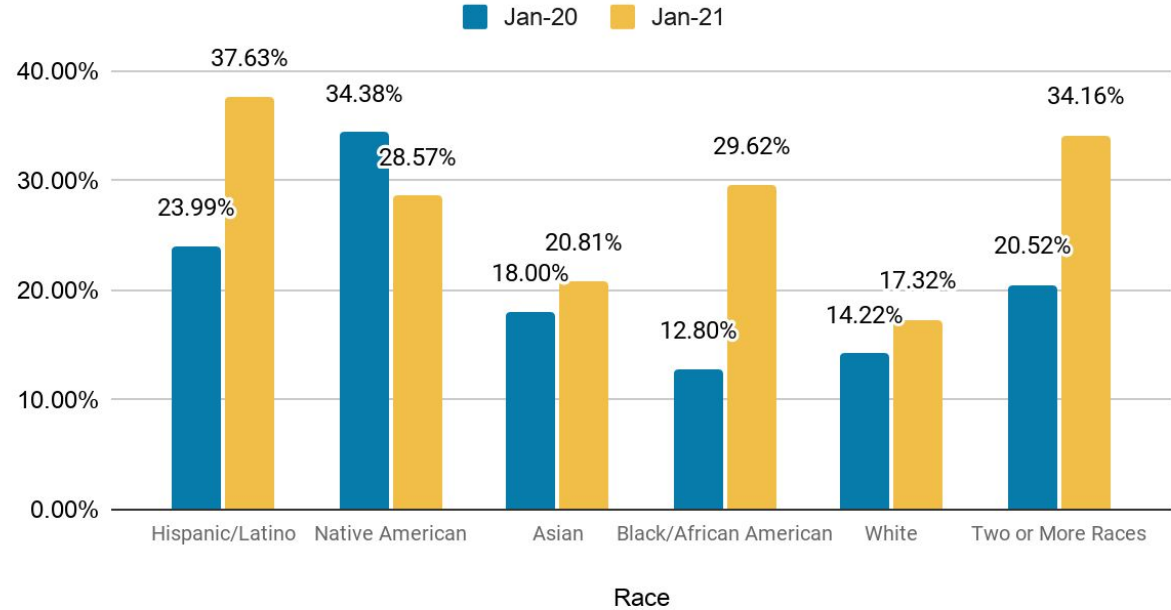
Net Change in the Math Achievement Gap by Economic Status between spring 2016 and spring 2019:

- **Statewide** - increase of 0.8 percentage points
- **PPS** - increase of 1.7 percentage points



District Attendance Data: 2020-21

Change in Percent Chronically Absent



Advancing the Portland Promise in PPS Budget Over Time...

2018

None -
Comprehensive
Plan under
development

2019-20

Began investments in
key areas:

- Whole student supports (FY 19)
- Core Instruction
- Pre-Kindergarten
- Behavioral Health Continuum

2021

Continued PK expansion

Shifted some costs to CARES funding (\$1.3 M in custodial)

Made some program reductions (Elem. Spanish, Athletics, Central curriculum supports) to achieve no tax increase

Delayed other investments to confront COVID Challenge

FY22 Budget: Organizing Priority Themes

- ▶ Advancing equity in PPS
- ▶ Integrating innovations from COVID
- ▶ Rebuilding academic and social emotional foundations post COVID



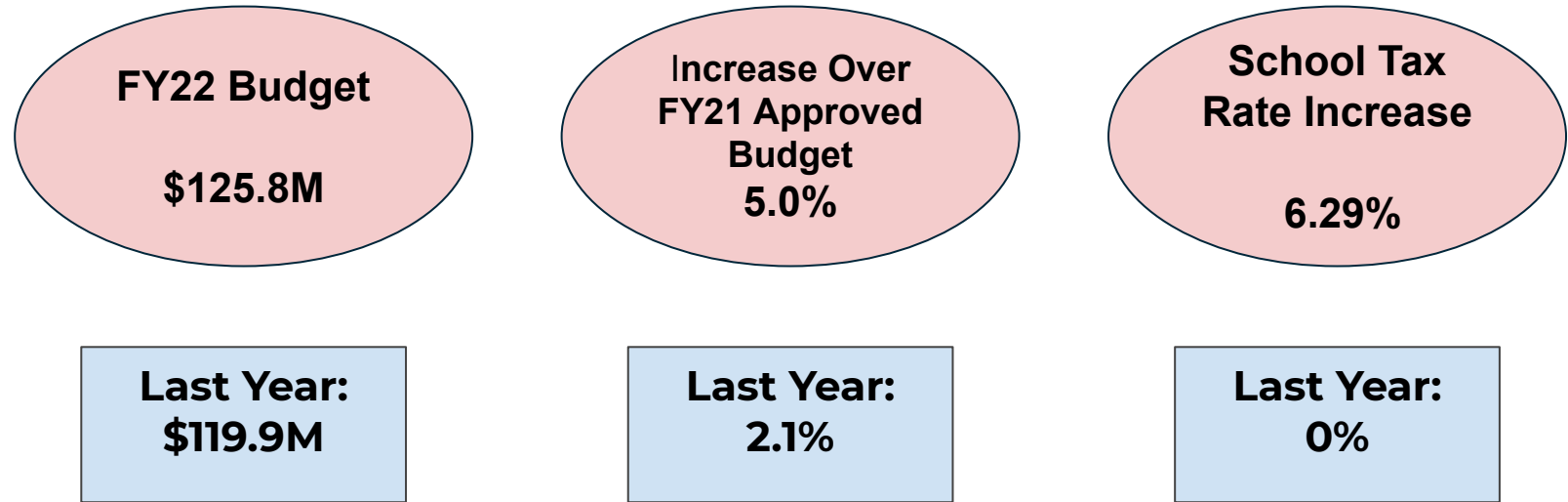
FY22 Preliminary School Board Recommended Budget



