CITY COUNCIL WORKSHOP

MEETING TO BE HELD REMOTELY

September 29, 2021

5:00 PM

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AGENDA ITEMS:

Introduction from Staff

Discussion of Order 259-20/21 (Amending the Downtown TIF District)

At tonight's meeting City staff and the City Council will continue discussion of 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, the associated funding requests, and review follow up questions and requests for information from the 9/9/21 Finance Committee meeting. These follow up questions for information included requests on the history of the Downtown TIF, the history of Creative Portland and original intended purpose and intended funding sources, a timeline of financial support provided to Creative Portland, details on overall City support for the arts, and a general overview of the various types of TIFs. City staff will be available to answer additional questions.

Councilor Q&A

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

TO:	**Nicholas Mavodones, Chair** **Members of the Finance Committee**
FROM:	**Mary Davis, Interim Director** **Housing and Economic Development Department**
DATE:	**September 22, 2021**
SUBJECT:	**History of Creative Portland**

In May of 2006, the Mayor convened a Creative Economy Summit. Over 200 stakeholders met in a one-day session and identified three major action steps:

(1) Build Portland's identity as an international creative center;
(2) Development publicly supported and/or affordable public space for art studios, exhibitions, performance space, office space, and housing;
(3) Increase collaboration, coordination, and communication with Portland's creative economy.

After the Summit, the City Council established a 17 member Creative Economy Steering Committee, whose purpose was to review the action steps from the Summit and develop strategies to achieve them. The Steering Committee made 8 recommendations (see attached October 3, 2008 memo to the City Council). One recommendation was to establish a quasi-municipal organization, known as the Creative Portland Corporation, which was to be modeled after the Downtown Portland Corporation, Portland Downtown District or the Fish Pier Authority. The purpose of this organization, per the recommendation of the Steering Committee (see Exhibit B) was to primarily promote and attract creative enterprise clusters, and strengthen the City's Arts District. The organization was created as a 501(c)(3) organization to allow donors to make tax deductible contributions. (See attached IRS Confirmation letter dated May 18, 2010.)

The Steering Committee recommended a multi-faceted approach to funding including public funding, private fundraising, revenues from fees, etc, with a goal to make the organization self-sufficient and reduce the reliance on public funding. The initial public funding was realized through the establishment of a Creative Economy Tax Increment Financing (TIF) District. The hope was that the TIF district would generate $100,000 annually which would cover an administrator's salary and program costs. (See Creative Economy and Arts TIF District Chronology attached)

Eventually, the Creative Economy and Arts TIF District area was reduced and the district was renamed the Baxter Library District. In FY 2016, the Downtown Transit Oriented Development TIF District was established and included $100,000 annually for the Creative Portland Corporation. Beginning in the second half of FY2020 the Executive Director and Program Assistant for Creative

Portland became City employees and the City began paying the full salary and fringe benefits costs for these employees. Prior to this, Creative Portland received funding based on what the TIF generated and, starting in FY17, the TIF paid out more than $100,000 to Creative Portland to fully cover the salary & fringe benefits of two employees. (See Creative Portland History of TIF Funding attached).

Under the Bylaws of the Creative Portland Corporation, the Finance Committee, consisting of three members of the Board of Directors, including the Treasurer of the Board, is responsible for development and reviewing fiscal procedures, a fundraising plan, and the annual budget. The Treasurer is considered the chair of the Finance Committee. The Board of Directors of CP must approve the budget and all expenditures must be within the budget. Major changes to the budget must be approved by the Board or the Executive Committee of the Board.

Total City Investment in the Arts - $600,000 to $750,000 Annually

Public Art Committee: Under Chapter 14, Section 21 of the City's Code of Ordinances. The Ordinance establishes a special revenue fund called the Public Art Fund. The city provides an annual allocation into this fund which is 0.5% of the total annual CIP. Annual revenue allocated in the Public Art fund has been between $52,500 and $65,000 in each of the last five years.   Additionally the City spends over $100,000 annually on the salary and fringe benefits for an Urban Designer who provides support for public art in the City and the Public Art Committee.

The City also makes significant investments in the arts at the City-owned Merrill Auditorium venue. The City budgets annually for the upkeep and maintenance of this beautiful auditorium, which serves as a prime performance space for local, state and national touring acts. Recent improvements to the historic theater include replacement of the HVAC system, replacing the roof, replacing seats, sprinkler system and more, totalling well over $1,000,000 in the past 5 years.

Each year, we host dozens of national touring shows featuring Broadway tours, LiveNation musical and comedy acts, and other nationally significant performers and events. In addition, the City offers below-market value prime tenant rental rates for various local arts organizations such as the Portland Symphony Orchestra, Portland Ovations, Friends of the Kotzschmar Organ and more. Those prime tenant discounts total approximately $113,000 annually. .

The Parks Division spends $5,000-$10,000 annually on murals for public buildings, public restrooms, and other public-facing buildings in our parks. The Neighborhood Prosecutor also funds public art in our public spaces through our utility box mural program that beautifies the City and prevents graffitti.

In FY20 the City also allocated an additional approximately $75,000 for art creation within the KeepMeHealthy Grant. In total City spending on the arts has averaged between $600,000 and $750,000 annually over the last several fiscal years inclusive of the categories above and direct financial support provided to Creative Portland (see Exhibit A for Creative Portland Funding Timeline).

Exhibit A - Creative Portland Funding Timeline

FY10 $28.927

FY11 $30,743

FY12 $30,714

FY13 $100,000

FY14 $100,000

FY15 $100,000

FY16 $100,000

FY17 $128,541

FY18 $129,703

FY19 $136,473

FY20 $154,671

FY21 $143,331

Note: FY17 through the first half of FY20 are salaries only; second half of FY 20 and all of FY21 include salaries and fringe benefits. CP Director & assistant became City employees in the second half of FY20.

Creative Economy and Arts TIF District
Chronology

11/7/2008	Council Creates District - Term FY2010 thru FY2019.
3/31/2009	MDECD Approves District, at 100% Capture or $100,000 cap, whichever is less.
5/18/2009	1st Amendment approved by Council to amend FY10 capture rate from 100% to 57% or up to $30,000
6/1/2009	2nd Amendment approved by Council to reduce geographical boundaries (Public Market property out of district).
10/1/2009	MDECD approves 1st amendment to reduce FY10 capture rate from 100% to 57%
10/2/2009	MDECD approves 2nd amendment to reduce geographical boundaries.
11/2/2009	3rd Amendment approved by Council to allow for CEAs (Baxter Library) in TIF District.
11/17/2009	MDECD approves 3rd amendment to allow for CEAs.
5/17/2010	4th Amendment approved by Council to amend FY11 capture rate from 100% to 41%.
6/18/2010	MDECD Approves 4th Amendment to adjust capture rate for FY11 from 100% to 41%.
5/21/2012	5th Amdmt Approved by Council, extend district term 5 years (thru FY2024) and allow up to $100K to CP, in addition to CEAs
10/12/2012	MDECD Approves 5th Amendment.
1/21/2015	City Council approves reducing the District and renaming it the Baxter Library District.
6/26/2015	MDECD approves the reducing and renaming it to Baxter Library District.
FY2016 - Downtown TOD TIF District created which provides up to $100,000 to Creative Portland annually.	

CITY OF PORTLAND, MAINE

MEETING NOTICE

CITY COUNCIL WORKSHOP

DATE: October 6, 2008

AGENDA

1) CDBG Task Force Report
   5:00 p.m.
   Room 209

2) Creative Economy Task Force Report
   6:00 p.m.
   City Council Chambers

TO: Mayor Suslovic and City Councilors
FROM: Alex Jaegerman and Pat Finnigan
DATE: October 3, 2008

RE: Report of the Creative Economy Steering Committee

At your October 6 Council Workshop the Steering Committee will present its findings and recommendations for your consideration.

Background. On May 31, 2006 then Mayor Jim Cohen convened the Creative Economy Summit. This convention brought together over 200 stakeholders of artists, cultural organizations, and creative enterprises in a day-long session to identify challenges and opportunities to grow and further develop Portland's creative economy. The Summit participants identified three major action steps:

(1) Build Portland's identity as an international creative center;

(2) Develop publicly supported and/or affordable public space for art studios, exhibitions performance space, office space, and housing;

(3) Increase collaboration, coordination, and communication within Portland's creative economy.

Following the Summit, the Portland City Council established a 17 member *Creative Economy Steering Committee* (CESC) in December 2006. Councilor James Cohen was appointed chair and Councilor David Marshall was appointed vice chair. The purpose of the Steering Committee was to take the results of the Summit, and develop recommended strategies on how best to achieve them. The attached report is the product of their efforts.

The Report contains a number of recommendations. Two of the recommendations require Council action to proceed. All of these will be discussed at the workshop, but we wanted to focus on the two recommendations where Council action is requested.

Recommendations

The Steering Committee made several recommendations; the first two require City Council action. The Steering Committee wanted to ensure that this was a report that didn't sit on a shelf without being implemented. Therefore the first two recommendations are intended to ensure the momentum is sustained and there are financial resources to promote and grow the creative economy. Therefore, the first two recommendations pertain to creating an administrative entity and a funding source.

