City of Portland, Maine
Remote Finance Committee Meeting
Thursday, September 9, 2021
5:00 PM, Remote via ZOOM

AGENDA

ZOOM MEETING INFORMATION

Due to the existence of an emergency or urgent issue the Finance Committee will conduct this meeting by remote methods/technology at the Zoom link provided below, in accordance with the requirements of 1 M.R.S. section 403-B and the City Council's Remote Participation Policy. 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.
Please click the link below to join the webinar:
https://us06web.zoom.us/j/81165767612?pwd=cmdtbWxFb1lhTTRpNXpXZ24zVE9aQT09
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US: +13126266799,,81165767612#,,,,*475650# or
+19292056099,,81165767612#,,,,*475650#
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Dial(for higher quality, dial a number based on your current location):
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Passcode: 475650
International numbers available: https://us06web.zoom.us/u/kweaAtEQ

1. Introductions

2. City of Portland - Revaluation and Tax Billing/Mill Rate Updates

The Committee will hear an update from City staff including Tax Assessor Christopher Huff and Finance Director Brendan T. O'Connell on the revaluation process, the tax billing dates and final FY22 mill rate. It is expected that Portland's final FY22 mill rate will be one of the lowest in Southern Maine and the municipal portion of the mill rate will be the lowest in the entire State. This is a discussion item only.

3. FY22 and FY23 Tax Relief Programs Update

The Committee will hear an update from City staff including Tax Assessor Christopher Huff and Finance Director Brendan T. O'Connell on tax relief programs which will be available to Portland residents in FY22 and FY23. In previous Finance Committee meetings many Councilors expressed concern about post-revaluation property tax bills and encouraged staff to develop additional options for property tax relief. During this meeting City staff will discuss an expanded Portland Senior Tax Equity Program (P-STEP) for FY22 as part of the bridge program and additional details on a bridge for low income seniors until the State of Maine property tax deferral program is in place in FY23. Public comment will be taken on the proposed changes to the P-STEP program and the committee may take action to recommend the changes to the full City Council. See attachments for complete details.

4. American Rescue Plan Act Funding Updates and Next Steps

The Committee will hear updates on public outreach efforts conducted by the City on the American Rescue Plan Act of 2021. As a reminder, the Monday 9/13 City Council Workshop is an American Rescue Plan Act Funding Community Meeting where the public can provide live testimony. Additionally, City staff has released a public health survey, a Portland business community survey, and released a general American Rescue Plan Act Funding Survey. City staff has also met with the Working Waterfront Group, Cumberland County, the City of South Portland, and each City Councilor to discuss ARP priorities. Over 2500 individuals have interacted with the City via these public outreach efforts thus far. In addition to meetings already held, key upcoming ARPA dates are included below:

- *9/9/21 - 4PM - Working Waterfront Group - September 9, 2021 - American Rescue Plan Act Overview & Comment Forum*
- *9/9/21 - 5PM - Finance Committee Meeting - American Rescue Plan Act Funding Updates and Next Steps*
- *9/13/21 - 5PM - City Council Workshop - American Rescue Plan Act Funding Community Meeting / Public Forum*
- *9/23/21 - 5PM - Finance Committee Meeting - American Rescue Plan Act Project Requests & Recommendations Review**
- *10/7/21 - 5PM - Finance Committee Meeting - American Rescue Plan Act Project Recommendations - Public Hearing & Vote*
- *10/14/21 - 5PM - Finance Committee Meeting - American Rescue Plan Act Project Recommendations (If Necessary)*
- *10/18/21 - 5PM - City Council Meeting - American Rescue Plan Act Funding Recommendations - First Read*
- *10/25/21 - 5PM - City Council Workshop - American Rescue Plan Act Funding Recommendations*
- *11/1/21 - 5PM - City Council Meeting - American Rescue Plan Act Funding Recommendations - 2nd Read and Vote (Public Hearing)*

5. Discuss Postponed City Council Agenda Order 259-20/21 - Downtown TIF Amendment / Creative Portland Additional Funding Request

At tonight's meeting City staff will address postponed City Council agenda Order 259-20/21 Authorizing a 6th Amendment to the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Increase Funding to

Creative Portland (Sponsored by the Economic Development Committee) and the associated funding request, discuss issues with the request and available funding, and review whether it could be eligible for ARPA support. This discussion will continue on 9/23 when the Committee will have a more detailed discussion, a public hearing, and potentially take action in the form of a recommendation to the full City Council.

6. Adjournment

Revaluation Project Update

City Council Finance Committee
September 9, 2021

FY22 Final Values

	FY21	FY22	Change
Total Taxable Valuation	$8.037B	$14.6B	82%
Millage Rate (Tax Rate)	$23.31	$12.99	-44%

Median Assessed Value of a Single Family Home

$365,000

Local Municipal Property Tax Comparison: $500,000 Home

Town	Windham	Portland	South Portland	Scarborough	Falmouth	Westbrook	Gorham	Cape Elizabeth
FY22 Mill Rate	$12.70	$12.99	$14.70	$15.02	$17.43	$17.86	$19.00	$19.92
Taxes on a $500K Home	$6,350	$6,495	$7,350	$7,510	$8,715	$8,930	$9,500	$9,960

City of Portland Mill Rate History

Year	Mill Rate	% Change
FY07	**$16.31**	**-39%**
FY08	$17.10	4.8%
FY09	$17.74	3.7%
FY10	$17.74	0.0%
FY11	$17.92	1.0%
FY12	$18.28	2.0%
FY13	$18.82	3.0%
FY14	$19.41	3.1%

Year	Mill Rate	% Change
FY15	$20.00	3.0%
FY16	$20.63	3.2%
FY17	$21.11	2.3%
FY18	$21.65	2.6%
FY19	$22.48	3.8%
FY20	$23.31	3.7%
FY21	$23.31	0.0%
FY22	**$12.99**	**-44.3%**

Informal Appeals

- 2,368 total parcels appealed
  - 1,621 Residential
  - 747 Commercial

- Results
  - 61% (1,451) were granted
  - 39% (917) were denied

Ratio Study Testing Results

	Median Ratio (ASR)	Coefficient of Dispersion or Quality Rating	Price Related Differential (PRD)	Price Related Bias (PRB)
IAAO Standards	90% to 110%	15.0 or less	0.98 - 1.03	-.05 to +.05
State of Maine	Minimum 70%	Maximum 20.0	N/A	N/A
Pre Revaluation	66%	18	1.07	-.06
Post Revaluation	96%	6	0.99	+.005
Pre Reval Result	FAILED	FAILED (IAAO)	FAILED	FAILED
Post Reval Result	PASS	PASS	PASS	PASS

What's Ahead

- September 9, 2021 - FY22 tax rolls committed, tax bill information available on-line at the Citizen Self Service website, payments can be made

- Week of September 13, 2021 - FY22 tax bills will be mailed, bill images available for viewing or downloading on the Citizen Self Service website

- Now through March 11, 2022 - 185-day deadline for formal appeals to Assessor's Office. Applications are available on-line.

- January 2022 - City P-STEP and State Senior Tax Deferral Program applications become available

- April 1, 2022 - Assessment date for the FY23 tax cycle

Thank You!

CITY OF PORTLAND

To: **Members of the City Council**
CC: **City Manager Jon P. Jennings**
From: **Finance Director Brendan T. O'Connell, Assessor Christopher Huff, Deputy Finance Director Anne Bilodeay, Treasurer Rebekka Conley**
Date: **August 24th, 2021**
Title: **FY22 Bridge Program - Property Tax Relief for Low Income Seniors**

BACKGROUND - STATE TAX DEFERRAL PROGRAM (LD1638) AND NEED FOR A "BRIDGE" PROGRAM

The City of Portland is in the final stages of its first City wide revaluation in nearly 15 years. The revaluation is adjusting the taxable values of each property in the municipality to current market values in order to fairly distribute the overall tax burden among all property owners in the City. Although the overall tax burden is not changing as a result of the revaluation, individual property valuations and property tax bill amounts will fluctuate significantly.

The City is working hard to educate the public on the purpose of the revaluation and provide information on property tax relief programs available to residents. In addition to the existing property tax relief programs (highlighted in Appendix A to this memo) the City lobbied at the State level on behalf of several proposed tax relief laws enacted in early Summer 2021. One of these laws is LD 1638: An Act To Help Seniors and Certain Persons with Disabilities Remain in their Homes by Providing for the Deferral of Property Taxes, which was signed into law by Governor Mills on July 19, 2021. Taxpayers who qualify[1] for this program are eligible to defer their property taxes due until the sale of their homes at a later date. Under this program the State of Maine would pay a municipality directly for any property taxes due, place a lien on the property, but not foreclose on the loan so the property taxpayer could remain in the home as long as necessary. This program is a win-win-win for the State, local municipality, and the property taxpayer. Unfortunately due to the timing of the law passage the program will not go into effect until the FY23 tax year (application period opens in January 2022 for FY23 tax bills), so it is not available for the current property tax year. For many low income seniors in Portland an option for a "bridge program" for the upcoming tax year (FY22) which will assist them until the State deferral program goes into place is necessary.

DETAILS - PROPOSED CITY OF PORTLAND BRIDGE PROGRAM

The City staff proposal on a bridge program has two important components. The first and the easiest to implement is an increase to our local PSTEP (Portland Senior Tax Equity Program) for low income senior property owners. The PSTEP reimbursement amounts for homeowners would be doubled from a maximum of $900.00 to $1800.00 for FY22 only and applied directly to property taxes due. It is estimated this will carry a cost of approximately $100,000 to the City based on current PSTEP levels however it may be eligible for reimbursement with ARPA funds. This increase in maximum reimbursement would be applicable for FY22

[1] To qualify for property tax deferral under LD1638 the taxpayer must be 65 years of age or older or unable to work due to disability, must have annual income less than $40,000 in year preceding application, must have less than $50,000 in liquid assets or $75,000 if joint application, and receiving the Homestead Exemption.

only, after which the City would follow State limits on reimbursement thresholds (currently $1200 for age 65 and above).

The second component requires significant additional administrative effort but we feel is critical for those in need. The City would create a bridge program by taking applications from low income senior residents who meet the criteria for deferral under LD1638. The property taxpayers who met the State criteria would be put on a customized payment plan utilizing all available resources including the PSTEP to provide a repayment bridge to FY23 when the State deferral program would be in place. Significant staff outreach would be required with each taxpayer and significant additional administrative burden would be added. Treasury staff is already at full capacity therefore an additional Treasury resource would be required at a CEBA union grade 13 (approximately $21/hour for recruit step) to administer this program and help with other Treasury workload.