FY22 Budget Overview

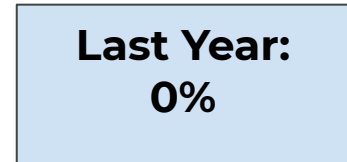
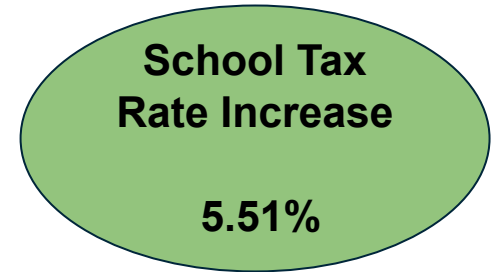
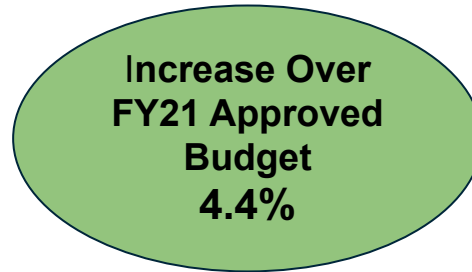
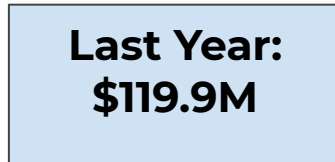
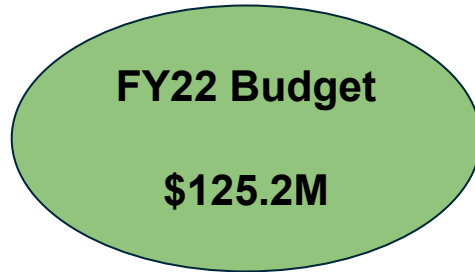
Finance Committee

Recommended Budget



FY22 Budget Update Preliminary School Board Recommended Budget

***Due to reduction(-\$661K) in Health Ins Estimate and increase (\$90K) in State CTE allocation**



FY22 Budget Update

- The Expenditure Budget decreased due to the change in the estimated amount of Employer-Paid Health Insurance.
 - We had budgeted a worst-case 6% increase.
 - We were just notified by Anthem that our rates would be remaining the same for FY22 as FY21, i.e., a 0% increase.
- This change in estimate resulted in an across-the-board **decrease** in health insurance benefits of \$661,060.
- Our Baseline Expenditure Budget **with Investments** decreased - from \$125,815,760 (\$125.8M) to \$125,154,700 (\$125.2M)

Revenue Budget Change:

- On 4/5/21, our CTE Allocation from the State increased by \$89,561.86.
- This resulted in an increase from \$3,195,474.04 to \$3,285,035.90.
- This change impacts the amount of Property Taxes that needs to be raised.
- It results in a redistribution or shifting of funding sources from Property Taxes to Non-Tax Revenue, where the State subsidy amount resides.
- End Result: Property Tax Revenue was reduced by ~\$751K (\$661K + \$90K)

FY22 Budget Overview Update: Baseline

Portland Public Schools	*REVISED AFTER INSURANCE ADJ + CTE Increase			
ADJUSTED BASELINE BUDGET	AS OF 4/8/21			
	FY21	FY22	Variance	% Var
Personnel Budget BASELINE	\$88,342,593	\$90,887,014	\$2,544,421	2.9%
Net Adjustments removed from baseline		\$ (878,915)	(\$878,915)	
Personnel Budget ADJUSTED BASELINE	\$88,342,593	\$90,008,099	\$1,665,506	1.9%
Non-S&B* Budget BASELINE	\$23,096,640	\$23,576,515	\$479,875	2.1%
Net Adjustments removed from baseline		(874,138)	(\$874,138)	
Non-S&B Budget ADJUSTED BASELINE	\$23,096,640	\$22,702,377	(\$394,263)	-1.7%
Debt Service	\$8,423,444	\$9,555,078	\$1,131,634	13.4%
Original BASELINE	\$119,862,677	\$124,018,607	\$4,155,930	3.5%
Net Adjustments removed from baseline		(\$1,753,053)	(\$1,753,053)	
Adjusted BASELINE Expenditures	\$119,862,677	\$122,265,554	\$2,402,877	2.0%
Non-Tax Revenue ADJUSTED BASELINE	\$24,694,600	\$23,802,294	(\$892,306)	-3.6%
Use of Fund Balance	\$829,333	\$770,000	(\$59,333)	-7.2%
Property Taxes	\$94,338,744	\$97,693,260	\$3,354,516	3.6%
Total Revenue Sources	\$119,862,677	\$122,265,554	\$2,402,877	2.0%
Valuation	\$8,070,000,000	\$8,155,000,000	\$85,000,000	1.1%
Property Tax Rate - School	\$11.69	\$11.98	\$0.29	2.48%
*Non-S&B = Non-Personnel (Non-Salary & Benefits) Budget; does include Temp Salaries & Benefits				