1. Administrative Structure. The Steering Committee recommends that the City Council establish a 13-member ***quasi-municipal organization,*** *known as the* ***Creative Portland Corporation (CPC).*** The CPC would be modeled after the Downtown Portland Corporation, Portland Downtown District, or the Fish Pier Authority. To achieve this, the Council will need to enact By-laws and Articles of Incorporation. (Please see pages 9 – 11 of the report).

Your packet contains the draft Orders establishing the CPC, the By-laws and Articles of Incorporation as a 501(C)(3) organization to allow donors to make tax deductible contributions to the CPC.

2. ***Funding.*** The Steering Committee was mindful of the financial pressures facing the City. In order to reduce the impact on the City budget and become financially self sustaining, the Steering Committee envisions a multi-faceted approach: public funding, private fundraising, revenues from fees, etc. The Steering Committee estimates that $100,000 will be needed initially to cover an administrator's salary and program costs. The Steering Committee recognizes this is a significant challenge. The goal is to make the CPC self sufficient and reduce its reliance on public funding (page 12).

One of the funding mechanisms recommended by the Steering Committee is to establish a ***Creative Economy Fund.*** The Steering Committee is requesting that the City Council approve a ***Creative Economy Tax Increment Finance (TIF) District***, which would generate revenues for that fund (See page 13 of the report)

Establishing a TIF District does not generate revenue instantly. TIF revenues come only from *new* value created in a TIF district. The existing value of property within a TIF District remains part of the City's tax base and the taxes generated from the existing properties continue to go to the City's General Fund. Any *new* value created in a TIF district from new development, building renovations, or increased values due to market conditions is allowed to be "captured" and set aside into a TIF account. In this case, the Steering Committee is recommending that those new revenues go into the *Creative Economy Fund* account to fund creative economy initiatives contained in the development plan.

It should be noted that if there is little or no development or growth in property values in the TIF district, little to no new revenue is generated to go into a TIF account. In any event it will take time to accumulate sufficient TIF revenues to fund a *Creative Economy Fund* to carry out the programs and projects envisioned. Your packet contains a very rough *draft* to establish the Creative Portland TIF Development District. The draft envisions a TIF District which would exist for 10 years and capture 100% of the new value in the District which would be set aside to go into the Creative Economy Fund. In order to generate $100,000, there needs to be approximately $6 million in new value in the TIF district (see chart on page 8 of the draft TIF). We estimate that there will be a ramp up period before that amount of revenue would be available for the *Creative Portland Corporation.* The duration of the TIF and the amount of revenue dedicated to a TIF account is a policy matter for City Council decides.

Additional Recommendations

The other recommendations by the Steering Committee call for the Creative Portland Corporation to take a leadership role in expanding the creative economy:

3. Promote and Attract Creative Enterprise Clusters. To foster growth in the creative economy, the Committee noted the need to reinforce and strengthen existing arts and culture based enterprises and activate mechanisms to attract, nurture, and grow additional creative enterprises. (page 14)

4. Strengthen the City's Arts District. The Steering Committee concluded that it was critical to address the issue of attrition by artists to less expensive locations outside of Portland by securing existing arts and cultural organizations and enterprises and attracting new artists and members of the creative economy. (page 14)

5. Create a Center for the Arts. The Steering Committee concluded that Portland has a shortage of available, affordable space for artists and cultural endeavors. They recommend the development of a Center for the Arts in downtown Portland to create dedicated space for artists and arts organizations, provide incubator space for emerging creative economy-based enterprises, cooperatives/collectives, artist studios, and create live/work spaces, rehearsal, and theater space, etc. (pages 14-15)

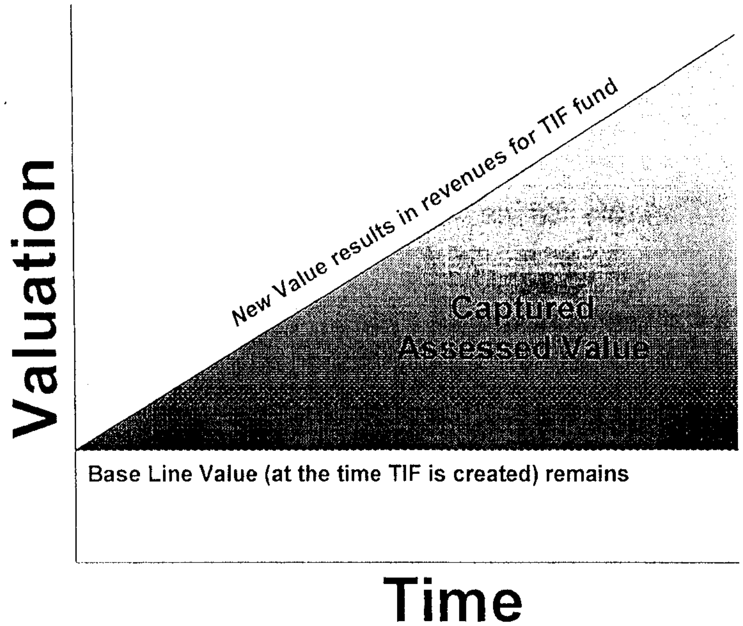
6. Create a Creative Economy Web site. The Steering Committee concluded that a current, vibrant web site is necessary to promote the creative economy and reinforce Portland as the cultural center where individuals and entities involved in creative endeavors choose to locate. (page 16)

7. Identify and Support "Tipping Point" Projects. *Tipping point projects* are initiatives that move an organization, individual artists or program to the next level of accomplishment. The Steering Committee recognized that tipping point projects which involved a reasonable investment could yield significant, near-term success. They recommended that funds should be focused on the greatest opportunities not necessarily the greatest problems. (page 16).

8. Conduct on-going Economic Impact Analyses. In order to know what is working and where more attention is needed, the Steering Committee recommended that conducting economic analyses to identify trends, establish benchmarks, and help target financial resources in ways that will achieve maximum impact. (page 17)

We expect members of the Steering Committee, as well as others who are part of the creative economy, to attend your workshop. They will be pleased to answer questions or provide additional information. If you have additional information you would like staff to prepare for your workshop, please don't hesitate to contact one of us. In addition to our appreciation to the Steering Committee member and interested citizens who put so much effort into this endeavor, we want to thank Lori Paulette of the Economic Development Division staff, who was integral to finalizing the report, and researching and drafting the TIF district documents.

Tax Increment Finance Districts



Tax Year	Total Value	New / Captured Value	Tax Rate	Incremental Tax *(goes to TIF fund)*
1	$240,000,000	$2,000,000	0.01809	$ 36,180.
2	$242,000,000	$4,000,000	0.01846	$ 73,840.
3	$244,000,000	$6,000,000	0.01883	$ 112,980.
4	$244,000,000	$6,000,000	0.01920	$ 115,200.
5	$244,000,000	$6,000,000	0.01959	$ 117,540.
6	$244,000,000	$6,000,000	0.01998	$ 119,880.
7	$244,000,000	$6,000,000	0.02038	$ 122,280.
8	$244,000,000	$6,000,000	0.02079	$ 124,740.
9	$244,000,000	$6,000,000	0.02120	$ 127,200.
10	$244,000,000	$6,000,000	0.02162	$ 129,720
Total				$1,079,560

TIF Example:

- Original Assessed Value (OAV) as of March 31, 2008: $237,511,280
- Assumes $2 million valuation growth in Years 2010, 2011, and 2012
- Assumes 2% Annual Tax Rate Increase