APPENDIX A - PROPERTY TAX RELIEF PROGRAM OPTIONS AVAILABLE

Property Tax Relief Programs

City Council Finance Committee
July 22, 2021

Real Estate Taxes	Business Personal Property Taxes	Income Taxes	Current Land Use Tax Programs
Homestead Exemption	Business Equipment Tax Reimbursement (BETR)	Property Tax Fairness Credit (PTFC)	Farmland
Veterans, Surviving Spouse, Minor Child or Widowed Parent of a Veteran Exemption	Business Equipment Tax Exemption (BETE)	Portland Senior Tax Equity Program (P-STEP)	Open Space
Blind Persons Exemption			Tree Growth
Senior Tax Deferral Programs (2)			Working Waterfront
Renewable Energy Equipment Exemption			

Real Estate Tax Relief Programs

- Homestead Exemption Program
  - Provides property tax relief for individuals that have owned a home for at least 12 months and occupy it as their primary residence
  - Provides $25,000 of exempted value
  - One time application; deadline is April 1st each year
  - FY21 - 8,871 approved Portland homesteads; $448.72 tax reduction
    - Provided $3.98 million in total tax relief to Portland residents
    - 70% State reimbursement - $2,786,401

Real Estate Tax Relief Programs

- Veterans Exemption Program
  - Provides property tax relief for Veterans who served during a recognized war period and are:
    - 62 years of age or older; or
    - Receiving 100% disability as a Veteran; or
    - Became 100% disabled while serving
  - Provides $6,000 of exempted value
    - Surviving spouses, minor children and widowed parents eligible
    - Parapalegic Veterans can be eligible for $50,000 in exempted value
  - FY21 - 719 approved Veterans exemptions; $107.69 tax reduction
    - Provided $77,429 in total property tax relief
    - 50% State reimbursement - $38,715

Real Estate Tax Relief Programs

- Blind Persons Exemption
  - Provides property tax relief for 100% legally blind individuals
    - Provides $4,000 of exempted value
  - FY21 - 21 qualified Blind Person exemptions; $71.79 tax reduction
    - Provided $1,508 in property tax relief
    - 50% State reimbursement - $754

- Renewable Energy Investment Exemption
  - Exempts some or all of increased assessed value for items such as solar panels, wind turbines and associated equipment
  - Portland does not add assessed value for these items, therefore we do not participate in this program

Current Land Use Programs

The State of Maine has four "current use" programs that offer property owners a reduction in assessed value by establishing property valuation at its current use, rather than at market value

- Farmland
  - 5 contiguous acres used for farming, agriculture or horticulture
  - Must generate $2,000 in gross income from these activities each year
  - FY21 - 3 parcels enrolled covering 26.2 acres; provided $10,145 in tax relief

- Tree Growth
  - 10 acres or more of forested land used for commercial harvesting
  - Forest management and harvest plan required by licensed Maine Forester
  - FY21 - 3 parcels enrolled covering 85.7 acres; provided $68,745 in tax relief

Current Land Use Programs

- Open Space
  - Eligible parcels are preserved or deed restricted to provide a public benefit
    - Public recreation, scenic resources, game management, wildlife habitat
    - Up to a 95% reduction in value on land
  - FY21 - 23 parcels enrolled covering 229.4 acres; provided $365,712 in tax relief

- Working Waterfront
  - Eligible parcels abutting tidal waters or located in intertidal zone
    - More than 50% of parcel used to support commercial fishing activities
    - Up to 50% reduction in value of land
  - FY21 - 1 parcels enrolled; provided $1,577 in tax relief

Business Personal Property Tax Relief Programs

- Business Equipment Tax Reimbursement (BETR)
  - Programs were developed to encourage capital investment in Maine
  - Reimburses taxpayers for local property taxes paid on most qualified business assets first placed in service between April 1, 1995 and April 1, 2007
- FY20 - 203 applications received; taxpayers reimbursed $1,446,657

- Business Equipment Tax Exemption (BETE)
  - Provides 100% tax exemption for eligible business assets first subject to taxation on or after April 1, 2008
- FY21 - 426 applications received; $253,325,290 in exempted PP assets
  - $5,905,013 in tax relief
  - 53.09% State reimbursement - $3,135,148

Income Tax Relief Programs

- Maine Property Tax Fairness Credit (PTFC)
    - Eligible Maine taxpayers receive a portion of the property taxes or rent they paid during the tax year on their Maine 1040ME income tax return, whether they owe income tax or not
    - Schedule PTFC determines the credit amount based on income, property tax and/or rent paid

- Portland Senior Tax Equity Program (P-STEP)
    - Provides tax relief in the form of a direct payment to Portland seniors (62 or older) who receive a PTFC credit from the State of Maine
    - PTFC credit is matched dollar for dollar, up to $900
    - Annual application period is January through June
- FY21 - 194 applications with $135,203 in total refunds

Senior Tax Deferral Programs

- Municipal Property Tax Deferral for Senior Citizens
    - Allows municipalities to enact a property tax deferral program to help elderly homeowners keep their homes
        - Taxpayer must be at least 70 years of age
        - Must have owned their home for at least 10 years
        - Income cannot exceed 300% of the federal poverty level
    - Eligibility is determined by the municipality
    - A lien is established and recorded in the Registry of Deeds each year of deferral
    - Interest accrues on deferred taxes at .5% above the annual delinquent rate
    - All administrative duties of processing, noticing, filing and record keeping are the responsibility of the local municipality

Senior Tax Deferral Programs

- Municipal Property Tax Deferral for Senior Citizens
  - Events requiring the payment of deferred taxes and interest
    - The taxpayer passes away
    - The property sells or transfers to a new owner
    - The property is no longer occupied by the taxpayer (except if absence is health related)
  - If transferred to a family member of the same household, they may apply for continuation of the deferral

Senior Tax Deferral Programs

- LD 1638: An Act To Help Seniors and Certain Persons with Disabilities Remain in their Homes by Providing for the Deferral of Property Taxes
  - Signed into law by Governor Mills on Monday, 7/19/21
  - Taxpayer must be 65 years of age or older or unable to work due to disability
  - Taxpayer has annual income less than $40,000 in year preceding application
  - Taxpayer has less than $50,000 in liquid assets or $75,000 if joint application
  - Taxpayer must be receiving the Homestead Exemption
  - Program will be in place for tax year **FY23**

Senior Tax Deferral Programs

- LD 1638: An Act To Help Seniors and Certain Persons with Disabilities Remain in their Homes by Providing for the Deferral of Property Taxes
    - Applications are submitted to the local assessment office and forwarded to the State Tax Assessor for determination of eligibility and approval
    - Once approved, the State pays the municipality the deferred taxes for the year
    - Administrative duties of processing, noticing, and filing are the responsibility of the State
    - Same events trigger the repayment of deferred taxes and interest with the State collecting those amounts

CITY OF PORTLAND
IN THE CITY COUNCIL

AMENDMENT TO PORTLAND CITY CODE
CHAPTER 2 ADMINISTRATION
RE: SENIOR TAX RELIEF PROGRAM

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

1. That the Portland City Code is hereby amended by adding Article XI, Sections 2-451 to 2-459, which said sections read as follows:

ARTICLE XI. PORTLAND SENIOR TAX EQUITY PROGRAM

State law reference(s) -- Tax credits, 36 M.R.S.A. Sec. 5219-KK; Maine Residents Property Tax Program, 36 M.R.S.A. Sec. 6201 et seq.; Municipal property tax assistance, 36 M.R.S.A. Sec. 6231 et seq.

Sec. 2-451. Definitions.

For purposes of this article, the following terms shall have the following meanings:

Applicant shall mean a person who files with the City an application for a benefit under the Program.

Director shall mean the Finance Director of the City of Portland or his or her designee.

Eligible applicant shall mean a person who is determined, after review of a complete application under this article, to be eligible for a Program Benefit under the terms of this article.

Homestead shall have the same meaning as in 36 M.R.S. § 5219-KK(1)(C), as it may be amended from time to time.

Program shall mean the Portland Senior Tax Equity Program established by this article.

Program Benefit shall mean the amount of the refund payment for which an eligible applicant is qualified as determined by the Director under this Article.

Program Fund shall mean a dedicated account into which funds for the Program that are appropriated by the City Council are placed.

State Program shall mean the Maine Property Tax Fairness Credit Program established by 36 M.R.S. § 5219-KK, as it may be amended from time to time.

Year shall mean January 1 through December 31.

Sec. 2-452. Purpose of program; program description.

The purpose of this article is to establish a Program to provide property tax assistance ~~in the form of a refund payment~~ to income-eligible persons at least sixty-two (62) years of age who have a homestead in the City of Portland and who qualify for a tax credit under the state program.

Sec. 2-453. Eligible applicant.

In order to be an eligible applicant for a benefit from the City under the Program, an applicant must demonstrate all of the following:

(a) The applicant must be 62 years of age or older and have a homestead in the City at the time of application.

~~(b) If the applicant owns his or her homestead, the applicant paid in full all property taxes for the year for which the refund is requested. If the applicant rents his or her homestead, the applicant paid rent during the year for which the refund is requested.~~

(~~c~~b) The applicant has received a tax credit under the state program for the prior year.

§ 2-454. Application and benefit payment.

In order to qualify for a benefit under the Program, applicants must submit an application between March 15 and May 15 relative to the prior year's income tax for a benefit under this article. An application is required each year that an applicant desires to participate in the Program. The Director shall provide an application form for the Program, which shall include, at a minimum, the applicant's name, homestead address, and contact information. As part of the application, the applicant shall authorize the City to obtain documentation from

Maine Revenue Services establishing the amount of the credit the applicant received under the state program. The Program is based on the state program and relates to property taxes assessed and paid or rent paid in the preceding year. The Director shall review and determine if the application is complete and accurate and if the applicant is an eligible applicant. The Director's determinations as to whether an applicant is an eligible applicant and the amount of the applicant's program benefit shall be final.

Sec. 2-455. Determination of eligibility; amount of program benefit.

If the Director determines that an applicant is an eligible applicant, the Director shall then determine the applicant's program benefit, which shall be the lesser of the following amounts:

(a) The amount of credit the applicant qualified for under the state program;

(b) ~~Nine~~ Twelve-hundred dollars ($~~900~~1200.00); or

(c) A pro rata share of available monies in the Program fund based on the amount of each eligible applicant's credit under the state program.

For applications received in 2022 only the Director is authorized to double the program benefit, up to the amount of FY22 property taxes due, for eligible applicants who own a homestead in the City and who qualify for the State of Maine property tax deferral program as outlined in *LD 1638 An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes.*

Sec. 2-456. ~~Creation of program fund~~Program funding; limitation on payments.

Upon presentation of the budget to the City Council, the City Manager shall propose an appropriation of funds to support this ~~Program~~program. ~~If the Council approves the appropriation of such funds, they shall be placed in the Program Fund. Any surplus monies available after all payments have been made in a given year shall remain in the Program Fund.~~ In the event that the City Council fails to appropriate funds for the ~~Program Fund~~program, the Director may search for other available sources of funding to support approved applications. ~~or i~~If there are insufficient funds in ~~the Program Fund~~ to pay any eligible applicant all or part of the applicant's program benefit, the applicant's request for a benefit under the ~~Program~~ program will not carry over to the next year.

Sec. 2-457. Payments.