FY22 Budget Overview Update: With Investments

Portland Public Schools		*REVISED AFTER INSURANCE ADJ + CTE Increase		
ADJUSTED BASELINE BUDGET w/INVEST	AS OF 4/8/21	*FY22 Prelim School Board		
	FY21	FY22	Variance	% Var
Personnel Budget BASELINE	\$88,342,593	\$90,887,014	\$2,544,421	2.9%
Net Adjustments removed from baseline		\$ (878,915)	(\$878,915)	
Personnel Budget ADJUSTED BASELINE	\$88,342,593	\$90,008,099	\$1,665,506	1.9%
Net Adjustments related to Investments		\$2,693,142	\$2,693,142	
Personnel Budget with Prelim. Investments	\$88,342,593	\$92,701,241	\$4,358,648	4.9%
Non-S&B Budget BASELINE	\$23,096,640	\$23,576,515	\$479,875	2.1%
Net Adjustments removed from baseline		(874,138)	(\$874,138)	
Non-S&B Budget ADJUSTED BASELINE	\$23,096,640	\$22,702,377	(\$394,263)	-1.7%
Net Adjustments related to Investments		\$196,004	\$196,004	
Non-S&B Budget with Prelim. Investments	\$23,096,640	\$22,898,381	(\$198,259)	-0.9%
Debt Service	\$8,423,444	\$9,555,078	\$1,131,634	13.4%
Original BASELINE	\$119,862,677	\$124,018,607	\$4,155,930	3.5%
Net Adjustments removed from baseline		(\$1,753,053)	(\$1,753,053)	
Adjusted BASELINE	\$119,862,677	\$122,265,554	\$2,402,877	2.0%
Net Adjustments related to Investments		\$2,889,146	\$2,889,146	
Adjusted BASELINE EXPEND. with Investments	\$119,862,677	\$125,154,700	\$5,292,023	4.4%
Non-Tax Revenue ADJUSTED BASELINE	\$24,694,600	\$23,802,294	(\$892,306)	-3.6%
Use of Fund Balance BASELINE	\$829,333	\$770,000	(\$59,333)	-7.2%
Property Taxes	\$94,338,744	\$100,582,406	\$6,243,662	6.6%
Total Revenue Sources	\$119,862,677	\$125,154,700	\$5,292,023	4.4%
Valuation	\$8,070,000,000	\$8,155,000,000	\$85,000,000	1.1%
Property Tax Rate - School	\$11.69	\$12.33	\$0.64	5.51%

FY22 Budget Overview Update

		FY '20 Actual	FY '21 Approved July 14	FY '22 Prelim School Board	\$ +(-)	% +(-)
Revenue						
Property Tax Levy		\$93,345,139	\$94,338,744	\$100,582,406	\$6,243,662	6.6%
State EPS Subsidy		\$14,251,970	\$15,223,289	\$14,454,060	-\$769,229	-5.1%
All Other		\$8,778,479	\$10,300,644	\$10,118,234	-\$182,410	-1.8%
Total		\$116,375,588	\$119,862,677	\$125,154,700	\$5,292,023	4.4%
Expenses						
Salaries & Benefits (inc. temp)		\$91,906,131	\$94,536,531	\$99,047,410	\$4,510,879	4.8%
All Other		\$23,744,004	\$25,326,146	\$26,107,290	\$781,144	3.1%
Total		\$115,650,135	\$119,862,677	\$125,154,700	\$5,292,023	4.4%

FY22 Budget Overview: Updated City Rate Computation

	FY'21 Approved	FY'22 Prelim School Board	\$ +(-)	% +(-)
Property Tax Levy	\$94,338,744	\$100,582,406	\$6,243,662	6.6%
Property Tax Valuation	\$8,070,000,000	\$8,155,000,000	\$85,000,000	1.1%
School Tax Rate	\$11.69	\$12.33	\$0.64	5.5%

The increase in property tax valuation alone increases revenue by approximately \$1M with no increase to the tax rate.

Thereafter, each percentage increase in the tax rate yields approximately \$953,000 in property tax revenue and represents ~\$.12 tax rate increase.

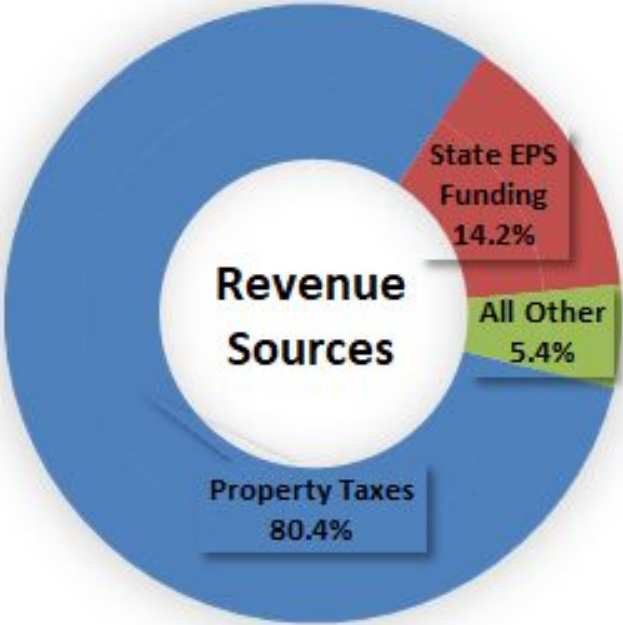


FY22 Budget Overview: Updated Taxpayer Impact

- The FY22 Superintendent's Proposed Budget adds **\$.64** to the School Portion of the Tax Rate for a Total School Tax Rate of **\$12.33**.
- For a home valued at **\$250,000**, this represents an annual increase in property taxes of about **\$160.93**.