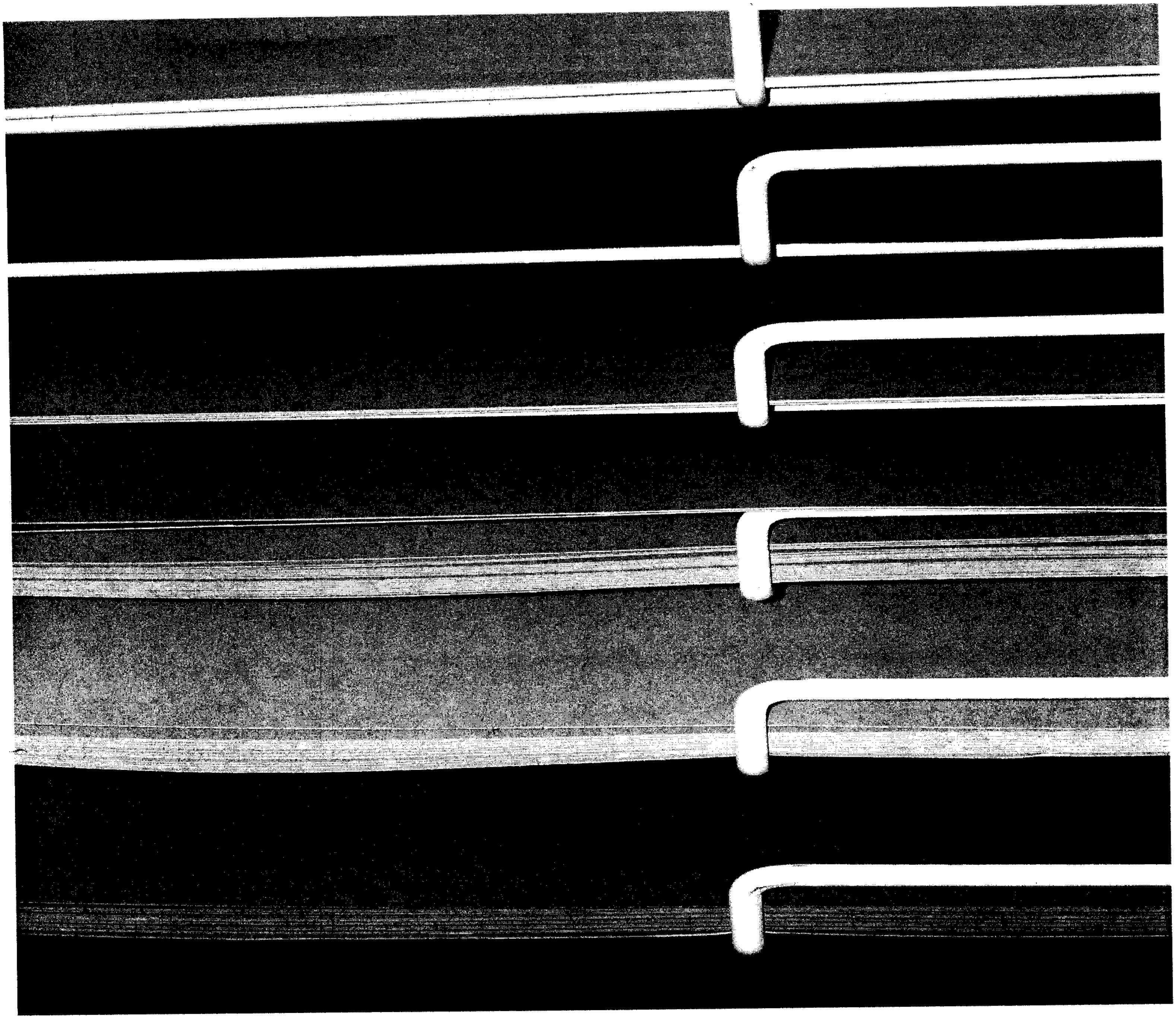
Glossary:

Baseline Value or Original Assessed Value (OAV): The value that exists prior to the TIF district is established

Total Value: Taxes continue to be assessed on this value in the TIF district; these tax revenues continue to go to the City's General Fund

New/Captured Value: This is the new value that occurs in the TIF district. The taxes generated due to this new value (also known as the incremental value) can be allocated to the TIF district account. This captured value is not included in the City's overall assessed valuation. *This creates a double benefit for a City because it invests in the economic development program and the City is not penalized for valuation growth which can result in reduced State aid for education, revenue sharing, and a higher share of the County tax.*

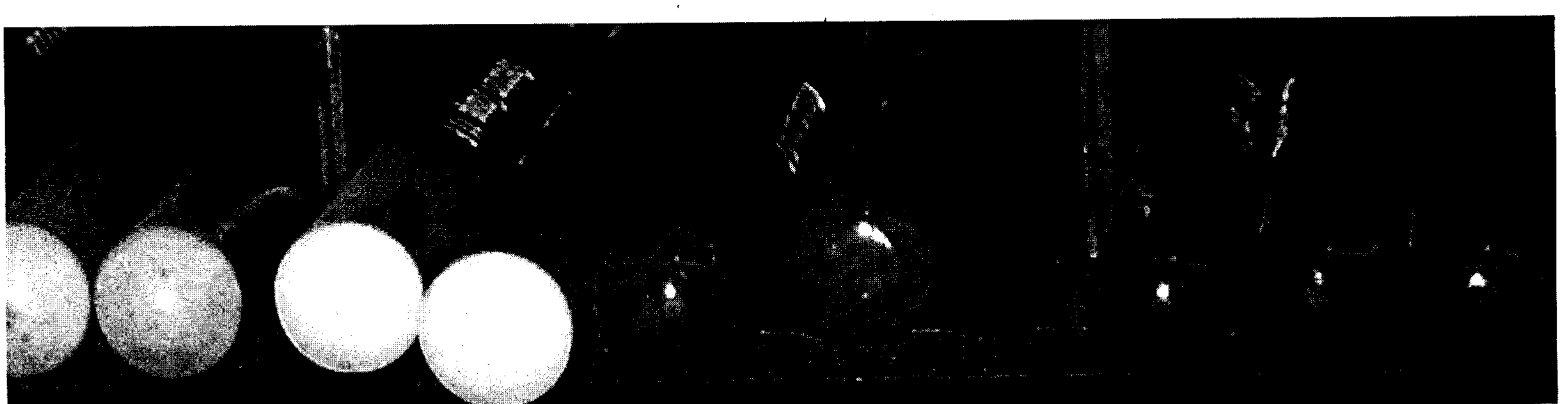
Incremental Tax: These are the taxes on the *new* value in a TIF district. All or a portion of these funds can go into a TIF fund to be used for specific purposes approved by the City Council and the State Dept of Economic and Community Development. Only the new value (the increment) generated in a TIF District goes into a special development fund. The existing or baseline value continues to be assessed; those taxes go into the City's General Fund.



Creative Economy Steering Committee

Report of Recommendations to the Portland City Council

October 2008



Creative Economy Steering Committee

Report of Recommendations
To The Portland City Council
October 2008

Members of the Steering Committee:

Councilor James Cohen, Chair and Appointing Mayor
Councilor David Marshall, Vice Chair
Adam Ayan, Gateway Mastering
James Baker, Maine College of Art
Thomas Blackburn, ME Construction Consultants
Gillian Britt, gBritt PR
John Edwards, Bangor Savings Bank
Douglas Green, Green Furniture Designs
Art Henson, Henson Advertising
Alice Kornhauser, Portland Symphony Orchestra
Pandora LaCasse, Artist
Kristen Levesque, Portland Museum of Art
Joseph Malone, Malone Commercial Brokers
Rose Marasco, Univ. of Southern ME
Daniel Minter, Artist
Marc Shepard, Portland *Phoenix*
Anita Stewart, Portland Stage Company
Scott Teas, TFH Architects
Joseph Wood, Univ. of Southern ME
Steve Woods, Key Bank

Staff to the Steering Committee:

Lee Urban, Director of the Planning and Development Department
Alex Jaegerman, Planning Division Director, Principal Editor
Nelle Hanig, Business Development Representative
Carrie Marsh, Urban Designer
Lori Paulette, Senior Executive Assistant

Portland City Council:

Mayor Edward Suslovic and Councilors John Anton, James Cohen, Kevin Donoghue, Jill Duson, Cheryl Leeman, David Marshall, Nicholas Mavodones, Dan Skolnik

City Manager: Joseph E. Gray, Jr.

Cover Graphic:
Art supply display images: The Art Mart, 522 Congress Street
Photography by William Needelman; Design by Scott Hanson

TABLE OF CONTENTS

Creative Economy Steering Committee

Recommendations to the City Council

I. Introduction

Portland, Maine has a vibrant arts and cultural community. Portland is also seeing tremendous growth in creative enterprises such as architecture, advertising and marketing, specialty products design and manufacturing, engineering, and graphic design. All of this, and more, is part of what we call Portland's Creative Economy. Portland has long recognized that the creative sector plays an important role in its economy and community. The Congress Square redevelopment of the early 1980's centered on the new Charles Shipman Payson wing of the Portland Museum of Art. The Downtown Vision in 1991 recognized the importance of arts and cultural activities on Congress Street, leading to the Arts District Plan of 1996. The arts and culture cluster along Congress Street, including Maine College of Art, Portland Stage Co., the Children's Museum, and Center for Maine History, to name a few, provide a vital energy and economy to our traditional main commercial street. The artist community is an increasingly important part of our Arts District, most exemplified by the lively street party atmosphere that explodes onto the sidewalk during the First Friday Art Walk each month.

With the publication of his book, Rise of the Creative Class[1] in 2002, Richard Florida popularized the economic story of the communities that are attractive to a broad range of creative entrepreneurs. In many respects, these creative enterprises represent the next wave of economic development. Historically we have seen agriculture give way to the industrial revolution, and the manufacturing economy yield to the service economy and development of high technology and bio-technology industries. The Creative Economy represents a global phenomenon of value creation by footloose entrepreneurs who migrate to good places to live from which they practice their trades. While cultural centers such as Los Angeles or New York remain important locations for film, animation, and fashion, it is increasingly possible for artistic and design professionals to live anywhere and practice their trade, communicating and transmitting their products and services worldwide through electronic media. It is also recognized that quality of life and creative vitality are the attractors of the creative class of entrepreneurs. Economic development programs are therefore turning to strategies that maximize the attractiveness of their communities to the creative enterprises, in addition to traditional strategies of business recruitment and marketing.

Portland is fortunate to have the community infrastructure and cultural amenities needed to attract creative enterprises. The good news is that there is no inherent limitation to our ability to attract and grow these businesses. We have, over the past twenty or so years,

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[1] Florida, Richard; Rise of the Creative Class and how it's Transforming Work, Leisure, Community and Everyday Life; Basic Books; 2002

protected our historic assets, nurtured our cultural sector, improved our parks and trails systems, and invested in our public art collection, to name but a few examples of those qualities that attract the footloose creative entrepreneurs. For many, Portland's size, location, amenities, transportation and technology access, and overall distinctiveness and quality of life are magnetic. We have only recently become recognized on the many "places-rated" listings of top communities for the arts, outdoors lifestyle, urban features such as diversity and good restaurants, and other remarkable features that put Portland on the map for so many reasons. This is a great accomplishment, and the City is well poised to capitalize on these qualities to promote the growth of the creative economy.