An eligible applicant shall be mailed a check for the program benefit within thirty days after the City receives satisfactory documentation that the applicant has received a tax credit under the state program for the prior year if they have no property taxes due. For eligible applicants who have property taxes due the payments will be directly applied to property taxes due.

~~, but no later than September 30th of the year in which the applicant files and application.~~

Sec. 2-458. One eligible applicant per household.

Only one eligible applicant per homestead shall be entitled to payment under the Program each year. The right to file an application under this article is personal to the applicant and does not survive the applicant's death, but the right may be exercised on behalf of the applicant by the applicant's legal guardian or attorney-in-fact. If an applicant dies after having filed a timely and complete application that results in a determination that the applicant is eligible, the amount determined by the Director shall be disbursed to another member of the household as determined by the Director. If the applicant was the only member of a household, then no payment shall be made under the Program.

Sec. 2-459. Effective date.

This ordinance shall apply to benefit applications filed with the City on or after March 15, 2019, for a benefit relative to the 2018 income tax year and subsequent income tax years.

CITY OF PORTLAND
IN THE CITY COUNCIL

ORDER AMENDING THE DOWNTOWN TRANSIT ORIENTED DEVELOPMENT AND OMNIBUS TAX INCREMENT FINANCING DISTRICT TO INCREASE FUNDING FOR CREATIVE PORTLAND

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, Order 13-20/21, and 242-20/21 is hereby amended to increase the Tax Increment Financing funding from this district for Creative Portland 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.

As amended and passed by the City Council/Corporator at its December 15, 2014 Meeting:

BYLAWS OF THE
CREATIVE PORTLAND CORPORATION
(commonly known as "Creative Portland")

ARTICLE 1
NAME, PRINCIPAL OFFICE, CORPORATE SEAL

Section 1.1. Name. The name of this corporation shall be the Creative Portland Corporation, commonly known as "Creative Portland".

Section 1.2. Principal Office. The principal office for the conduct of the activities of the corporation shall be located in Portland, Maine.

Section 1.3. Registered Office. The Registered Office of the Corporation is at 389 Congress Street, Portland, Maine. The address of the Registered Office may be changed from time to time by the Board of Directors or by the Registered Agent.

Section 1.4. Registered Agent. The Registered Agent of the Corporation is the person designated in the Articles of Incorporation, as amended from time to time by the Board of Directors.

ARTICLE II
PURPOSES

Section 2.1. General Purposes. The Corporation is organized and shall be operated on a non-profit basis to receive donations, grants and contributions in support of the City of Portland's economic development efforts by strengthening, stimulating and supporting Portland's creative industries, enterprises, and workforce, with specific regard for artists and cultural institutions who are critical assets to the city's identity, economy, and community. In furtherance of its mission, the Corporation shall endeavor to:

A. Act as the official Local Arts Agency for the City of Portland.

B. Supports and, at times, sponsors activities and programs, like the First Friday Art Walk, that encourage greater access to, and participation in, arts and culture.

C. Supports programs that assist artists, creative workers, and creative entrepreneurs with the development of their professional skills and expertise, and help catalyze the creative community with up-to-date information and constructive discussion.

D. Partner with key institutions to pursue a larger, collective vision based on the success of Portland's creative community with a particular emphasis on the arts and culture.

E. Consider new (or updated) public policies that affect artists, arts organizations, and creative industries in Portland and makes recommendations to the appropriate governmental bodies.

F. Pursue strategies that keep Portland's identity as a vibrant, creative place at the forefront nationally, and increase awareness among those with the potential to add to the consumer/audience/ donor base for the arts and cultural community.

G. Develop and implement strategies in conjunction with the City's Economic Development Division to stimulate creative enterprise development, job growth, and attraction of consumers and audiences who frequent and support artists, cultural institutions, and creative enterprises.

H. Pursue strategies that support the continued development of Portland's Arts District and increase opportunities for artists and arts organizations to thrive.

I. Conduct and/or fund research to support Corporation objectives as well as the key interests/needs of artists, arts and cultural organizations and creative entrepreneurs.

Section 2.2. Powers. This Corporation shall have all such powers as are authorized to non-profit corporations by the Maine Nonprofit Corporations Act. The corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status (i) as a corporation which is exempt from federal income taxation as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (ii) as a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended.

Section 2.3. Prohibition of the Inurement of Assets and Income to Private Persons. The corporation is not organized for pecuniary profit and shall not have any capital stock. No part of its net earnings or of its principal shall inure to the benefit of any officer or director of the corporation, or any other individual, partnership or corporation, but reimbursements for expenditures or the payment of reasonable compensation for services rendered shall not be deemed to be a distribution of earnings or principal.

Section 2.4. Dissolution. If this Corporation is dissolved or its legal existence terminated, either voluntarily or involuntarily, or upon final liquidation of the Corporation, none of its assets shall inure to the benefit of any private individual, and all of its assets remaining after payment of all of its liabilities shall be distributed to one or more organizations which the Board of Directors then determines is qualified both as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and as an organization engaged in activities substantially similar to those of this Corporation (within the meaning of 13-B M.R.S.A. §407).

Section 2.5 Tax exempt Status. It is intended that the Corporation shall have and continue to have the status of a corporation which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended, or successor provisions of federal tax law (the "Internal Revenue Code") as an organization described in Section 501(c)(3) of such Code, and to which contributions are deductible under Section 170(c)(2) and 2055(a)(2) of the Internal Revenue Code, which is other than a private foundation as defined in Section 509(A) of the Internal Revenue Code. The Articles of Incorporation and these Bylaws shall be construed accordingly, and all powers and activities shall be limited accordingly.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; provided that the Corporation shall have the power to make an election under Section 501(h) of the Internal Revenue Code. Likewise, the Corporation shall not participate or intervene in any manner or to any extent in any political campaign on behalf of any candidate for public office. Furthermore, the Corporation shall not engage in any activities that are unlawful under applicable federal, state or local laws, including, but not limited to, activities prohibited for an exempt organization under Section 501(c)(3) of the Internal Revenue Code and regulations thereunder as they now exist or as they may hereafter be amended.

ARTICLE III
MEMBERSHIP

Section 3.1. Member. The sole member of the Corporation shall be the City of Portland, Maine. The sole member of the Corporation shall be referred to as the "Corporator" for the purposes of the Articles of Incorporation and these Bylaws.

Section 3.2 General. The rights and responsibilities of the Corporator, may be changed from time to time by an amendment to the Articles of Incorporation (to the extent required by law) and these Bylaws.

Section 3.3. Powers. The Corporator shall have only those rights set forth in the Articles of Incorporation, as restated in these Bylaws. Such rights are as follows:

A. The establishment of the size of the Board of Directors within the limits described in Section 4.2 hereof;

B. The appointment of up to 10 Directors pursuant to Article IV hereof, with the exception of filling of a vacant Board seat as provided in Section 4.5 hereof;

C. The removal of Directors it has appointed from the Board of Directors;

D. The amendment, restatement, or modification of the Articles of Incorporation or of the Bylaws of this Corporation;

E. The approval of the sale, lease, or other disposition (excluding by mortgage or pledge for purposes of security) of all, or substantially all, of the assets and property of the Corporation;

F. The dissolution of the Corporation or its merger with or consolidation with another corporation; and

G. Any other matter which a majority of the Board of Directors voting on the matter votes to submit to the Member.

Section 3.4 Annual Meetings. The Annual Meeting of the Corporator shall be held at a regular meeting of the City Council in the month of November of each year at such place and time as shall be fixed by the Board of Directors. In the event of a failure for any reason to hold an Annual Meeting as aforesaid, any business which may properly be transacted at an Annual Meeting, including the election of Directors, may be transacted at a Special Meeting.

Section 3.5 Special Meetings. Special Meetings of the Corporator may be called at any time by the President or a majority of the Directors.

Section 3.6. Notice of Meetings. Notice of all meetings of the Corporator shall be given by the Secretary or in his or her absence or disability by the President, by mailing or emailing to the Corporator a written notice specifying the time and place of the meeting, such notice to be addressed to the Corporator and emailed or mailed (postage prepaid) at least five (5) but not more than fifty (50) days before the meeting.

Section 3.7. Action by Unanimous Consent. Any action required or permitted to be taken at a meeting of the Corporator may be taken without a meeting as long as consent in writing, setting forth the action so taken shall be signed by the Corporator, and filed with the minutes of the meetings of the Corporator.

Section 3.8. Manner of Acting. The act of the Corporator, present in person or by proxy at a meeting, shall be the valid act of the Corporator.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.1. Management by Board. The affairs of the Corporation shall be managed by its Board of Directors, which may exercise all powers of the Corporation and do all lawful acts and things necessary or appropriate to carry out the purposes of the Corporation. The Board of Directors may hire an Executive Director to whom it may delegate such duties as it deems appropriate.

Section 4.2. Number of Directors; Eligibility. The Board of Directors shall consist of up to twenty-one (21) individuals – eight (8) of whom shall be Directors appointed by the Corporator through the Portland City Council, two (2) of whom shall be ex officio members of the Board pursuant to Section 4.4 of this Article, and eleven of whom will be elected by the Board of Directors pursuant to Section 4.4 of this Article. Two-thirds of the Directors, with the exception of the ex officio members, must be either residents of, own a business located in, or work in the City of Portland.

Section 4.3. Nomination. The Corporator shall receive nominations from the Portland City Council Nominating Committee.

Section 4.4. Ex Officio Members of the Board of Directors. There shall be two (2) individuals who shall each be deemed an ex officio members of the Board of Directors by virtue of his or her holding the position of (1) Mayor or City Council member of the City of Portland as appointed by the Corporator; and (2) City Manager or designee of the City Manager associated with the Economic Development Division as appointed by the Corporator.

The provisions of these Bylaws contained in Section 4.5 regarding term of office, Sections 3.2 and 3.3 regarding appointment of directors and Section 4.7 regarding vacancies shall not apply to said ex officio members. The City Manager or designee shall be a member of the Board of Directors so long as he or she continues to serve in the office by virtue of his or her employment in the said capacity by the City; and the Mayor or City Council member shall be appointed annually; and said members shall enjoy all the rights, privileges and responsibilities of all other member of the Board of Directors, including, without limitation, voting privileges, except, however that no ex officio member may serve as President of the Board of Directors. The Board of Directors may take action by unanimous consent only with the consent of said ex officio member. Ex officio members shall be counted as Directors for purposes of determination of the residency/business requirements in Section 4.2 of this Article. Ex officio members shall be entitled to the same indemnification rights available to all Directors under the law, these Bylaws or otherwise.

Section 4.5. Terms of Office. The Corporator shall specify the term of office for which each of its up to ten (10) Directors is initially appointed. The Board of Directors shall specify the term of office for which each of its up to eleven (11) Directors is initially appointed. Thereafter, Directors shall be appointed by either the Corporator or the Board of Directors at Annual Meetings of the Corporation to serve as such for a term of three (3) years. Each Director shall serve until his or her successor shall be duly qualified and appointed. Directors shall be nominated prior to the Annual Meeting of the Corporation. No Director shall succeed himself or herself after his or her initial term for more than two (2) full consecutive terms, and no Director shall serve for more than nine years. However, if the President is serving the last year of his or her term, and would not otherwise be able to continue on the Board, he or she may in this case (to serve as Immediate Past President) serve for one additional year.