FY22
Budget:
Updated
Revenue

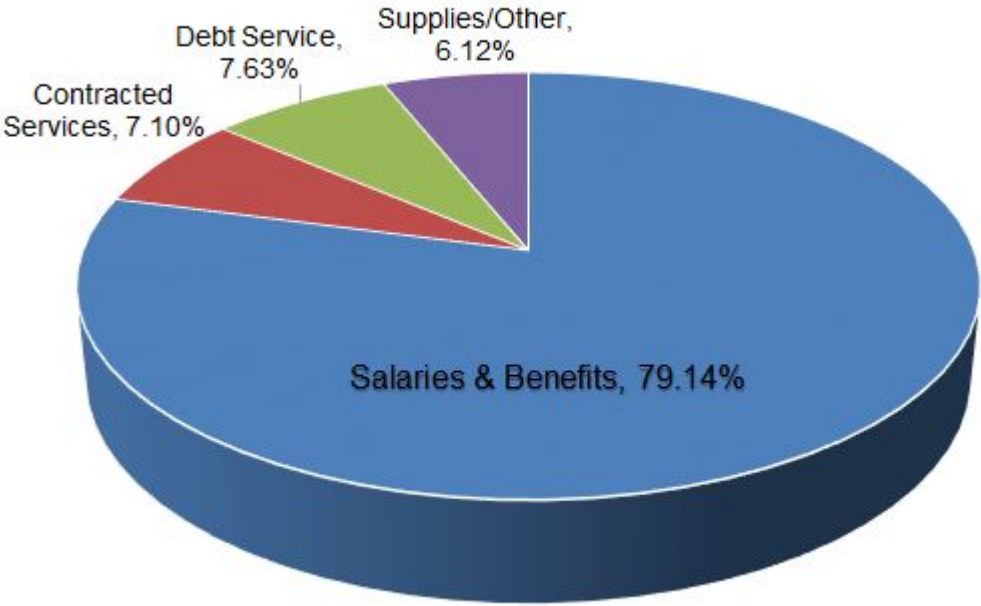


FY22 Revenue Budget

	FY20 Actual	FY21 Approved	FY22 Prelim School Board	\$ +(-)	% +(-)
Property Tax Levy	\$93,345,138	\$94,338,744	\$100,582,406	\$6,243,662	6.6%
State EPS Subsidy*	\$17,811,896	\$18,676,771	\$17,818,900	-\$857,871	-4.6%
All Other :					
Federal Revenue	\$3,475,498	\$4,060,325	\$4,082,506	\$22,181	0.5%
Local Non-Tax Revenue	\$938,440	\$1,026,377	\$993,258	-\$33,119	-3.2%
Other State Revenue (Non-EPS)	\$804,615	\$931,127	\$907,630	-\$23,497	-2.5%
Use of Fund Balance	\$0	\$829,333	\$770,000	-\$59,333	-7.2%
Total	\$116,375,587	\$119,862,677	\$125,154,700	\$5,292,023	4.4%

**Includes State-Approved Debt Service Reimbursement*

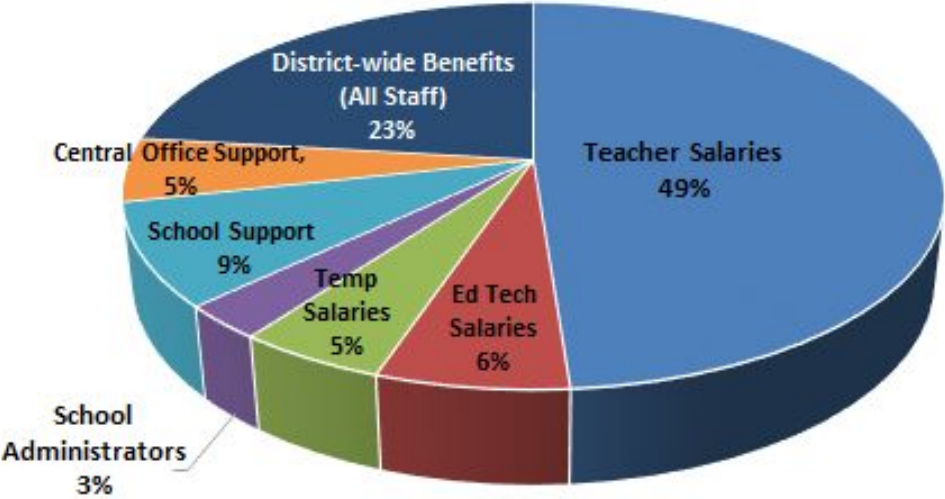
FY22
Expenditure
Budget:
Expenditure
Categories