Therein lays the challenge. As Portland grows, the cost of space increases and artists and cultural organizations have an increasingly difficult time affording to be here. To a greater degree than ever, surrounding communities are seeing an influx of creative individuals and businesses who are unable to pay the rent to stay in Portland. This is good for the region, but a challenge for Portland. This is precisely why USM's Muskie School of Public Service identified in 2005 that the single greatest threat to Portland's Creative Economy was erosion.

Notwithstanding these challenges, Portland is fortunate to have the assets and to have made many of the right investments and plans to promote the creative environment. The stage is set. So what strategies and mechanisms are now needed to move forward and build on these assets? These were some of the questions addressed at the Creative Economy Summit, held on May 31, 2006. This summit, convened by then-Mayor James Cohen, brought together over 200 creative stakeholders of artists, cultural organizations, and creative enterprises in an all day session to plan for the growth and development of Portland's creative economy.

The vision/opportunities identified by the Summit included:

(1) Build Portland's identity as an international creative center;

(2) Develop publicly supported and/or affordable space for artists, including performance space, office space, studio space, housing, and exhibition space; and,

(3) Increase collaboration, coordination, and communication within Portland's creative economy.

Following the Summit, the Portland City Council established the **Creative Economy Steering Committee** (CESC) to consider and expand upon these areas and to come up with a set of recommendations on how best to move forward. This report is the product of their efforts. These recommendations present an action plan for the City to move forward with development of Portland's creative economy.

II. Creative Economy Steering Committee

The Steering Committee was formed in December 2006 and began its work by evaluating the report from the Summit, "*Report of Portland's Creative Economic Summit May 31, 2006.*"[2]

The Steering Committee was comprised of seventeen members representing a broad range of creative organizations, creative enterprises, and creative individuals, including representatives of higher education, finance, and real estate development. Councilor James Cohen was appointed chair of the Committee, and Councilor David Marshall was appointed vice chair. A complete list of the Committee members can be found on page two of this report.

The Steering Committee had a broad mission, but its primary focus was to develop ideas and strategies to move Portland's creative economy forward to the next level and implement the primary recommendations contained in the Creative Economy Summit Report, starting with the three top opportunities noted above.

Since its creation, impressive efforts have been expended by members of the CESC to harness the energy of the Summit and to advance the cause of the creative economy in Portland.

III. Recommendations

As the CESC started to meet in early 2007, it became apparent almost immediately that subcommittees needed to be formed to move forward. The Steering Committee agreed that three subcommittees should be formed to generate priority initiatives and recommendations in the following areas:

(1) Resources;
(2) Events and Promotion; and
(3) Space.

Each of the subcommittees met over the course of the Summer and Fall of 2007, and each developed a report of findings and the top three initiatives under the assigned topic. At the May 29, 2008 meeting of the CESC, this report was presented and endorsed by consensus.

Recommendations include:

- Administrative Structure – Quasi/Municipal Agency
- Creative Economy Fund
- Promote Creative Enterprises Cluster

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[2] *Report of Portland's Creative Economy Summit of May 31, 2006; City* of Portland Department of Planning & Development, October, 2006.

- Arts District Development
- Create a Center for the Arts
- Establish a Creative Economy Website
- Identify and Support Tipping Point Projects
- Conduct Creative Economy Analysis
- Develop a Program Strategy for Current Events and Cultural Activities

The next portion of this report will highlight and explain these recommendations.

A. Administrative Structure – Quasi/Municipal Agency

A common theme within each of the recommendations of the three subcommittees was the strong need for an administrative structure to implement the recommendations of the Steering Committee. This administrative structure is a crucial element to be created to carry out those ambitious initiatives and have a successful program.

Attributes or parameters of this structure are as follows:

- Central administration
- Point of responsibility
- Coordination of efforts
- Effective communications
- Follow-through
- Information clearinghouse
- Adequate staffing and funding

To be successful, the administrative structure would need to be supported and guided by a stakeholder-controlled governance body.

The Steering Committee is recommending that a quasi-municipal entity be established to carry out this function. The analysis and reasoning for this recommendation is presented below.

1. Types of Administrative Organizations Considered

In considering various administrative structures, the following options were considered:

- City Department – for example, the City Manager's/Executive Department, Planning and Development Department, or a new department;

- Outside agency/private – a 501(c)(3) organization; and,

- Quasi-governmental agency - for example, an organization modeled after the form of the Downtown Portland Corporation, Portland's Downtown District, or the Fish Pier Authority.

In considering each entity, the pros and cons for each organization type were identified; the highlights and conclusions are presented below.

a. City Department

The key advantage of this structure is that it builds on the existing knowledge and institutional expertise of the current City staff, and the efficiencies of locating this function within City Hall are many. Overhead expenses of office, heat, phone, payroll, and computer are absorbed into the local government superstructure. Access to elected and appointed officials is immediately available.

The concerns with this approach are that the City government is constantly pulled and stretched to accomplish many tasks, and focus could be diverted from the mission of the creative economy programs and initiatives. A City office might not have the entrepreneurial drive and access to the enterprises and organizations needed to fully realize the potential of the creative economy in Portland. Staffing of City government is lean and subject to further cuts as the economy ebbs. Private fundraising to match and leverage public funds is not appropriately carried out by City workers.

b. Outside Agency/Private

A private organization, such as a 501(c)(3), can be mission-driven to accomplish the objectives of promoting the creative economy in Portland. It may be insulated from the vagaries of City politics and able to perform its mandate consistently and creatively. It can be entrepreneurial in its work and can raise private funds to augment City resources. There are existing agencies that might be able to carry out this program, or a new agency could be created.

Concerns with this approach are that it could be too divorced from City government. With the expectation that core funding will be provided by the City, and given that the City has worked hard to convene and advance this program, an independent agency could lose its connection to the founding principles and purposes. There is a risk that such an agency could eventually lose the relevancy to the funding source, and thereby jeopardize its sustainability. Creation of a new non-profit could tax the ability of the community to provide support, both public and private, in the face of competition among many worthy causes in the community.

c. <u>Quasi-Municipal Agency</u>

A quasi-municipal agency has many of the advantages of the private agency but is strongly linked to the City. The existing quasi-municipal agencies have generally had a good track record of program management and implementation. They are mission-driven, but answer to a governing structure that includes stakeholders, including the City Council. Core funding can be provided by the City, but there is good potential for private fundraising and grant funding. Administrative support and office facilities can be provided by the City, or the agency can be housed independently or even at another compatible agency, such as Portland's Downtown District. As with the independent agency, a public/private partnership model can act with entrepreneurial drive and engage the private sector stakeholders, linking back to City government as appropriate. Funding from the City may still be somewhat tenuous in lean times, but the core funding can be leveraged to support private funds, and, once established, is likely to be sustained as long as the agency is performing well and enjoys the support of constituents and public officials.

Long-term sustainability and institutional direction can be provided by the City, with a governing structure that includes some degree of control by the City. Some level of independent action is also desirable, provided that the agency is accountable for its activities and accomplishments. This could represent a new agency, or a transformation of an existing agency should it be in the mutual interest of the City and the candidate agency.

Concerns are few with this model. If the agency is too closely identified with and located within City Hall, it may embody some of the characteristics of a City department and lose the advantages of being mission-driven and connected with the private constituents of creative enterprises, organizations, and individuals. Careful structuring and placement of the agency and the make-up of its governing body will be needed to provide the right mix of public and private character, so that it has the best of both.

2. Structure for a Quasi-Municipal Agency

For discussion purposes, the quasi-municipal agency could be called the *Creative Portland Corporation* (CPC). The Steering Committee is recommending the following mission statement for the CPC. [This mission is predicated upon the *ACE* (Assets-Connectors-Enhancers) Developmental Model posited by the USM Muskie School in their 2005 report *The Creative Economy in Maine: Measurement and Analysis.*[3]]

The mission of the Creative Portland Corporation (CPC) is to capitalize upon and grow Portland's creative economy to achieve its greatest potential.

The CPC shall strengthen the community ***assets*** *that comprise the foundation of Portland's creative economy. CPC will* ***connect*** *and collaborate with public and private constituents and partners to foster the synergy within Portland's creative clusters. CPC will harness financial and human resources to promote and* ***enhance*** *Portland's creative economy. This will be accomplished through research and development, strategic actions, and program implementation.*

a. Leadership and Governance

Leadership and governance are important considerations to enable the CPC to be effective and sustainable. A governing board will be created to guide the administrative personnel. The Steering Committee is recommending that the City Council enact the Bylaws and Articles of Incorporation for the board/quasi-municipal agency and appoint members to the Board.