Section 4.6. Voting. Each Director shall be entitled to one (1) vote.

Section 4.7. Vacancies. Any vacancy occurring on the Board of Directors among the Corporator's appointees may be filled by the Corporator.. A person appointed to fill a vacancy which occurs other than by reason of an increase in the number of Directors shall serve the remainder of the term of the individual he/she is replacing unless otherwise ordered by the Corporator.

Any vacancy occurring on the Board of Directors among Board appointees may be filled by the Board of Directors. A person appointed to fill a vacancy which occurs other than by reason of an increase in the number of Directors shall serve the remainder of the term of the individual he/she is replacing unless otherwise ordered by the Board.

Section 4.8. Resignation. Any Director may resign at any time by giving written notice to the President of the Corporation. Such resignation shall take effect on the date of receipt or at any later time specified therein.

ARTICLE V
MEETINGS

Section 5.1. Annual Meeting. The Annual Meeting of the Board of Directors shall be held without call at the Board's Regular Meeting in the month of November, at the principal office of the Corporation or at some other place fixed by the President.

Section 5.2. Regular Meeting. Other Regular Meetings of the Board of Directors may be held, without call, at such place, date and time as shall be fixed from time to time by resolution of the Board of Directors.

Section 5.3. Special Meetings. Special Meetings of the Board of Directors may be called by such persons as are authorized by law to call Special Meetings. The place, date and time of the Special Meeting shall be fixed in the call therefor.

Section 5.4. Notice of Meetings. Notice of each Annual, Regular or Special Meeting of the Board of Directors shall be given by the person or persons calling the same or by the President or Secretary at least three (3) days in advance thereof. Notice may be given in writing, by email, by telephone, by oral statement or by any other means to the Directors in person or by delivery of a writing to his residence or business address. Notice given in writing by mail shall be deemed given on the day that the same is deposited in the U.S. mails as first class mail, postage prepaid. Neither the business to be transacted there at, nor the purposes of any Annual, Regular or Special Meeting of the Board of Directors need to be specified in the notice of such meeting, except when otherwise provided by law.

Section 5.5. Conduct of Meetings. The final actions of the Board of Directors shall be taken openly, and subject to provisions of the Maine Freedom of Access Law, deliberations of the Board shall be conducted openly, and the records of their actions shall be open to public inspection. The Board may go into executive session from time to time as allowed by the Maine Freedom of Access Law.

Section 5.6. Quorum. A simple majority (over 50%) of the Directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors.

Section 5.7. Informal Action by Directors. Action of the Directors may be taken in accordance with the provisions of Section 708 of the Maine Nonprofit Corporations Act, Title 13-B M.R.S.A. as it may be amended from time to time. In amplification of, and not in limitation of the foregoing, action taken by agreement of a majority of Directors shall be deemed action of the Board of Directors if all Directors know of the action taken and no Director makes prompt objection to such action. Objection by a Director shall be effective if written objection to any specific action so taken is filed with the Secretary of this Corporation within thirty (30) days of such specific action.

Section 5.8. Notice. Whenever under the provisions of the statutes, Articles of Incorporation or these Bylaws notice is required to be given to any Director, such notice must be given in writing by personal delivery, by email, mail, or by telephone, addressed to such Director at his or her address as it appears on the records of the Corporation, with postage or other delivery fees prepaid, or at his or her telephone number as it appears on the records of the Corporation. Notice by mail shall be deemed to be given at the time it is deposited in the United States mail.

Section 5.9. Indemnification. This corporation shall in all cases indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director, officer, employee or agent of this corporation, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding to the maximum extent permitted by law, including, without limitation, 13-B M.R.S.A. §714 as it may be amended from time to time, and acts additional thereto and supplementary thereof, to which reference is made.

ARTICLE VI
OFFICERS AND AGENTS

Section 6.1. Officers. The officers of the corporation shall be chosen annually at the Annual Meeting of the Board of Directors, and shall be a President, Vice President, a Treasurer, a Secretary, and an Immediate Past President. One individual may serve in more than one such office. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers.

Section 6.2. Term. Officers shall be elected for a term of one (1) year to serve until the next Annual Meeting of the Board of Directors or until their successors are duly chosen and qualified. Officers may succeed themselves for any period of years. The initial officers shall be appointed by the Board of Directors at their first meeting following incorporation to serve as such until the first Annual Meeting of the Board of Directors.

Section 6.3. Removal. Any officer of the corporation may be removed by the Board of Directors whenever in their judgment the best interests of the corporation will be served thereby.

Section 6.4. Vacancies. Any vacancy in any office (except the office of Director) may be filled by the Board of Directors.

Section 6.5. President. The President of the Corporation shall be elected from among the members of the Board of Directors, provided however that no ex officio member may be permitted to serve as President.

Section 6.6. Vice-President. The Vice President shall perform such duties as are assigned to him or her by the President and the Board of Directors. In the absence of the President, he or she shall perform the duties of that office.

Section 6.7. Treasurer. The Treasurer shall be the chief financial officer of the corporation and, together with the Assistant Treasurer, shall have the responsibility for all corporate funds and securities and shall maintain full and accurate accounts of receipts and disbursements in a book or books kept for that purpose. The Treasurer shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Treasurer shall be.

Section 6.8. Secretary. The Secretary shall attend all meetings of Corporation and the Board of Directors and keep minutes of all meetings of the Corporation and the Board of Directors in a book or books kept for that purpose. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Secretary shall be. The Secretary, and any Assistant Secretaries, shall have authority to affix the corporate seal to any instrument which requires it, and when so affixed, it may be attested by the Secretary or by any Assistant Secretary.

Section 6.9 Immediate Past President. The Immediate Past President shall perform such duties as are assigned to him or her by the President and the Board of Directors.

Section 6.9.1. The Assistant Treasurer and Assistant Secretary. One (1) Assistant Secretary shall be appointed by the Board of Directors. The individual appointed Assistant Secretary shall be the Director of Economic Development Division of the City of Portland and shall be the principal staff person for the Corporation. One (1) Assistant Treasurer shall be appointed by the Board of Directors. The individual appointed as the Assistant Treasurer shall be that individual who holds the position of Treasurer for the City of Portland. The Assistant Treasurer shall, together with the Treasurer, have the responsibility for all corporate funds and securities and shall maintain full and accurate accounts of receipts and disbursements in a book or books kept for that purpose. The Assistant Treasurer shall have such other powers and duties as may be prescribed from time to time by the Board of Directors. Assistant Secretaries and Assistant Treasurers shall not be members of the Board of Directors.

Section 6.9.2. Other Employees. Other employees of the Corporation may be appointed by the Board of Directors, and if so appointed, shall be supervised by, and shall serve under the direction of the Board of Directors.

ARTICLE VII
COMMITTEES

Section 7.1: Executive Committee

The Executive Committee of the Corporation shall consist of President, Vice President, Treasurer, and Immediate Past President. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all of the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors. This includes supervision of the staff of the Corporation.

Section 7.2: Finance Committee

The Finance Committee of the Corporation shall consist of three members of the Board. The incumbent Treasurer of the Board will serve as a member and chair of the Finance Committee. The Finance Committee is responsible for developing and reviewing fiscal procedures, a fundraising plan, and annual budget. The Board must approve the budget, and all expenditures must be within the budget. Any major change in the budget must be approved by the Board or the Executive Committee. The fiscal year shall be July 1 to June 30. Annual reports are required to be submitted to the Board showing income, expenditures, and pending income. The financial records of the organization are public information and shall be made available to the membership, Board members, and the public.

Section 7.1: Subcommittees of the Board

The Board may create subcommittees, such as fundraising, marketing, events, as needed. Both members of the Board and the public can be members. The Board President will appoint the Chairs of the Committee. Each Board director shall serve on at least one subcommittee.

ARTICLE VIII
ADOPTION, AMENDMENT

Section 8.1. Generally. These Bylaws may be amended or repealed or new Bylaws adopted only by the affirmative vote of the Corporator, provided, however, that the Bylaws may not be amended in such a way as to cause the Corporation to lose its status (i) as a corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (ii) as a corporation to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or (iii) as a corporation described in Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended.

Section 8.2. Amendments. These Bylaws may be amended solely by the Corporator.

ARTICLE IX
CONFLICT OF INTEREST

Section 9.1. Avoidance of Conflict or the Appearance of such Conflict. Every Director shall endeavor to avoid conflicts of interest or the appearance of such conflicts or impropriety as provided by state statute, by full disclosure at all times and by abstention in the appropriate circumstances.

Section 9.1. Disclosure. Any Director who has a direct interest in any matter to be considered by the Board shall fully disclose that interest to the Board. If a Director is unsure whether a direct interest exists in a particular matter or if the issue is otherwise raised in good faith, the Director shall disclose the pertinent facts to the Board, and the Board shall determine the issue.

Section 9.3. Abstention. When the Director has so disclosed and is deemed to have a direct interest in a matter, the Director shall abstain from voting on the matter and from otherwise participating in the decision-making process on the matter. Notation of the disclosure and abstention of the Director shall be recorded in the minutes.

Section 9.4. Direct Interest. For purposes of this Article, direct interest in a matter shall mean:

A. A substantial financial interest of the Director or of the spouse or dependent child of the Director;

B. A substantial financial interest of any employer, partner, associate, co-shareholder or other co-venturer of the Director;

C. A substantial financial interest of the Director in any entity which has a substantial financial interest in the matter; or

D. Any other substantial interest of the Director which the Director or the Board believes might reasonably impair the Director's ability to act independently.

ATTEST:____________________ DATE: 2/5/15

Secretary

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PORTLANDME

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

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

FY22: 155K (proposed City TIF increase)
35K - Marketing services & materials
45K - cultural app prototype, augmented reality features, training & outreach
54K - outdoor performance pop-up venues - tech, crew, street block closures (6 performances)
16K - First Friday Art Walk- city staff & tech support - management, safety, COVID watch, projections, stage
5K - Arts & Culture Summit Webinar

FY23: 250K (proposed City TIF increase)
40K - Marketing services & materials
30K - cultural app marketing campaign and launch
56K - outdoor performance pop-up venues
70K - arts, music & innovation festival
8K - mural initiative (mental health/social safety campaign)
14K - First Friday Art Walk - city staff & tech equipment
25K - Hear Here Merrill Auditorium (sound/lights rental and union crews)
7K - Arts & Culture Summit (in-kind venue waiver)

FY24: 372K (proposed TIF including grant & private support)
45K - Marketing services & materials
25K - cultural app content mgr & IT support
56K - outdoor performance pop-up venues
75K - arts, music & innovation festival
14K - First Friday Art Walk - city staff & tech equipment
50K - Exterior Jetport Wall Mural*
100K - Hear Here Merrill Auditorium (permanent sound/lights)*
7K - Arts & Culture Summit (in-kind venue waiver)

FY25: 496K (proposed Arts Budget including private funding)
150K - Marketing services & materials
75K - arts, music & innovation festival
14K - First Friday Art Walk - city staff & tech equipment
250K - Hear Here Merrill Auditorium (complete tech renovation)*
7K - Arts & Culture Summit (in-kind venue waiver)

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

March 12, 2021
To: The HEDC Committee
Re: Clarification on Creative Portland TIF Increase Request - Original Attached

Thank you once again for hearing our request on March 2nd regarding the TIF allocation to Creative Portland (CP). This memo will clarify questions raised at the preliminary review.