Expenditure Categories by % of Total



FY22
Expenditure
Budget:
Salary and
Benefits
Expenditures



FY22 Expenditure Budget

	FY '20 Actual	FY '21 Approved	FY '22 Prelim School Board	\$ +(-)	% +(-)
Regular Salaries	\$65,954,066	\$67,529,023	\$71,262,140	\$3,733,117	5.5%
Temporary Salaries	\$4,575,298	\$4,781,794	\$4,888,605	\$106,811	2.2%
Benefits	\$21,376,767	\$22,225,714	\$22,896,665	\$670,951	3.0%
Total Salaries & Benefits	\$91,906,131	\$94,536,531	\$99,047,410	\$4,510,879	4.8%
Contractual Services	\$7,745,615	\$8,995,732	\$8,892,111	-\$103,621	-1.2%
Utilities	\$1,854,633	\$2,279,760	\$2,147,562	-\$132,198	-5.8%
Supplies & Other	\$6,263,982	\$5,627,210	\$5,512,539	-\$114,671	-2.0%
Debt Service	\$7,879,775	\$8,423,444	\$9,555,078	\$1,131,634	13.4%
Total Non-Salary	\$23,744,005	\$25,326,146	\$26,107,290	\$781,144	3.1%
Grand Total	\$115,650,136	\$119,862,677	\$125,154,700	\$5,292,023	4.4%

FY22 Expenditure Budget: Non Salary Expense Drivers

Debt Service	\$1,131,634
Other:	
Utilities - Natural Gas (-\$118K) & Electricity (-\$14K)	-\$132,198
Repair & Maintenance Services	-\$137,704
HVAC Maintenance	\$77,811
Property & Liability Insurance	\$81,795
Expired Computer Leases	-\$193,600
Capital Equipment (Food Service & IT Device Replacement)	-\$114,275
Special Ed Tuition & Contracted Services	\$65,380
All Other: Subtotal	-\$352,791
Total	\$778,843



Budget Themes

New investments
in the proposed
budget



FY22 Budget: Organizing Priority Themes

- ▶ Advancing equity in PPS
- ▶ Integrating innovations from COVID
- ▶ Rebuilding academic and social-emotional foundations post COVID



FY22 Budget: Total Proposed Investments in Budget By Theme

Finance Committee Recommended Budget

Advancing Equity	\$2,418,995
Integrating Innovations from COVID	\$216,879
Rebuilding Foundations	\$274,778
Grand Total	\$2,910,652

Updated: Preliminary School Board Budget

Advancing Equity	\$2,400,127
Integrating Innovations from COVID	\$215,619
Rebuilding Foundations	\$273,400
Grand Total	\$2,889,146

**Difference of \$21,506 due to reduction of estimate for Health Benefits*



Budget Priority Advancing Equity



Budget Priority #1: Advancing Equity

- ▶ Continuing the PreK Promise by increasing seats and reducing barriers;
- ▶ Implementing elements of the Lau Plan to support students who are English Language Learners;
- ▶ Continuing to prioritize core instruction for equity and rigor:
 - Wabanaki and Africana Studies
 - Continuation of Math and *Literacy equity work*
 - *Implementation of the STEM Plan*
 - *Development of a formative assessment strategy*
- ▶ Increasing staff diversity & inclusion efforts:
 - Compensating identity-based work
 - Recruiting and supporting BIPOC educators
 - Career pathways



Budget Priority #1: Advancing Equity

- ▶ Operationalizing structures to enable the district to recognize and redress harassment, sexual harassment and discrimination (ombudsman and school liaisons)
- ▶ Making key investments to support students with disabilities:
 - Autism continuum
 - Functional Life Skills program staffing for increased caseloads
- ▶ Supporting and Institutionalizing the district's equity work:
 - DEI Director on general fund



FY22 Budget: Advancing Equity in PPS

Pre-K Promise Program Expansion	\$216,935
LAU Plan Implementation for ELL	\$1,026,793
Key Curriculum	\$103,327
Diversity Hiring and Support	\$398,807
Harassment Policy Implementation	\$120,968
Special Ed Program Support	\$414,165
Diversity, Equity and Inclusion Work	\$119,132
Total	\$2,400,127



Budget Priority:

Integrating Innovations



Budget Priority #2: Integrating Innovations

- ▶ Expanding and institutionalizing outdoor learning
- ▶ Supporting the integration of new technology based learning modalities and structures
- ▶ *Continuing the in-school substitute structure*
- ▶ *Retaining some level of “remote academy”*
- ▶ *Move to a remote central office operation*



FY22 Budget: Integrating Innovations

Technology integration and support	\$122,560
Outdoor Learning	\$93,059
Total	\$215,619



Budget Priority

Rebuilding Foundations



Budget Priority #3: Rebuilding Foundations

- ▶ Creating support structures to reconnect students to learning and community
 - Investing in physical and mental health (nursing and social work)
 - *Significant summer opportunities (district, school and community based)*



FY '22 Budget: Rebuilding the Foundations

Physical and Mental Health (Nursing and Social Work investments)	\$273,400
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FY22 Budget: Physical and Mental Health