The governing board must include key stakeholders, including City elected and/or appointed officials, such as the Mayor or mayoral designee, and the City Manager's designee who should be associated with or part of the Economic Development Division, and the private sector stakeholders including creative enterprises, creative organizations, and artists. A thirteen-member board with three representatives from each private creative category (creative enterprises, creative organizations, and artists), plus two city positions, and two members representing higher education and real estate is being recommended. Once the Board is in place, the Board would then hire its own administrator and assistant.

b. Administration for the CPC

The administrator for the CPC will require skills in areas of management, administration, fund-raising, marketing, and communication in order to partner effectively with other creative organizations and entities to bring forward the initiatives and

[3] "The asset base ... is the foundation of the Creative Economy. Assets grow and develop by virtue of connectors making enhancers available to them. The critical variables ... are the connectors, the leadership, networks, and strategies, that bring the enhancers into play to build the asset base." Barringer et. al; The Southern Maine Review; The creative Economy in Maine: Measurement & Analysis; University of Southern Maine; February, 2005; p 42

recommendations from the CESC. Knowledge and experience in the creative sector and entrepreneurial skills and spirit are essential.

Job descriptions for both the administrator and assistant will be crafted.

Tasks of this new agency will be, among others:

- facilitate the creation of a sustainable new arts center;
- promote the creative economy enterprises cluster;
- provide resources and support for community events and cultural tourism;
- promote Portland's arts and cultural organizations and individuals;
- develop programming and strategic plan;
- promote cultural tourism;
- recruit creative industries;
- facilitate and coordinate programs and initiatives;
- maintain an information clearinghouse for the creative economy – artists, organizations, available space, etc.;
- provide timely input on City development projects that could contribute to the Creative Economy Fund;

These are the types of activities that justify City investment of tax dollars in such an enterprise.

c. <u>Tasks Associated with Creation of the Quasi-Municipal Agency</u>

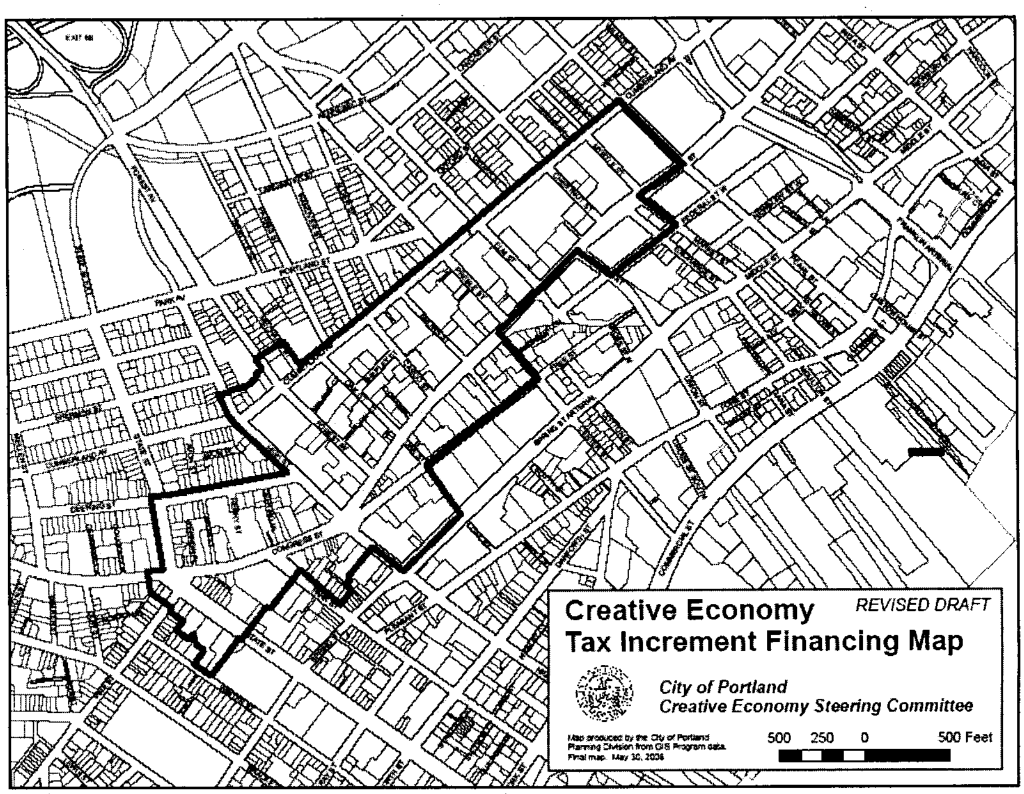
Steps for the City to create the governance structure (using the model of the DPC, PDD, or Fish Exchange) for the quasi-municipal organization would include assistance by the Corporation Counsel's office to prepare the necessary incorporation documents and bylaws to create this agency. The City and the newly established CPC must at the earliest opportunity pursue the creation of the business plan for the CPC. This can be done in cooperation with the USM Business School, and/or the Center for Enterprise Development, if such a partnership is amenable to all parties.

The CPC would have responsibility for all the CESC recommendations/initiatives and would carry out or delegate these programs and tasks. In creating this agency, consideration can be given to the transformation of existing candidate organizations that can absorb the larger role, and adapt to a City-conceived governance structure. Among the goals of the CPC will be to work and collaborate with other allied organizations to achieve the mission.

d. Funding/Costs

The Steering Committee is recommending the creation of a Creative Economy TIF District to fund the CPC, with initial funding in the area of $100,000, covering the core support for the CPC, dedicated to salary costs and to program costs. The Department of Planning and Development will work with Finance and the Assessor's Office to develop the TIF district financial structure and projections. Further research is underway on the current valuation of the proposed TIF district, and the trends in valuation increases in this area.

The increment in taxes will not materialize in the first year, or possibly for several years, because time will be needed for growth in valuation in the district over the base line assessment. Therefore, a significant resource challenge will be to generate City general funds or other resources needed for start-up. The expectation over time is that the tax increment will grow to cover the core funding for the agency and that City funds will be leveraged with private and grant funds, with a target of 50% non-City funding within five years. If this is achieved, the City's funding commitment will be stable and possibly could decline over time, even as the program budget increases modestly through other sources.



The State of Maine has TIF program limitations defined for acreage caps and value caps for municipalities.[4] No valuation or size caps, however, are imposed on downtown districts. Although the area for the proposed Creative Economy TIF district is on the peninsula, the programs of the CPC funded by this TIF district can be Portland-wide.

B. Creative Economy Fund

The Steering Committee is recommending that a fund be created to pay for special projects and programs supporting the creative economy. This fund would be created by assembling funds from private developments that receive financial or other support from the City, including conditional rezones, land sales, TIF credit enhancement agreements, and other forms of subsidy or public/private partnerships between the City and developers. Funds accrued from these sources, which are generally one-time cash infusions, would be earmarked for special projects and programs City-wide in support of the creative economy in Portland. The role of the CPC will be to advise the City, including the City Council and the Council's Community Development Committee, as to these opportunities and make recommendations as appropriate.

The CPC will also seek out other funding sources, including federal and other grant opportunities.

It should be noted that while the Steering Committee was meeting, the Downtown Portland Corporation created a loan fund for the Creative Economy, the "Creative Economy Loan Fund." This loan fund is available to owners of a new or existing creative economy business that is located in the City of Portland. Fund objectives are to provide assistance to creative economy businesses with needs for small loans (often hard to come by through conventional bank financing; loan recipients for this fund need to show that they are unable to obtain conventional financing elsewhere) and to provide assistance to emerging and established artists who wish to grow creative economy businesses. The maximum loan amount in this fund is $5,000 and has a maximum loan term of five years and an interest rate of 6.5%.

[4] Specifically, for acreage caps, no single district may exceed 2% of the total acreage of the municipality; and the total of all districts may not exceed 5% of the total acreage of the municipality. Regarding the acreage cap, the total acres in Portland is 12,368 acres. The acreage in the map above is 53± acres, which is under the 2% rule noted above (or .42%). The acreage of the above map, plus the acreage of all other TIF districts (131±) totals 184±, which is 1.48% of total taxable acres. The proposed area in acres would meet the acreage cap of the State, but as noted above, downtown districts are exempt from the acreage cap. The value cap for a municipality (as of March 31st of the preceding tax year) of all taxable property within the proposed district, plus the value of all existing TIF districts (at the time of their designations) may not exceed 5% of the municipality's total value of taxable property as of April 1st preceding the date of DECD's approval. Portland's equalized value is $8,289,850,000. The value of properties in the map above ($237,511,280±), together with the value of all properties currently TIF'd at the time of their designations ($73,017,480±), is $310,528,760±, or 3.7%. This is within the cap, but as noted above, downtown districts are exempt from the valuation cap.

C. Promote Creative Enterprises Cluster

The greatest growth potential for Portland's creative economy lies within the creative enterprises cluster. First and foremost, to foster this growth requires maintaining and enhancing the presence of arts and cultural organizations and individual artists. The entrepreneurs building creative enterprises are attracted to cities like Portland that have a vibrant and well known creative spirit. It is also necessary to promote Portland as a good place to start up and grow creative enterprises. Many entrepreneurs find Portland on their own, from reading or travel. We must supplement that with more active mechanisms to attract, nurture, and grow more creative enterprises, working in collaboration with other organizations that may be focused on supporting and promoting creative enterprise clusters in the Greater Portland region. Whether in the design arts, the culinary arts, textiles and home furnishings, bio-technology, media, advertising, music, or other elements of the creative enterprise cluster, building our infrastructure to support these industries (education, communications, and technical resources) and getting the word out nationwide that Portland has what it takes to attract and support these enterprises, is the affirmative action required to capitalize on this growth industry for Portland.