Attached is a slightly modified version of our Phased Request for TIF Allocation. Marketing services (line #1) have replaced the previous term, “personnel,” which will cover part-time contractor requirements and marketing materials to fulfill the proposed programs. The funds for personnel, to be referred to as full-time staff in the Housing and Economic Development Department (HEDD), are not presented here in the TIF increase proposed budget.

The previously allocated TIF funds, capped at 100K for the last eleven years, have been primarily allocated to cover the cost of the CP Executive Director and Program Assistant. In January 2020, those two staff became city employees in the HEDD with the city covering position fringe benefit costs of approximately $40,000 above the $100,000 cap. Although staff implements the annual Board-recommended Work Plan, approved by the City, they also participate in HEDD meetings and other City programs.

Our nonprofit organization leverages the City’s investment and raises private and grant funds to support our programs, including the creative bus shelter initiative, arts banners for public health, and fiscal sponsorships. Creative Portland’s role has been established as the arts community convener, for programs like the Artist Relief Fund ($90K raised in 9 months), the Annual Arts & Culture Summit and Monday Morning Drop By, Cultural App Development, and a monthly open house coffee hour. Likewise, we are hosting an Arts Community Check-In on March 22nd for over 100 stakeholders.

Greg Mitchell will provide a memo under separate cover outlining the TIF funding “cap” of 100K that has not moved in the last eleven years. Rather than propose a new cap, we propose a “floor” versus ceiling approach, with our first-year TIF **increase** request, as a floor of $155,000 to support CP programs and services with the City covering one hundred percent of the cost of two full-time staff positions. As we create sustainable programs, the investment will grow in increments each year, with an impactful return investment. The funds we are requesting in our phased approach have been thoughtfully crafted to revive and sustain the City’s investment in the arts, as a workforce initiative.

We have highlighted the green projects that will attract sponsorship and private investments. Note: we have removed the 750K ask for the permanent performance shell build in FY25.

We hope this memo and phased budget will solidify your confidence in supporting our request.
Thank you again for your consideration.

Sincerely,

Kate Anker
Board President

CREATIVE**PORTLAND**ME

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

To: HEDC Committee
From: Kate Anker, President, Creative Portland
February 26, 2021
Subject: Creative Portland Request for TIF District Funds Increase

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

Attached are three documents to support our ask:

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

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

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

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

CREATIVE PORTLAND ME

Board of Directors

CREATIVEPORTLAND^{ME}

Kate Anker (President), **Running With Scissors**
Kirstie Archambault, **Visit Portland**
Nicole Barna, **Portland Magazine**
Lisa Bloss, **UKG**
David Brenerman (Secretary), **Past President, former Mayor & retired Portland City Councilor**
Tae Chong (ex officio), **City Councilor**
Gib Foltz (Treasurer), **Baker Newman Noyes**
Eliza Ginn, **Center for the Common Good**
Lindsay Hancock, **Artist & Grant Writer**
Leah Igo Brooks, **Roux Institute**
Herb Ivy, **Townsquare Media**
Dinah Minot (Assistant Secretary), **Creative Portland**
Daniel Minter, **Indigo Arts Alliance**
Greg Mitchell (ex officio), **City of Portland Economic Development Director**
Zoe Sahloul, **New England Arab American Organization**
Gerard Salvo, **Human Resources Consultant**

CREATIVE PORTLAND ME

Creative Portland's mission is to support the creative economy through the arts by providing essential resources, by fostering partnerships, and by promoting Portland's artistic talents and cultural assets. As the official nonprofit arts agency, we support economic development efforts by strengthening and stimulating our workforce, creative industries, and enterprises.

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

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Signature programs on hold during the pandemic

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

First Friday Art Walk

Click here for more information

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HEAR HERE

CREATIVEPORTLAND ME

Click here for more information

Transformit

CREWE
THE CREWE FOUNDATION

RESURGAM
CITY OF PORTLAND, MAINE

David E. Shaw

headlight
audio visual video

Curry Printing
43RD ANNIVERSARY
1976-2019

STATE
PORTLAND, MAINE
THEATRE

KNACK FACTORY

XPRESS COPY

TOP OF THE OLD PORT
PARKING

BAYSIDE BOWL
PORTLAND, MAINE

COFFEE BY DESIGN

AV TECHNIK
WWW.AVTECHNIK.COM

PRESS HOTEL
Beyond Words.

TELLING ROOM

PIZZERIA & PUB
PORTLAND PIE Co

NEWS CENTER MAINE

BIG ROOM STUDIOS
CREATIVE / TECHNOLOGY

Akari

INFINITY
FEDERAL CREDIT UNION

PORTLAND OVATIONS

90.9 WMPG.ORG
SOUTHERN MAINE COMMUNITY RADIO

JASON SPOONER DESIGN

GHOST OF PAUL REVERE

townsquare
media group

Sun Tiki Studios

MAINE CRAFT
PORTLAND

THE KOTZSCHMAR ORGAN

HALO
THE POINT

Black Cow

usm

PSO

PORTLAND
Regional Chamber
of Commerce

SPACE

THINK TANK COWORKING
space to ideate

PMC

MECA
MAINE COLLEGE OF ART

ST LAWRENCE ARTS

ONE LONGFELLOW SQUARE

Immigrant Welcome Center
GREATER PORTLAND

MAINE ACADEMY OF MODERN MUSIC

EST. 1982
PORTLAND
DOWNTOWN

RUNNING WITH SCISSORS
BAYSIDE CLAY CENTER

PORTLAND DANCE MONTH

PMA

TWO FAT CATS
BAKERY

BUY LOCAL
KEEP PORTLAND INDEPENDENT

Black Artists Forum

hopsie

MAINE CHARITABLE MECHANIC ASSOCIATION

PORTLAND BALLET

PORTLANDSTAGE
The Theater of Maine

LIVE + WORK IN MAINE

MAINE IMMIGRANTS' RIGHTS COALITION

VISIT PORTLAND MAINE

CREATIVE PORTLAND ME

SPEEDWELL
projects

EQME
EQUALITYMAINE

CREATIVE**PORTLAND**ME

Monday Morning Drop By

[Click here to learn more]

CP Art Gallery

Online only during the pandemic

Click here to learn more

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Ongoing Programs During the Pandemic

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

A Photographer:

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

A Printmaker:

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

Click here to learn more

Public Art Initiatives

Creative Bus Shelters

Click here for more information

CREATIVEPORTLANDME

Public Art Initiatives

Art Banners for Public Health

[Click here for more information]

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Cultural Events Calendar

Click here to view the calendar

CREATIVE PORTLANDME

2020 HOLIDAY ARTS & CULTURE CALENDAR

ART EXHIBITIONS

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

MONTH-LONG EXHIBITS

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

PERFORMING ARTS

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

ART AUCTIONS & CRAFT SALES

12/1 - 8: Photo A Go-Go To Go, Bakery Photo Collective
12/1 -11: Holiday Sale, Maine College of Art
12/1 - 18: SPEEDWELL Auction 2020, SPEEDWELL Projects
12/1 - 24: Vena's Holiday Parlor, Vena's Fizz House
12/6 & 22: Makers Market at the Point, Thompson's Point

MONTH-LONG CRAFT SALES

- Gift Guide 2020, Portland Buy Local
- Holiday Gift Guide, Maine Craft Portland
- Merch Booth, Maine Music Alliance
- MHS Holiday Gift Guide, Maine Historical Society
- MSA Store, Mayo Street Arts
- PMA Store, Portland Museum of Art

CLASSES, FILMS, & TOURS

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

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

Creative Portland | 84 Free Street | 207-370-4784 | info@creativeportland.com | creativeportland.com

Cultural App Development

Click here to learn more

CREATIVEPORTLAND^{ME}

Fiscal Sponsorships & Volunteers

Curatorial Teams & Partnerships

[Click here for more information]

Black Owned Maine

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

Maine Music Alliance

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

SPEEDWELL Projects

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

CREATIVEPORTLAND ME

ARTS & MUSIC FESTIVALS

- Art Outta the Park
- Burundian Drum & Dance Festival

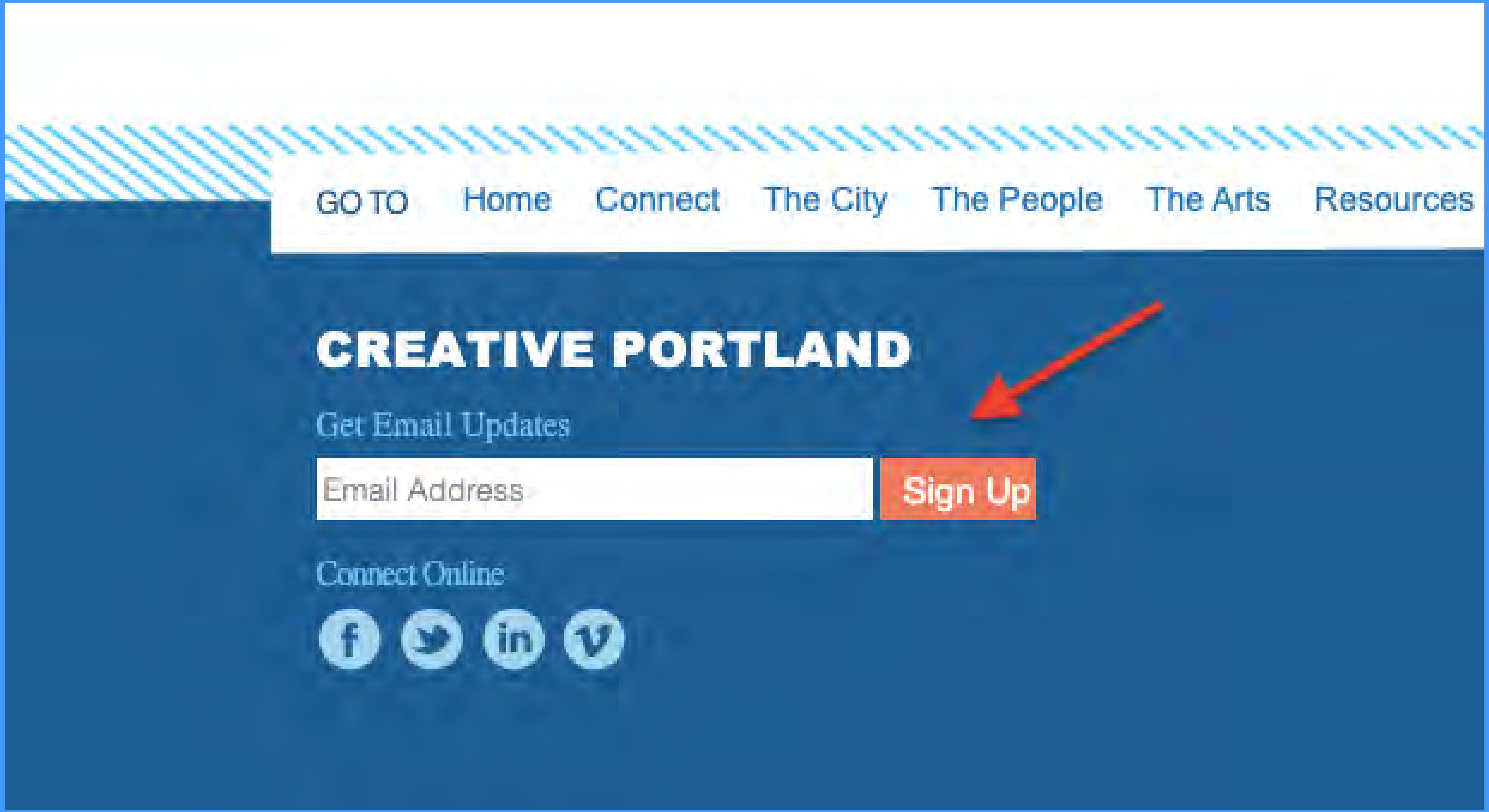
CREATIVEPORTLAND[ME]