FTE Additions	3.7 FTE	\$273,400
Non-FTE Additions	n/a	\$0
Reduced Costs	n/a	\$0
Total Budget Impact		\$273,400 or \$0.03 on the tax rate

Position	Location	Total Cost (Salary & Benefits)
0.5 Social Worker	Casco Bay High School	\$36,343
0.2 Social Worker	Presumpscot	\$15,139
0.8 Social Worker	Talbot	\$75,758
0.5 Social Worker	East End	\$32,292
1.0 Social Worker	Lyseth	\$64,584
0.5 Social Worker	Reiche	\$32,292
0.2 Nurse	Lyseth	\$16,992
3.7	Totals	\$273,400



FY22 Budget: Total Proposed Investments in Budget By Theme

Advancing Equity	\$2,400,127
Integrating Innovations from COVID	\$215,619
Rebuilding Foundations	\$273,400
Grand Total	\$2,889,146



Leveraging Federal Funding



Federal Funding: Impact Beyond FY21

	Budget	FY22	FY23	Available
ESSERF I	\$650,000			\$650,000
Continuation of current custodian budget		-\$650,000	\$0	-\$650,000
ESSERF I Totals	\$650,000	-\$650,000	\$0	\$0
ESSERF II	\$7,966,404			\$7,966,404
Continuation of current custodian budget		-\$650,000	-\$1,350,000	-\$2,000,000
Additional Expenditures Earmarked for Federal Funding		-5,966,404		-\$5,966,404
ESSERF II Totals	\$7,966,404	-\$6,616,404	-\$1,350,000	\$0
Both Federal Grants	\$8,616,404	-\$7,266,404	-\$1,350,000	\$0

ESSERF II FY '22 Expenditures Currently Earmarked for Federal Funding

Advancing Equity in PPS	Line totals	Subtotals
Academics - Curriculum Support	\$677,021	
Special Ed Program Support	\$161,082	
LAU Plan Implementation for ELL	\$49,500	
Accelerating Staff Diversity & Inclusion Efforts	\$27,000	\$914,603
Rebuilding Foundations		
Summer School (\$2,250,000 + \$136,960 removed from local)	\$2,386,960	
Hazard Pay & Benefits	\$167,625	
Spring On-Site Reopening	\$1,003,720	\$3,558,305
Integrating Innovations from COVID		
Dedicated Subs (estimate)	\$300,000	
Communications and Resource Development	\$96,709	
Technology integration and support	\$846,787	
Central Office Reconfiguration	\$250,000	\$1,493,496
Planned FY'22 ESSERF II Expenditures		\$5,966,404