D. Arts District Development

Much remains to be accomplished to develop and sustain the Arts District, which is an important focus for Portland's creative economy. Attrition of artists to cheaper locales outside of Portland and its Arts District constitutes a threat to the vitality and sustainability of Portland's creative economy. Existing arts and cultural venues should be secured and expanded upon.

E. Create a Center for the Arts

In addition to the recommendation above to secure and expand existing arts and cultural venues, the Steering Committee also recognizes that Portland has a shortage of available, affordable space for artists, especially space that provides some degree of security for the long term. As vital contributors to the City's creative economy, two priority initiatives seek to directly address the issue of space for artists.

The development of a Center for the Arts in downtown Portland has the potential to create dedicated space for artists and arts organizations, accommodating some or all of the following uses:

- incubator space for emerging industrial designers;
- artist cooperatives/collectives;
- individual artist studios;
- live/work spaces;
- rehearsal and theater space;

- arts administration offices;
- gallery and/or museum;
- arts education space;
- creative economy business assistance center; and
- café space.

There are many examples of successful art centers throughout the country whose benefits include economies of scale; a unique arts destination that brings new visitors to the downtown; a synergy of creative energy that elevates the making and quality of art while also providing needed long term, dedicated space for the arts; an institution that supports and strengthens a community's creative economy. Appendix 1describes two such spaces – The Torpedo Factory Arts Center in Alexandria, VA and the Red Brick Center for the Arts in Aspen, Colorado.

With the objective of gaining a better understanding of artists' space needs (with respect to type, size, cost, location and amenities) as well as gauge their interest in a Center for the Arts, the Committee conducted an artist survey (see Appendix 2). While the survey was not administered in a scientifically random manner, the results provide some helpful insight. Surveys were made available from March 21 to April 7, 2008, and could be accessed in a variety of ways, including online for completion and submittal electronically; paper formats were published in two issues of the Portland Phoenix (March 21 and 28, 2008) and could be faxed in or dropped off at one of three locations -- MECA, State Theater Building, and Artist & Craftsman Supply; and survey forms were also available at the drop-off sites.

Sixty-five artists completed surveys, 43 electronically and 22 on paper. The majority of them are visual artists (70%) and the remainder performing artists, though some note working in both areas. In brief, the results suggest that the majority of these artists want to rent small studio space on the Portland Peninsula for $100-$250 a month. A comprehensive review of the results follows.

The highest level of interest among these artists is in studio space (80%). In addition, gallery/retail, rehearsal, and live/work space each garner interest from approximately one-third of the respondents. Theater space is of interest to almost one quarter of them. The preferred form of occupancy is rental (88%), close to half of whom would prefer to share rental space rather than take it solo. This may be attributable to financial constraints but it could not be determined from the survey. About one quarter of these artists express an interest in owning space rather than renting it.

When asked about their interest in having space in a Center for the Arts, if one were developed in Portland, interest appears to be overwhelming (93%). A few do express concern about such space being affordable for artists. Space on the

Portland Peninsula is of interest to over two-thirds (67%) of these artists. Among this group, two-thirds prefer to be in the Arts District and one-third note various other locations including the East and West End. Those who do not have a preference for the Peninsula frequently mention wanting to be within walking or biking distance of it.

Relatively small spaces seem to be of the greatest interest. Close to two-thirds of these artists need spaces that are 400 square feet or less, with the median size among this group being 150 square feet. The range among the third of respondents needing larger spaces is 500-3,000 square feet, with the median at 800 square feet. Regarding cost of space, two-thirds are willing to pay within the range of $100-$250 monthly. The others can pay from $300-$800 monthly, and just a few are willing to pay higher than that. The amenities most desired among these artists include good light, 24/7 access, good ventilation, access to water, parking, and high ceilings. Also mentioned frequently are sound insulation, 3-phase power, and wood floors.

F. Create a Creative Economy Website

The Steering Committee is recommending the development of a Creative Economy Website accessed through a portal on the City's home page. This has the potential to provide a clearinghouse for a wide range of information for Portland's creative economy, such as a directory of creative economy businesses, organizations, and artists; business assistance programs (e.g., the creative economy loan program); an interactive listing of available space for artists, and many other things.

Regarding the space component of the website, property owners would input available studio, live/work, rehearsal, display and performance spaces, and artists seeking space could access the listing. The site would work off of the City of Portland assessor's property database. To get a sense of how this component of the clearinghouse would operate, a rough mock up of it can be accessed at http://www2.portlandmaine.gov/planning/creativeeconomy.asp (see Appendix 3).

G. Identify and Support Tipping Point Projects

Tipping point projects are initiatives that move an organization, individual artists, or program to the next level of accomplishment. The Steering Committee recognized that success with tipping point projects was determined to mean that a reasonable investment would yield an achievable, significant near-term positive outcome. Funds would be focused on the greatest opportunities not necessarily the greatest problems.

An example might be the Congress Street Arts District. The addition of well-designed signage and landmarks has the potential to visually unify and connect the cultural organizations in the district and can be accomplished soon through the Wayfinding project currently underway.

The Steering Committee does not overlook major long term or structural initiatives to promote the expansion of the creative economy, such as housing and studio space for artists. A two pronged approach taking short and long term goals into account is appropriate.

H. Conduct Creative Economy Analyses

Research and data collection is recommended to understand the extent and trend of the creative economy in Portland.

1. Analysis of Artists and Economic Impact of Arts and Cultural Organizations

A census of artists was undertaken in 1996 associated with the Arts District Plan, and an update of that was undertaken by PACA in 2006 associated with the Discovery Research project.

An assessment of the economic impact of arts and cultural organizations was also part of the Arts District Plan of 1996, and PACA has undertaken a survey of this sector as part of the Americans for the Arts project in 2007.

If the data is comparable, it may be possible to establish a ten year trend analysis from the establishment of the Arts District to the present. This analysis would help the community understand the current condition, and whether these segments of the creative economy are growing, stable, or declining. This analysis could be undertaken by PACA, the City, the University of Southern Maine, or other entity. It would be a valuable undertaking.

Recall that in 1996, according to research carried out by Herb Sprouse Consulting and The Wolf Organization, Inc., the total direct impact of cultural spending in Portland was over 33 million dollars annually, and, that included in this figure, the arts and cultural organizations alone spent 21 million dollars annually.[5] It would be useful to know how today's cultural economy compares for this sector and in conjunction with the other components of Portland's creative economy. The 2007 Americans for the Arts study commissioned by PACA utilized a different methodology to arrive at a total value of $28.64 million annually.[6]

[5] A Plan for Portland's Arts District; Sprouse, Herb W. and Goldring, Marc (November, 1995) at 2.
[6] *The Economic Impact of Nonprofit Arts and Cultural Organizations and Their Audiences in Portland, Maine;* Americans for the Arts (2007) at 3.

2. Analysis of Creative Enterprises

Another cluster of the creative economy is the creative enterprise - those businesses that derive their value from the creative energies, expertise, and talents of their principals. These typically include the design professions, such as architecture, landscape architecture, etc., the craft and high style products and furnishings sector, such as custom or artisan furniture and textile purveyors, and the commercial arts, music, and graphic industries. Expansive definitions of this sector extend the creative enterprise umbrella more broadly to include other knowledge and artisan sectors such as law, fine cooking, etc. The Steering Committee recommends that an economic analysis be undertaken that would determine an operative definition of the creative enterprise sector for our local purposes, and pursuant to that definition, conduct an economic status and impact analysis of the current condition of the creative enterprises in Portland. This effort should be professionally conducted with primary survey data collection and analysis. USM's Muskie School of Public Service has done research in this area and is well poised to undertake sponsored research if the funds are available. As a starting point, the Muskie School can be asked to develop a scope and cost estimate to undertake this work. The establishment of baseline data on the creative enterprise economy and periodic updates of sector growth trends will be needed to evaluate the success and progress of the CPC mission and programs.

I. Programming Strategy for Current Events and Cultural Activities

1. Marketing and Public Relations

In considering the events and cultural activities that are currently offered in the City, as well as potential new events particularly for the colder months, the Steering Committee is recommending a programming strategy to foster support and promotion. Particularly, that of a marketing plan and public relations strategy for a branding campaign, cultural marketing package, and press strategies – locally and globally. The plan and strategies would incorporate input from stakeholders (developers, artists, businesses, and organizations) to have all voices be a part of the program.

2. Business Development/Liaison to Existing Organizations

The Steering Committee recognizes that because of first, the Arts District Plan adopted by the City Council January 17, 1996, as an element of Portland's Comprehensive Plan, and second because of the success of the Summit and its report, these reports need to be revisited. In particular, efforts should be made at highlighting those recommendations still pertinent, as well as work with organizations with common goals.

Organizations such as PACA, PDD, CVB, the Maine Arts Commission, and business leaders need to be communicated with regularly to support existing initiatives and create new initiatives and resources. New initiatives, such as mentioned in the paragraph above for events in the colder months, need to be further refined and clarified to determine their viability and resources required to see them to fruition.