THE WORKSHOP
(proposed initiative)

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

CREATIVEPORTLANDME

Monthly Arts Update



Sign up on for our newsletter on our homepage!

CREATIVEPORTLANDME

Questions? Ideas?

Get in touch with us at
info@creativeportland.com

CREATIVEPORTLAND ME

FEBRUARY 2021

CREATIVE PORTLAND RESEARCH PROJECT

ECONOMIC IMPACT OF COMPARABLE ARTS AGENCIES/ COUNCILS

(PRE-COVID 2019 DATA)

CREATIVE PORTLAND ME

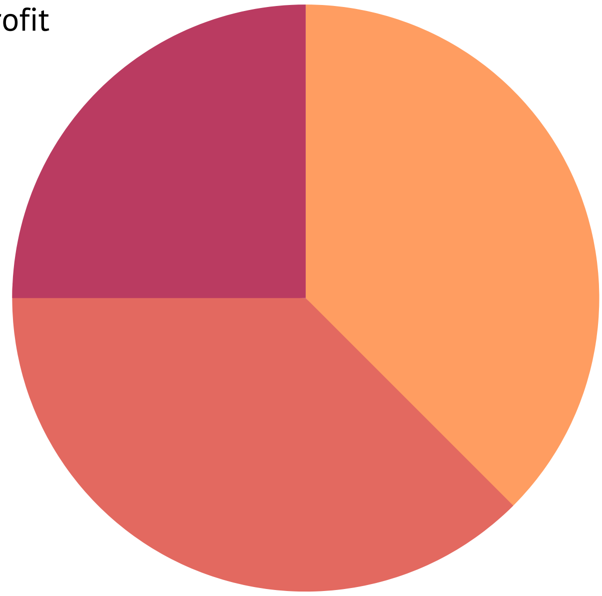
DATA PREPARED BY CREATIVE PORTLAND

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

03

ORGANIZATION TYPES

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

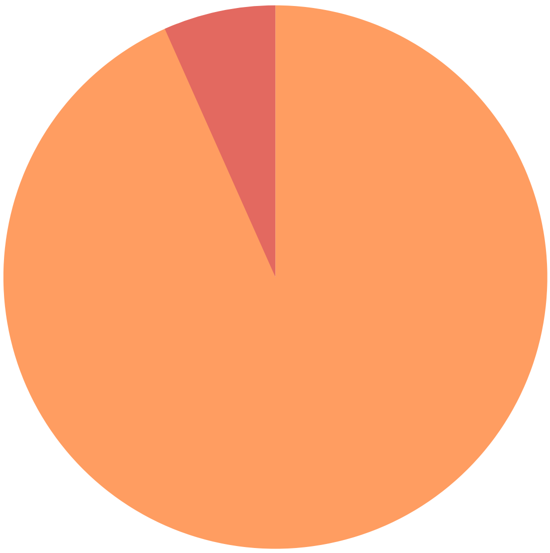


Ashland, OR	Municipal Department
Burlington, VT	Quasi-Municipal/Nonprofit
Chapel Hill, NC	Municipal Department
Hartford, CT	Nonprofit
Northampton, MA	Quasi-Municipal/Nonprofit
Park City, UT	Nonprofit
Portland, ME	Quasi-Municipal/Nonprofit
Providence, RI	Municipal Department
Provincetown, MA	Nonprofit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

04

ARTS CENTERS

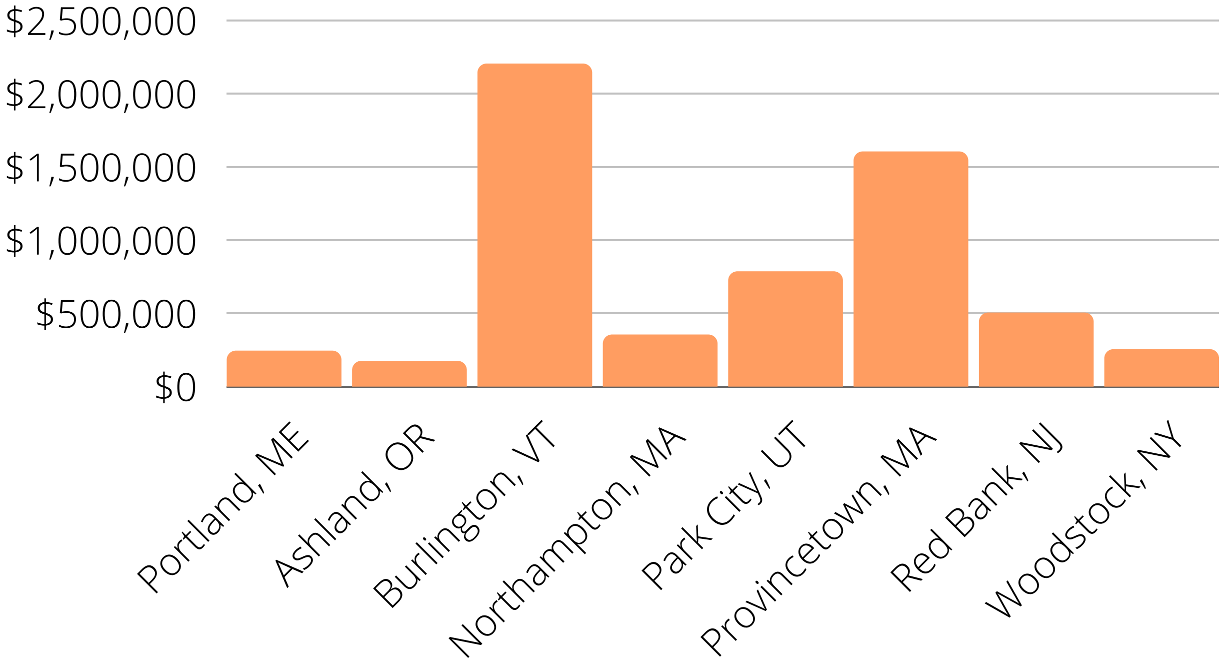
We asked organizations whether they have a community-based arts center. These spaces often include studios, performance space, exhibition halls, offices, and gift shops.



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

05

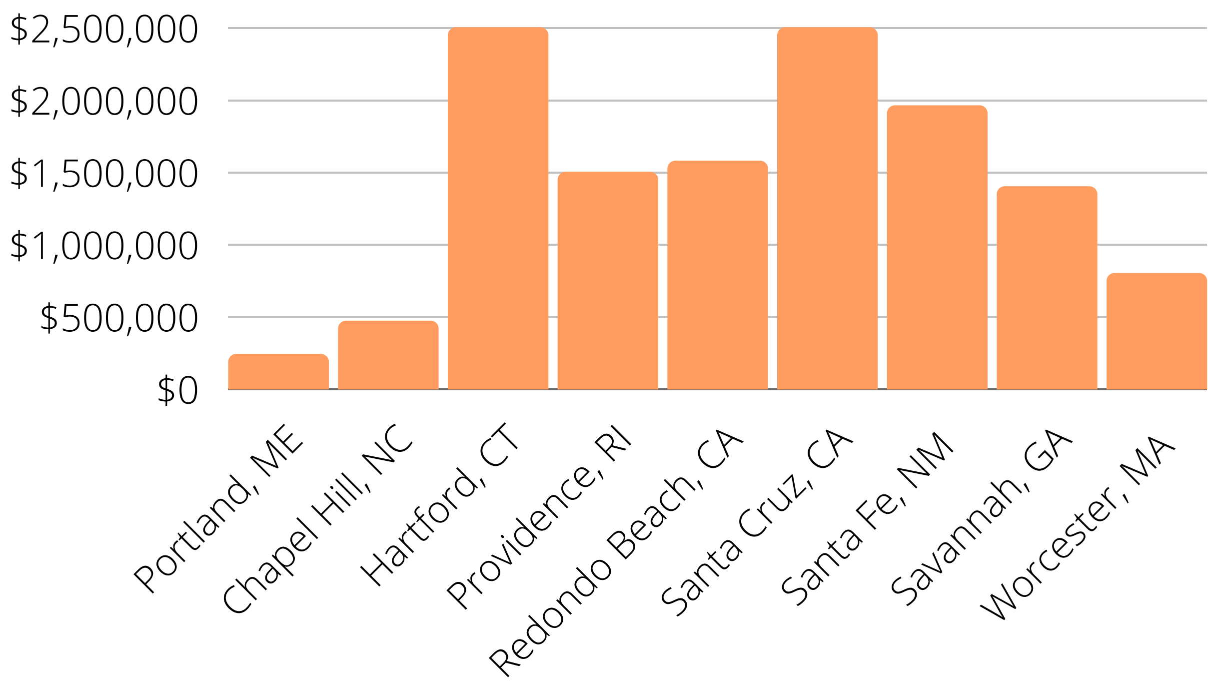
ANNUAL BUDGET PRE-COVID: UNDER 50K POPULATION



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

06

ANNUAL BUDGET OVER 50K POPULATION



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

07

FUNDING SOURCES & BREAKDOWN:

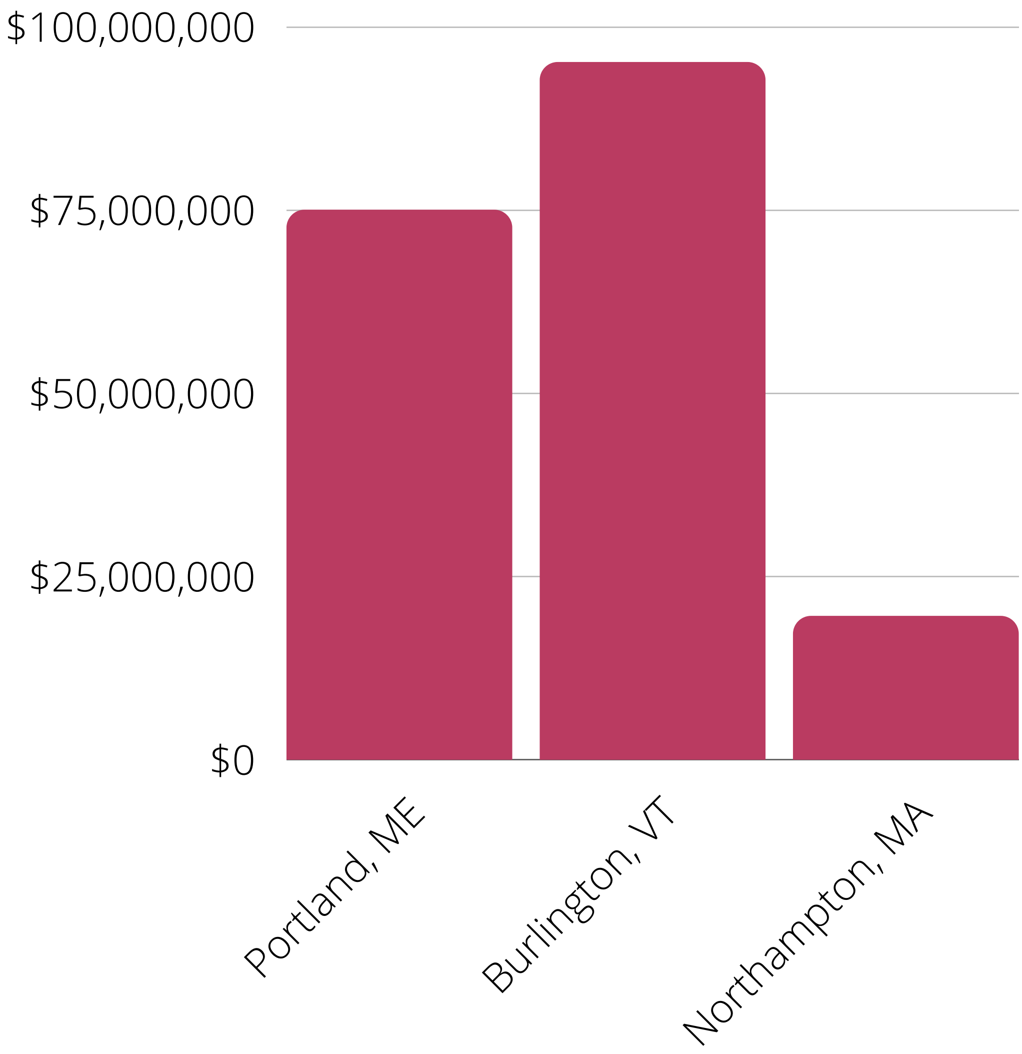
Ashland, OR **Public Arts Commission**	$170,000: Grant received from City Transient Occupant Tax (TOT/Tourism)
BURLINGTON, VT **Burlington City Arts**	$1,000,000 in municipal investments - $1,000,000 from private sources
CHAPEL HILL **Community Arts & Culture**	1% of municipal CIP funds through 1% percent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

FUNDING SOURCES & BREAKDOWN CONTINUED:

PROVINCETOWN, MA **Provincetown Art Association & Museum**	$1.5 million budget: 50% of funding is from grants, including government grants, 25% is earned, 25% is fundraised.
RED BANK, NJ **Monmouth Arts**	$500,000: 40% is government funding, 30% is from corporate foundations & grants. 30% from nonprofit fundraising.
REDONDO BEACH, CA **Cultural Arts Division**	$1.57 Million: Funding is from the general municipal budget. A percent for art from development funds the Public Art Commission.
SANTA CRUZ, CA **Arts Council Santa Cruz County**	$2.5 Million: 40% from foundations, 30% from the government, 10% from individual giving, 20% is earned revenue.
SAVANNAH, GA **Savannah Cultural Arts Commission**	$1.4 million: funded by the City and revenue from the Cultural Arts Center.
SANTA FE, NM **Santa Fe Arts & Cultural Department**	$1.96 Million: 1% of Santa Fe Hotel taxes go to the Arts, along with 2% of CIP/Revenue Bond Proceeds.
WOODSTOCK, NY **Woodstock Arts Association & Museum**	Funding is from the NY Council on the Arts, Arts Mid-Hudson, foundations, sponsors & membership dues.
WORCESTER, MA **Cultural Coalition**	$450,000 (City) + $350,000 (Cultural Coalition).

09

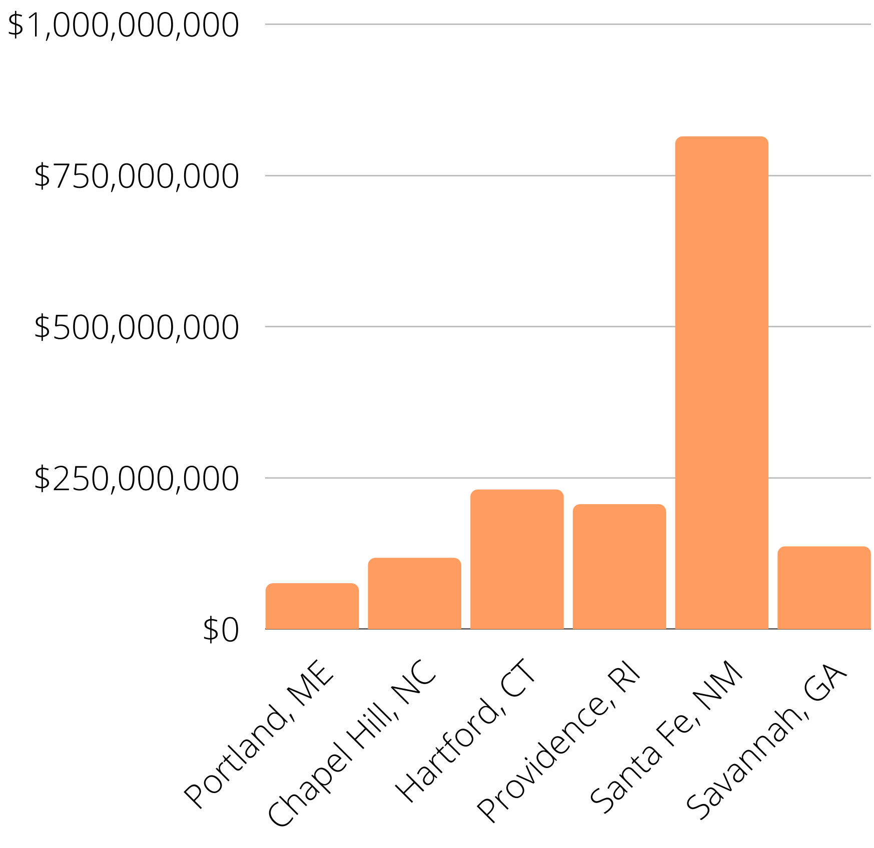
ECONOMIC IMPACT OF ART ORGANIZATION NONPROFITS. UNDER 50K POPULATION



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

10

ECONOMIC IMPACT OF ART ORGANIZATION NONPROFITS. OVER 50K POPULATION



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

Majority of data collected from the 2015 American's for the Arts AEP5 study

11

SUMMARY:

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

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

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

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

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

Creative Portland

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

FY22: 155K (proposed City TIF increase)

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

FY23 : 250K (proposed City TIF increase)

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

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

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

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

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

CREATIVEPORTLAND ME

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

MEMORANDUM
City Council Agenda Item

FROM: Greg Mitchell, Director

DATE: May 3, 2021

SUBJECT: Order 259-20/21 Authorizing 6th Amendment to the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District to Increase Funding to Creative Portland - Sponsored by the Housing and Economic Development Committee, Councilor Spencer Thibodeau, Chair

SPONSOR: Housing and Economic Development Committee, Councilor Spencer Thibodeau/Chair; meeting held on March 16, 2021, and the vote was 4-0 in favor of forwarding this to the City Council for approval.

(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 5/17/2021 **Final Action 6/7/2021**

Can action be taken at a later date: No (If no why not?) This was advertised in the *Portland Press Herald* as a public hearing on the item to be held on June 7, 2021.

PRESENTATION: Greg Mitchell/5 Minutes

I. SUMMARY

The Housing and Economic Development Committee (HEDC) reviewed the Creative Portland Board's request for additional Downtown Transit Oriented Development (TOD) TIF District funding in the amount of $155,000 and recommended, on a vote of 4-0 on March 16, 2021, to forward this to the City Council for approval.

II. AGENDA DESCRIPTION

The Housing and Economic Development Committee (HEDC) reviewed Creative Portland Board's request for additional Downtown TOD TIF funding and recommended, on a vote of 4-0 on March 16, 2021, to forward this to the City Council for approval.

Creative Portland (CP) Board President Kate Anker presented the Board's request to the HEDC at their March 2nd and 16th meetings for increased funding for CP programs and services. It is noted that the Housing and Economic Development Department includes two full-time positions which provide staff support to the CP Board. The CP Board's request is for the City of Portland to fund the entire costs for the two full-time staff positions assigned to the Board and for the City to redirect the historic level of funding of $100,000 along with a $55,000 increase to support programs and services outlined in the attached CP Board request.

The Downtown TOD TIF currently has a cap of $100,000 annually to support CP. Historically, TIF funding only supported staff costs. The Proposed TIF District Amendment would establish a minimum annual level of funding for CP in the amount of $155,000 to support CP programs and services. See below funding table:

CP Funding Table		
Timeframe and Use	**Source**	**Total**
Existing – City Staff Costs	$100,000 – DT TOD TIF $40,000 – DT TOD TIF	$140,000
CP Board Request: - City Staff Costs - CP Programs and Services	$140,000 – TIF $155,000 – DT TOD TIF	$295,000

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

III. BACKGROUND

From FY2010 through mid-FY2020, the City had been funding Creative Portland $100,000 annually (to support staff costs) from the Downtown TOD TIF District. Beginning January 2020, Creative Portland's Executive Director and Program Assistant became employees of the City of Portland in the Housing and Economic Development Department. The total annual costs for these two full-time positions, including salary and fringe benefits, is $140,000 and are included in the Housing and Economic Development Department Budget for FY 2022.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result would be for CP to have a minimum commitment of $155,000 annually in municipal funding from the Downtown TOD TIF District to support CP programs and services, with the City covering the costs of staff assigned to the CP Board.

V. FINANCIAL IMPACT

The financial impact would be an annual minimum allocation of $155,000 from the Downtown TOD TIF District to support CP's program and services with the City covering the entire costs of the two full-time positions assigned to the CP Board. In the future, the City Council would annually determine, through the municipal budget process, the appropriate level of funding above the $155,000 annual allocation. It is noted that the total annual costs for the two full-time City positions, including salary and fringe benefits, is $140,000 and is included in the Housing and Economic Development Department FY 2022 City Budget.