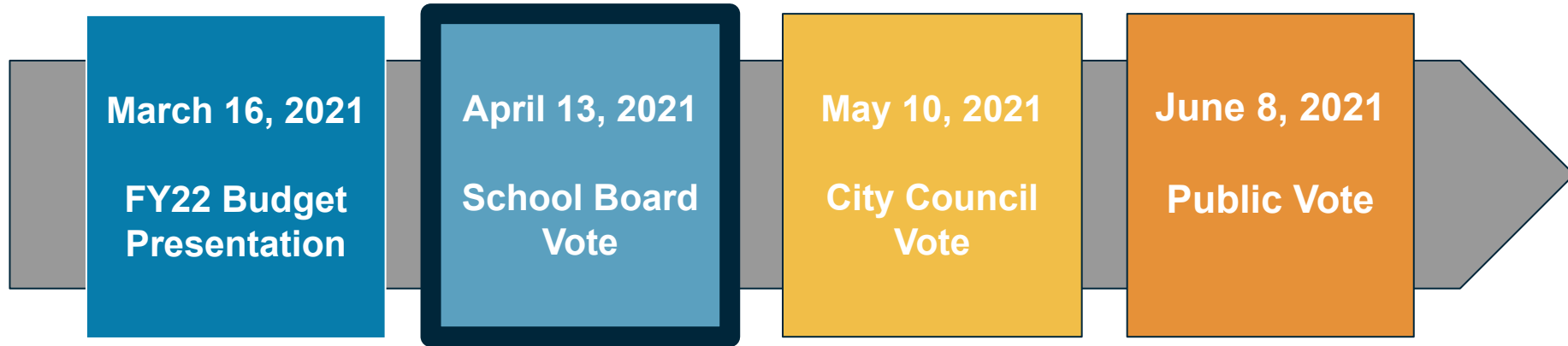


ESSERF III: Preliminary Plans

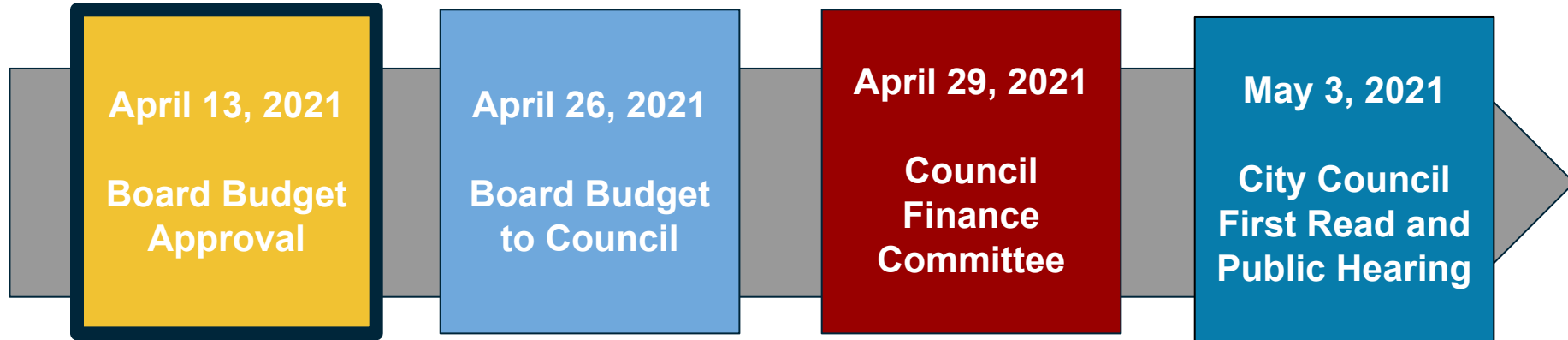
- ▶ District expects to receive additional ~\$18 million
 - Funds can be used through the summer 2024
 - Minimum of 20% to be used for “learning loss” recovery (required \$3.6 M; estimating \$7-7.5 M)
- ▶ Use funds to support school reopening in the fall (based on conditions as they come into focus)
- ▶ Propose using remaining in a participatory budgeting process to design community based sustainable investments aligned to Portland Promise goals



FY22 Budget Timeline - Milestones



Portland Public Schools FY22 Budget Timeline - Upcoming Dates



PORTLAND PUBLIC SCHOOLS
prepared & empowered

Questions



Honorable Mayor Snyder and Portland City Councilors,

As members of Portland Empowered, we unanimously and emphatically offer this letter of support in favor of approving the PPS FY22 School Budget. We believe in the power of public education, and the priorities outlined in this budget represent the goal of advancing equity in the district.

Investing in the education of our youth is a priority. After a year marked by significant challenges and unprecedented need, the theme of this year's budget (Advancing Equity) revolves around key investments that benefit us all:

Eliminating barriers for all students: The creation of new positions provides an opportunity to advance a culture of respect, accountability, and collaborative conflict resolution at PPS. This also means investing in support for students who are English language learners, have disabilities, and are economically disadvantaged.

Providing access to social and emotional health resources: The Mental wellness of our community deserves to be prioritized -- now more than ever before, as we emerge from what has been one of the most difficult years to date for many students, staff, faculty, and families;

Establishing new standards of access to technology: It is imperative to ensure that each student has access and connectivity to the basic technology required to support learning in the 21st century. This will result in increased levels of technical literacy, which promotes competitive positioning within the future economy;

Introducing outdoor learning and other new agile learning models: New and immersive curricular opportunities that have emerged as a result of the pandemic will continue to benefit PPS students and their overall educational experience;

From growing the PPS PreK program to enhancing special education services to extending support for students on the autism spectrum to providing the necessary resources to enforce new harassment policies, these budget priorities impact each of us in one way or another.

We affirm the dignity of every person and we stand by those who are most vulnerable. We as a community must put resources behind our commitment to justice and equity. Portland Public Schools not only forms our future generations, but it provides jobs, supports families, and exemplifies what it means to be a Portlander. PPS are community partners. They must be empowered to carry the banner of Equity and Progress. This ongoing work requires the resources and investments outlined within the '22 Budget Proposal as presented by the school board.

Sincerely,

Christine Biyoga, Parent (District 4)

Nolasque Isirabahenda, Parent (District 1)

Abusana Micky Bondo, Parent and School Board Member (District 1)

Lisa Whited, Parent and PPS Alum (District 5)

Maria Cushing, Parent and Community Organizer

Lucia Rico, Parent (District 3)

Rita Achiro, Parent and PPS Alum (District 1)

Lievino Lobi, Parent (District 1)

Jolie Iraoya, Parent (District 1)

Emilia Francok, Community Organizer (District 3)

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
TAE Y. CHONG (3)
ANDREW ZARRO (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

MARK DION (5)
APRIL D. FOURNIER(A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING STATE/LOCAL EPS FUNDING ALLOCATION
FOR PUBLIC EDUCATION FROM KINDERGARTEN TO GRADE 12
FOR PORTLAND PUBLIC SCHOOLS FOR FISCAL YEAR 2022**

ORDERED, that under and pursuant to the City's Fiscal Year 2021-2022 Appropriation Resolve and applicable state law the City hereby approves the following school budget article for Fiscal Year 2021-2022:

Appropriation for State/Local EPS funding Allocation: That the City appropriates the amount of \$91,537,540 for the total cost of funding public education from kindergarten to grade 12, and raises the amount of \$77,010,122 as the City's contribution to the total cost of funding public education from kindergarten to grade 12, both as described in the Essential Programs and Services Funding Act, in accordance with Maine Revised Statutes, Title 20-A, section 15688.

State Mandated Explanation: The City's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined under state law annually to be the minimum amount that the City must raise in order to receive the full amount of state dollars.