III. Conclusion

As noted in the introduction, Portland has an excellent foundation on which to build its creative economy. It is already happening, and the opportunity exists to provide the policy and program support necessary to promote its further development. The strategies needed are innovative, building upon the existing City plans and expanding beyond traditional economic development programs. As noted earlier in this report, the mission is predicated on the ACE model, strengthening and building on our assets, providing for connectivity and networks, and enhancing these attributes with resources and leadership. The CESC has provided a blueprint for moving forward. This report presents the essential next steps to capitalize on the opportunity of the Creative Economy in Portland.

First and foremost, in order to move forward with the programmatic recommendations contained herein, the administrative structure identified in the Report must first be in place. It is also important to consider the work of existing organizations within the City, both to avoid duplication of effort and costs and to work collaboratively wherever possible.

At this time in Portland's development, resources are increasingly scarce to carry out the functions of government. It is tempting to defer this initiative on the grounds that resources need to be devoted to traditional and essential governmental services. The rationale for moving forward is simple, however. By making this investment in the Creative Economy, Portland will grow its business tax base and produce more jobs, tax revenues, economic activity, and national recognition. These attributes will grow and multiply the benefits from the initial investment. It was noted (on page eleven of this report) that a business plan is called for within the Creative Portland Corporation. This is an important recommendation in that the investments being called for should be based on measurable targets and outcomes framed within the business plan. In an era of scarce resources, this new program must demonstrate its worth over time. It is the clear expectation of the CESC that the investment will be returned many times over.

City of Portland

Creative Economy Development Program

Application for FY__ Creative Economy Tax Increment Financing Development District

Prepared by:

The City of Portland Economic Development Division
_________________, 200_

TABLE OF CONTENTS

Attachments:

I. Introduction

Portland, Maine has a vibrant arts and cultural community. Portland is also seeing tremendous growth in creative enterprises such as architecture, advertising and marketing, specialty products design and manufacturing, engineering, and graphic design. All of this, and more, is Portland's Creative Economy. Portland has long recognized that the creative sector plays an important role in its economy and community. The Congress Square redevelopment of the early 1980's centered on the new Charles Shipman Payson wing of the Portland Museum of Art. The Downtown Vision in 1991 recognized the importance of arts and cultural activities on Congress Street, leading to the Arts District Plan of 1996. The arts and culture cluster along Congress Street, including Maine College of Art, Portland Stage Co., the Children's Museum, and Center for Maine History, to name a few, provide a vital energy and economy to our traditional main commercial street. The artist community is an increasingly important part of our Arts District, most exemplified by the lively street party atmosphere that explodes onto the sidewalk during the First Friday Art Walk each month.

With the publication of his book, Rise of the Creative Class[1] in 2002, Richard Florida popularized the economic story of the communities that are attractive to a broad range of creative entrepreneurs. In many respects, these creative enterprises represent the next wave of economic development. Historically we have seen agriculture give way to the industrial revolution, and the manufacturing economy yield to the service economy and development of high technology and bio-technology industries. The Creative Economy represents a global phenomenon of value creation by footloose entrepreneurs who migrate to good places to live from which they practice their trades. While cultural centers such as Los Angeles or New York remain important locations for film, animation, and fashion, it is increasingly possible for artistic and design professionals to live anywhere and practice their trade, communicating and transmitting their products and services worldwide through electronic media. It is also recognized that quality of life and creative vitality are the attractors of the creative class of entrepreneurs. Economic development programs are therefore turning to strategies that maximize the attractiveness of their communities to the creative enterprises, in addition to traditional strategies of business recruitment and marketing.

Portland is fortunate to have the community infrastructure and cultural amenities needed to attract creative enterprises. The good news is that there is no inherent limitation to our ability to attract and grow these businesses. We have, over the past twenty or so years, protected our historic assets, nurtured our cultural sector, improved our parks and trails systems, and invested in our public art collection, to name but a few examples of those qualities that attract the footloose creative entrepreneurs. For many, Portland's size, location, amenities, transportation and technology access, and overall distinctiveness and quality of life are magnetic. We have only recently become recognized on the many "places-rated" listings of top communities for the arts, outdoors lifestyle, urban features such as diversity and good restaurants, and other remarkable features that put Portland on the map for so many reasons. This is a great accomplishment, and the City is well poised

[1] Florida, Richard; Rise of the Creative Class and how it's Transforming Work, Leisure, Community and Everyday Life; Basic Books; 2002

to capitalize on these qualities to promote the growth of the creative economy.

Therein lays the challenge. As Portland grows, the cost of space increases and artists and cultural organizations have an increasingly difficult time affording to be here. To a greater degree than ever, surrounding communities are seeing an influx of creative individuals and businesses who are unable to pay the rent to stay in Portland. This is good for the region, but a challenge for Portland. This is precisely why USM's Muskie School of Public Service identified in 2005 that the single greatest threat to Portland's Creative Economy was erosion.

Notwithstanding these challenges, Portland is fortunate to have the assets and to have made many of the right investments and plans to promote the creative environment. The stage is set. So what strategies and mechanisms are now needed to move forward and build on these assets? These were some of the questions addressed at the Creative Economy Summit, held on May 31, 2006. This summit, convened by then-Mayor James Cohen, brought together over 200 creative stakeholders of artists, cultural organizations, and creative enterprises in an all day session to plan for the growth and development of Portland's creative economy, which in turn will improve and broaden the tax base.

The vision/opportunities identified by the Summit included:

(1) Build Portland's identity as an international creative center;

(2) Develop publicly supported and/or affordable space for artists, including performance space, office space, studio space, housing, and exhibition space; and,

(3) Increase collaboration, coordination, and communication within Portland's creative economy.

Following the Summit, the Portland City Council established the **Creative Economy Steering Committee** (CESC) to consider and expand upon these areas and to come up with a set of recommendations on how best to move forward.

The Steering Committee had a broad mission, but its primary focus was to develop ideas and strategies to move Portland's creative economy forward to the next level and implement the primary recommendations contained in the Creative Economy Summit Report, starting with the three top opportunities noted above.

II. Development Program

A. The Project

With the City Council accepting the Report of the Creative Economy Steering Committee (Attachment A), the City Council formally recognized the unique business development needs of the Creative Economy, and the need for the municipality to assist in fostering its growth. The recommendations contained in Attachment A will help the municipality sustain its unique cultural heritage. Specific recommendations, with details provided in Attachment A include:

- Creative Economy Fund
- Promote Creative Enterprises Cluster
- Arts District Development
- Create a Center for the Arts
- Establish a Creative Economy Website
- Identify and Support Tipping Point Projects
- Conduct Creative Economy Analysis
- Develop a Program Strategy for Current Events and Cultural Activities

In order to move forward with implementation and marketing of the above recommendations, the first step is to create an administrative structure to carry out the recommendations and initiatives contained in the Report. A quasi-governmental agency (for discussion purposes, it could be called the "Creative Portland Corporation" [CPC]) would be formed with a thirteen-member board comprised of three representatives from each private creative category (creative enterprises, creative organizations [non-profits], and artists), plus two City positions (such as the Mayor or mayoral designee, and the City Manager's designee who should be associated with or part of the Economic Development Division), and two members representing higher education and real estate. Once the Board is place, the Board would then hire its own administrator and assistant.

In order to fund the CPC, its administrator and assistant, and the programs recommended, the Report of the CESC recommends a TIF funding mechanism. Initial funding for this was estimated in the Report as being $100,000 for both staff and programs. Attachment B is a map of the proposed Creative Economy TIF District located within the downtown district of Portland.

The CPC will quantify the potential revenues derived from the TIF District and recommend a program of action for the utilization of those funds based on the recommendations of the Report. It is understood that incremental taxes may not materialize, or be relatively low, in first few years, based on market conditions and time needed for growth in valuation in that district over base line assessment. It is also recognized that the full scope of the recommendations contained in the Report go well beyond the funds anticipated to be generated through TIF financing. Therefore, the CPC will be challenged to generate City general funds or other resources needed for start-up. Over time, there is the expectation that the tax increment will grow to cover the core funding for the agency and that City funds will be leveraged with private and grant funds, with a target of 50% non-City funding within five years. If this is achieved, the City's funding commitment will be stable and possibly could decline over time, even as the program budget increases modestly through other sources.

The City seeks authorization for the recommendations described above and in the Report to maintain flexibility and adaptability of the needs of its creative economy.

B. *The Development District*

Properties that are to be designated as a TIF District and are the subject of this application are shown in the attached map (Attachment B).

The TIF District will apply to only new value generated within the District and will not affect the current property tax base.

C. *The Development Program*

The City of Portland, by designating this 10-year Creative Economy TIF District, will capture all investments made within the District. The City will capture over the life of the TIF District, 100% of the new assessed value over the original assessed value and retain from the district the new tax revenues generated from the captured assessed value at either 100% new revenue each year or $100,000 each year, whichever is less, unless amended by the City Council and approved by the Maine Department of Economic and Community Development. These revenues will be allocated to the approved economic development uses/recommendations called for in the Report of the Creative Economy Steering Committee (Attachment A) and highlighted in II.A above.

The success of these efforts will enhance the City's ability to promote development and retain and grow its creative economy to ensure the continued diversity that many come to the downtown area to experience.

D. *Municipal Use of TIF Revenues*

The City of Portland seeks authorization to utilize the revenues generated from the TIF District in support of the recommendations called for in the Report of CESC (Attachment A) and, specifically, the activities outlined in Section II-A of this application.