VI. STAFF ANALYSIS AND BACKGROUND

The City Manager's FY2022 City Budget does not include funding the CP Board financial request for increased funding.

VII. RECOMMENDATION

The Housing and Economic Development Committee (HEDC) reviewed Creative Portland Board's request for additional Downtown TOD TIF District funding at their March 2nd and 16, 2021 meetings. After review and discussion, the Committee voted unanimously to recommend approval to amend the Downtown TOD TIF District to have a floor of $155,000 annually to support CP programs and services, exclusive of salaries and fringe benefits for the two City full-time positions assigned to the CP Board.

VIII. LIST ATTACHMENTS

1. Amendment of Downtown Transit Oriented Dev and Omnibus TIF re Creative Portland 5.17.2021
2. CP Funding Request 3-12-2021 Draft
3. Narrative Redlines 5-7-2021 for CP Funding
4. Narrative Cln 5-7-2021 for CP Funding
5. Bylaws Attested by Secretary of CPC 2-5-2015

Prepared by:

Greg Mitchell, Director
Date: 5/3/2021

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

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

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

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

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

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

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

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

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

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

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

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

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

e. Proposed District Amendment #5:

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

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

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

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

f. Proposed Amendment #6: The City of Portland proposes an amendment to remove the maximum annual cap of TIF Funding for Creative Portland (CP) now at $100,000 and instead have an annual floor for funding at $155,000 for its programs and services, with the City Council then determining on an annual basis whether to increase that level of funding.

II. Development Program Narrative

A. The Development Program as Amended with Amendment #5

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

Under this Amended Development Program, the City captured 12% in year one (City Fiscal Year 2015/2016), 22% in years 2 through 4, 25% in year 5, and 30% in year 6. This

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

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

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

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

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

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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 for CP, of which the City of Portland is the Corporator, with an annual floor for funding at $155,000 for its programs and services, with the City Council then determining on an annual basis whether to increase that level of funding, 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: - Multi-modal surface and structured parking - Sidewalk and Other Pedestrian Enhancements, including Public Restrooms	 19, 47 19, 20, 34,35, 48	 (1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(2)(3)(4)(6)(7)	$150 Million over the life of the District for these Capital Infrastructure Items.

- Roadway Realignments/Paving - Crosswalks - 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, 46 34, 46 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) (1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(a)(i) (1)(A)(1)(2)(3)(6)(7) (1)(A)(1)(2)(3)(7) (1)(A)(1) (1)(A)(1)(2)(3)(6)(7)	
In and out of District: New and Enhanced Transit Services, including operational costs, for example (see Exhibit K – Transit Map): - Creation of high frequency bus service on Congress Street at 15-minute intervals between the Portland Transportation Center (PTC) and Washington Avenue; - Enhancing Stevens Avenue-Allen Avenue- Congress Street bus service areas; - Corresponding costs for these enhancements, including transit operator salaries; transit vehicle fuel, and transit vehicle parts replacements. - Transit capital costs including transit vehicles and related equipment; bus shelters and other related structures; benches; signs, and other transit-related infrastructure. - Shuttle service to downtown businesses.	17, 20, 21, 20 20 20 17, 20	(1)(A) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7) (1)(A)(1)(a) and (1)(C)(7)	$15 Million for Transit in this category.

In and out of District: City Marketing and Promotion through Creative Portland Corporation (CPC), for example (see Exhibit M Arts District Map within Downtown TOD TIF District): - In District: Center for the Arts, including rental residential space; - In District: capital, financing, real property assembly and professional service costs; - **In and out of District:** CPC staffing, administrative and marketing expenses; revolving loan or investment fund.	20, 21,47 20, 21,47 20, 21, 47	(1)(C)(1)(2) (1)(C)(1)(2) (1)(C)(1)(2)	A floor of $155K annually beginning FY2022; $4.3 Million over life of District
In and out of District: **- Housing and** Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, Finance Director, and Planning Urban Development Director, and Planning staff*; - Professional services costs; - Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.	21, Also TIF App. P. 3 See TIF App. P.3 See TIF App. P. 3	(1)(A)(5) and (1)(C)(1) (1)(A)(4);(1)(C)(1) (1)(C)(4)	$15 Million over life of the District.
In District: Small Public Capital Infrastructure and Equipment, for example (Downtown Plan pp. 6 and 7) - Parking meters - Vehicles for Public Works Dept., and Fire Dept., including ambulances	19 21, 36 to 44	(1)(A)(1)(a) (1)(A)(1)(a)	$10 Million over life of the District

In District: Relocation of Displaced Persons (TIF Application, p. 6)	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not anticipated at time of TIF application
In District: CEAs as Approved by City Council (TIF application p. 2) with a maximum average percentage of 65% capture and up to a 20-year term, or the remaining term of this District, pursuant to City TIF Policy (Exhibit B hereto).	(see TIF application p. 2)	(1)(A)(1)(2)(3)(6)(7)	Unknown at time of TIF application
Total Estimate of TIF Revenue Expenditure over 30 year term:			**$194,300,000**

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

C. Strategic Growth and Development

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

D. Improvements to the Public Infrastructure

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

E. Operational Components

1. **Public Facilities**

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

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

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

3. **Relocation of Displaced Persons**

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

4. **Transportation Improvements**

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

5. **Environmental Controls**

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

6. **Plan of Operation**

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

III. Amended Physical Description

Proposed Amendments #5 and #6 do 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. Amendment #6 does not change the acreage.

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

IV. Financial Plan

A. Amended Financial Characteristics

With Amendments #5 and #6, the collective original assessed value of the real property in the District remains at $965,007,320 as set forth in Exhibit F, Revised Assessor's Certificate. The backup for the Certificate includes revisions from Amendment #3 and #4. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

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

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

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

B. Costs and Sources of Revenues

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

C. Indebtedness

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

V. Statutory Requirements and Thresholds

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

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding amending the Development Program for the District, published in the *Portland Press Herald*, a newspaper of general circulation in the City, on May , 2021, a date at least ten (10) days prior to the public hearing. The public hearing on the amended District was held on June 7, 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 June 7, 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 June 7, 2021.

2021 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #6~~45~~ REGARDING INCREASED FUNDING FOR CREATIVE PORTLAND~~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 basis or as needed. Though the specific public projects prioritized and undertaken from year to year will change, with the exception of this District funding up to $100,000 annually for the Creative Portland Corporation, categories of investment for the purpose of eligible uses of the TIF Revenues will remain consistent. Actual project selections and prioritization for funding will continue to be made on an annual basis during the City budget and Capital Improvements Plan (CIP) process, based on categories contained in Table 1 hereinbelow. The CIP is the document that presents the City's capital needs in the current year and plans for capital needs in future years. As a five year plan that is annually updated, the CIP is a dynamic planning document; the FY2015 to 2019 CIP document is included in the Downtown Plan as an appendix.

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

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

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

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

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

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

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

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

e. Proposed District Amendment #5:

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

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

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

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

f. Proposed Amendment #6: The City of Portland proposes an amendment to remove the maximum annual cap of TIF Funding for Creative Portland (CP) now at $100,000 and instead have an annual floor for funding at $155,000 for its programs and services, with the City Council then determining on an annual basis whether to increase that level of funding.

II. Development Program Narrative

A. The Development Program as Amended with Amendment #5

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

Under this Amended Development Program, the City captured 12% in year one (City Fiscal Year 2015/2016), 22% in years 2 through 4, 25% in year 5, and 30% in year 6. This

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

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- 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
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- Sidewalk and Other Pedestrian Enhancements, including Public Restrooms - Roadway Realignments/Paving - Crosswalks - 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, 46 34, 46 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) (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	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.

other related structures; benches; signs, and other transit-related infrastructure. - Shuttle service to downtown businesses.			
In and out of District: City Marketing and Promotion through Creative Portland Corporation (CPC), for example (see Exhibit M Arts District Map within Downtown TOD TIF District): - In District: Center for the Arts, including rental residential space; - In District: capital, financing, real property assembly and professional service costs; - **In and out of District:** CPC staffing, administrative and marketing expenses; revolving loan or investment fund.	20, 21,47 20, 21,47 20, 21, 47	(1)(C)(1)(2) (1)(C)(1)(2) (1)(C)(1)(2)	A floor of~~Up to~~ $155K~~00K~~ annually beginning FY2022; $4.3~~3~~ Million over life of District
In and out of District: - **Housing and** Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, Finance Director, and Planning Urban Development Director, and Planning staff*; - Professional services costs; - Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained.	21, Also TIF App. P. 3 See TIF App. P.3 See TIF App. P. 3	(1)(A)(5) and (1)(C)(1) (1)(A)(4);(1)(C)(1) (1)(C)(4)	$15 Million over life of the District.
In District: Small Public Capital Infrastructure and			

Equipment, for example (Downtown Plan pp. 6 and 7) - Parking meters - Vehicles for Public Works Dept., and Fire Dept., including ambulances	19 21, 36 to 44	(1)(A)(1)(a) (1)(A)(1)(a)	$10 Million over life of the District
In District: Relocation of Displaced Persons (TIF Application, p. 6)	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not anticipated at time of TIF application
In District: CEAs as Approved by City Council (TIF application p. 2) with a maximum average percentage of 65% capture and up to a 20-year term, or the remaining term of this District, pursuant to City TIF Policy (Exhibit B hereto).	(see TIF application p. 2)	(1)(A)(1)(2)(3)(6)(7)	Unknown at time of TIF application
Total Estimate of TIF Revenue Expenditure over 30 year term:			**$194,33~~3,0~~00,000**

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

C. Strategic Growth and Development

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

D. Improvements to the Public Infrastructure

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

E. Operational Components

1. **Public Facilities**

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

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

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

3. **Relocation of Displaced Persons**

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

4. **Transportation Improvements**

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

5. **Environmental Controls**

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

6. **Plan of Operation**

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

III. Amended Physical Description

Proposed Amendments #5 and #6 do~~es~~ 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. Amendment #6 does not change the acreage.

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

IV. Financial Plan

A. Amended Financial Characteristics

With Amendments #5 and #6, the collective original assessed value of the real property in the District remains at $965,007,320 as set forth in Exhibit F, Revised Assessor's Certificate. The backup for the Certificate includes revisions from Amendment #3 and #4. It is noted that Downtown TOD/TIF acreage and value calculations are exempt from State TIF law limits.

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

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

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

B. Costs and Sources of Revenues

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

C. Indebtedness

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

V. Statutory Requirements and Thresholds

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

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit G hereto is a copy of the Notice of Public Hearing regarding amending the Development Program for the District, published in the *Portland Press Herald*, a newspaper of general circulation in the City, on May ~~5~~, 2021, a date at least ten (10) days prior to the public hearing. The public hearing on the amended District was held on June 7~~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 June 7~~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 June 7~~May 17~~, 2021.