KATE SNYDER (MAYOR)
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NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING NON-STATE FUNDED SCHOOL CONSTRUCTION DEBT
SERVICE FOR PORTLAND SCHOOLS FOR FISCAL YEAR 2022**

ORDERED, that under and pursuant to the City's Fiscal Year 2021-2022 Appropriation Resolve and applicable state law the City hereby approves the following school budget article for Fiscal Year 2021-2022:

Appropriation for Non-State Funded Debt Service (20-A M.R.S.A. §15690(2)(A)).
That the City raise and appropriate **\$385,252** for the annual payments on debt service previously approved by the legislative body for non-state funded school construction projects and non-state funded portions of school construction projects, in addition to the funds appropriated as the local share of the City's contribution to the total cost of funding public education from kindergarten to grade 12.

State Mandated Explanation: *Non-state funded debt service is the amount of money needed for the annual payments on the City's long-term debt for major capital school construction projects that are not approved for state subsidy. The bonding of this long-term debt was previously approved by the voters or the City Council.*

KATE SNYDER (MAYOR)
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**CITY OF PORTLAND
IN THE CITY COUNCIL**

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**ORDER RAISING AND APPROPRIATING ADDITIONAL LOCAL FUNDS FOR
PORTLAND SCHOOLS FOR FISCAL YEAR 2022**

ORDERED, that under and pursuant to the City's Fiscal Year 2021-2022 Appropriation Resolve and applicable state law the City hereby approves the following school budget article for Fiscal Year 2021-2022:

Authorization to Exceed the Portland School Department's Maximum State and Local Spending Target Established Pursuant to Maine Revised Statutes, Title 20-A § 15671-A(4) and Appropriating Additional Local Funds: That the City raises and appropriates \$21,217,396 in additional local funds, which exceeds the State's Essential Programs and Services allocation model by \$21,217,396 as required to fund the budget recommended by the Portland Board of Public Education.

That amount is needed to cover the School Department's costs that the state's funding model does not recognize or recognize fully, including costs to maintain class size; Special Education costs; Regular Instruction costs; Facilities Maintenance costs to address deferred maintenance; technology costs; transportation costs; professional development costs; debt service for pension obligation; and debt service capital renovation costs.

State Mandated Explanation: *The additional local funds are those locally raised funds over and above the City's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state funded debt service that will help achieve the City's budget for educational programs.*

KATE SNYDER (MAYOR)
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**CITY OF PORTLAND
IN THE CITY COUNCIL**

MARK DION (5)
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PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING TOTAL SCHOOL OPERATING BUDGET
FOR PORTLAND SCHOOLS FOR FISCAL YEAR 2022**

ORDERED, that under and pursuant to the City's Fiscal Year 2021-2022 Appropriation Resolve and applicable state law the City hereby approves the following school budget article for Fiscal Year 2021-2022:

Total School Budget Summary (20-A M.R.S.A. §15690(4)(A)): That the City authorizes the School Committee to expend **\$118,755,817** for the Fiscal Year beginning July 1, 2021 and ending June 30, 2022 from the City's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

KATE SNYDER (MAYOR)
BELINDA S. RAY (1)
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IN THE CITY COUNCIL**

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**ORDER APPROPRIATING AND RAISING FUNDS
FOR ADULT EDUCATION FOR FISCAL YEAR 2022 AS REQUIRED
BY THE MAINE REVISED STATUTES, TITLE 20-A M.R.S. §8603-A(1)**

ORDERED, that the sum of \$2,575,752 is hereby appropriated for Adult Education for Fiscal Year 2021-2022 and that the sum of \$1,783,513 is hereby raised as the local share with authorization to expend any additional, incidental, or miscellaneous receipts in the interest and for the well-being of the adult education program.

***Explanation:** Under state law, the appropriation for adult education falls outside the total annual budget for public schools addressed in the prior order when it passes the Appropriation Resolve.*

KATE SNYDER (MAYOR)
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**CITY OF PORTLAND
IN THE CITY COUNCIL**

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**ORDER TO RAISE AND APPROPRIATE LOCAL FUNDS
FOR FOOD SERVICE IN
THE PORTLAND PUBLIC SCHOOLS FOR FISCAL YEAR 2022**

ORDERED, that the sum of \$186,123 is hereby raised and appropriated for the Food Service Program for Fiscal Year 2021-2022; and that the Portland School Department is authorized to expend any unexpended balances, and additional, incidental, or miscellaneous receipts in the interest and for the well-being of the food service program.

***Explanation:** This order raises and appropriates local tax revenues for the food service program.*

KATE SNYDER (MAYOR)
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IN THE CITY COUNCIL**

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NICHOLAS M. MAVODONES, JR (A/L)

**ORDER AUTHORIZING THE DISPOSITION OF
ANY ADDITIONAL STATE SUBSIDY RECEIVED
FOR PORTLAND SCHOOLS IN FISCAL YEAR 2022**

ORDERED, that under and pursuant to the City's Fiscal Year 2022 Appropriation Resolve and applicable state law the City hereby approves the following school budget article for Fiscal Year 2022:

Disposition of Any Additional State Subsidy Received: In the event that Portland Public Schools receives more state education subsidy than the amount included in its budget, that the City authorizes the Portland Board of Education to use all or part of the additional state subsidy to increase expenditures for school purposes in cost center categories approved by the Portland Board of Education, subject only to approval by the City Council.