E. *Operational Components*

1. Uses of Private Property

   The Creative Economy TIF District includes private property, and the funds generated from this District will be used to support commercial investment on both public and private properties in Portland.

2. Environmental Controls

   The Development Program's improvements will comply with all federal, state, and local rules and regulations and applicable land use requirements.

3. Plan of Operation

During the life of the Tax Increment Financing Districts, the City of Portland, City Council, or their designee, will be responsible for the administration of the District.

III. Physical Description

Although downtown TIF districts are exempt from the State's limits for municipalities on value and size of TIF districts, the following provides details regarding the acreage size of this downtown Creative Economy TIF district as well as noting the limits if they were to apply:

A. Total acreage of the municipality: 12,386 (taxable acres)

B. Total acreage proposed for tax increment financing district: 52.7 acres

C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.42%

D. Total acreage of all existing and proposed TIF Districts in the municipality: 184 acres

E. Percent line D of line A (cannot exceed 5%): 1.48%

F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:

1. Blighted acres N/A . Line F1 divided by line B = _______
2. Acreage in need of rehabilitation, redevelopment or conservation N/A . Line F2 divided by line B = ___
3. Acreage suitable for commercial siting = 52.7 . Line F3 divided by line B = 100% .

G. Enclosed municipal maps:

1. Area map showing site location of the TIF District in relation to geographic location of municipality (Attachment C)
2. Site map showing tax map locations and TIF District (Attachment D)

IV. Financial Plan

A. Costs and Sources of Revenues

The TIF District comprises an area of approximately 52.7 acres of taxable real and personal property with an original FY08 assessed value of $237,511,280.

The development within the District is estimated to add an additional $2,000,000 in a ssessed value for the first three years of the TIF District and then remain relatively even thereafter.

The Development Program provides for the new tax revenues generated by the increase in assessed value of the District to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Development Program, with the understanding that the CPC will determine which specific projects to undertake that have been outlined in the Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval.

Attachment E details the projections based upon the anticipated assessed value increases within the District and is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

Table 1— TIF Allocation Schedule

OAV as of 3/31/2008: $237,511,280
Assume $2MM Valuation Growth in Years 2010, 2011, and 2012
Assume 2% Annual Tax Rate Increase

Tax Year	Est. Value	Total Increase	Est. Mil Rate	Total Incremental Tax
FY10	239,622,330	2,110,750	0.01809	38,194
FY11	241,622,330	4,110,750	0.01846	75,871
FY12	243,622,330	6,110,750	0.01883	115,040
FY13	243,622,330	6,110,750	0.01920	117,341
FY14	243,622,330	6,110,750	0.01959	119,688
FY15	243,622,330	6,110,750	0.01998	122,081
FY16	243,622,330	6,110,750	0.02038	124,523
FY17	243,622,330	6,110,750	0.02079	127,013
FY18	243,622,330	6,110,750	0.02120	129,554
FY19	243,622,330	6,110,750	0.02162	132,145
Total				**1,101,449**

Note: Years that have an incremental tax over $100,000 would be limited to just $100,000 for that year as noted in II.C above.

B. Development Program Account

This Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Creative Economy TIF Development Program Account is established consisting of a project cost account ("Project Cost Account") pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the "City Cost Subaccount") pledged to, and charged with, payment to the City for the cost of approved economic development expenses.

C. Financing Plan

The TIF District comprises an area of approximately 53 acres of taxable real and personal property. The value of the real and personal property within the district as of March 31, 2008 is established as the original assessed value. Attachment F is the Assessor's Certificate of the assessed value.

An assumption is made herein that developments within the Creative Economy TIF District will add approximately $2 million of new taxable value in the first three years. TIF revenues will be allocated as described in II.A above to finance the costs of the Creative Economy Development Program. Actual payments to the Project Cost Account will be adjusted based upon the actual annual assessed value within the District.

V. Financial Data

Although downtown TIF districts are exempt from the State's limits for municipalities on value and size of TIF districts, the following provides details regarding the value of this downtown Creative Economy TIF district as well noting the limits if they were to apply:

A. Total FY08 value of equalized property in the municipality: $8,289,850,000.

B. Original assessed value of all properties in all existing and proposed TIF districts:

Existing:	$ 73,017,480
Proposed:	$237,511,280
Total	$310,528,760

Line B divided by line A = 3.74% (cannot exceed 5%).

C. Estimate of increased assessed value by year after implementation of the development program: See Table 1 above.

D. Percentage of increased assessed value to be applied to the development program fund: 100%.

E. Estimated annual tax increment: $110,145 (Average)

F. Total average annual value of development program fund: $110,145 (Average)

G. Annual principal and interest payment of bonded indebtedness: N/A

H. Financial assumptions and safeguards: The City of Portland only seeks to implement the Creative Economy Development Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this Development Program is voluntary and, notwithstanding any approvals from the appropriate State entity, can revoke its desire to implement the plan.

I. State of impact on TIF on taxing jursidictions within the county: See Attachment E.

VI. Tax Shifts

*A. **Average Annual Amount:***

General Purpose Aid to Education Tax Shift: ___________
Municipal Revenue Sharing Tax Shift: ___________
County Tax Shift: ___________
Total Average Annual Savings: ___________

VII. Municipal Approvals

A. Public Hearing Notice

The City of Portland did giver proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5253. The notice was published on _____________ in a newspaper of general circulation (see Attachment G).

B. Public Hearing

A Public Hearing at which the proposed municipal Creative Economy Tax Increment Financing District was discussed was held on __________________ in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment H.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council designating the Creative Economy Development Program and the TIF district created for the implementation of that program is included as Attachment I.

ATTACHMENT F

CITY OF PORTLAND
CREATIVE ECONOMY DEVELOPMENT
TAX INCREMENT FINANCING PROGRAM

ASSESSOR'S CERTIFICATE

The undersigned Tax Assessor for the City of Portland, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. § 5254 that the assessed value of the FY0__ Creative Economy Development Municipal Tax Increment Financing District as described in the Creative Economy Development Program to which this certificate is included, was $237,511,280 as of March 31, 2008.

IN WITNESS WHEROF, this certificate has been executed as of this _____ day of ____________________, 20___.

CITY ASSESSOR

By:_______________________________
Richard W. Blackburn

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CITY OF PORTLAND

IN THE CITY COUNCIL

ORDER CREATING THE CREATIVE PORTLAND CORPORATION AND APPROVING ARTICLES OF INCORPORATION AND BY-LAWS

ORDERED, that the City of Portland, by authority of its City Council hereby approves the creation of the Creative Portland Corporation; and

BE IT FURTHER ORDERED, that the Council approves the Articles of Incorporation of the Creative Portland Corporation in substantially the form attached hereto as Attachment 1 and the filing of those Articles with the Secretary of State; and

BE IT FURTHER ORDERED, that the Council approves the By-Laws of the Creative Portland Corporation in substantially the form attached hereto as Attachment 2; and

BE IT FURTHER ORDERED, that this Order shall be filed as part of the corporate records of the Creative Portland Corporation.

______________________________ Mayor Edward J. Suslovic

______________________________ Councilor Jill C. Duson

______________________________ Councilor John M. Anton

______________________________ Councilor Nicholas M. Mavodones, Jr.

______________________________ Councilor James I. Cohen

______________________________ Councilor Cheryl A. Leeman

______________________________ Councilor Daniel S. Skolnik

______________________________ Councilor David A. Marshall

______________________________ Councilor Kevin J. Donoghue

Orders:\creative economy articles and by-laws

Filing Fee $40.00

DOMESTIC
NONPROFIT CORPORATION

STATE OF MAINE

ARTICLES OF INCORPORATION

DRAFT

Deputy Secretary of State

A True Copy When Attested By Signature

Deputy Secretary of State

Pursuant to 13-B MRSA §403, the undersigned incorporator(s) execute(s) and deliver(s) the following Articles of Incorporation:

FIRST: The name of the corporation is Creative Portland Corporation.

SECOND: ("X" one box only. Attach additional page(s) if necessary.)

☑ The corporation is organized as a public benefit corporation for the following purpose or purposes:

See Ex. A attached.

☐ The corporation is organized as a mutual benefit corporation for all purposes permitted under Title 13-B or, if not for all such purposes, then for the following purpose or purposes:

THIRD: The Registered Agent is a: (select **either** a Commercial or Noncommercial Registered Agent)

☐ Commercial Registered Agent CRA Public Number: ______

______
(name of commercial registered agent)

☐ Noncommercial Registered Agent

______
(name of noncommercial registered agent)

______
(physical location, not P.O. Box – street, city, state and zip code)

______
(mailing address if different from above)

FOURTH: Pursuant to 5 MRSA §108.3, the registered agent as listed above has consented to serve as the registered agent for this nonprofit corporation.

Form No. MNPCA-6 (1 of 3)

FIFTH: The number of directors (not less than 3) constituting the initial board of directors of the corporation, if the number has been designated or if the initial directors have been chosen, is ______________.

The minimum number of directors (not less than 3) shall be ______________ and the maximum number of directors shall be ______________.

SIXTH: Members: ("X" one box only.)

☐ There shall be no members.
☑ There shall be one or more classes of members and the information required by 13-B MRSA §402 is attached.

See Ex. B attached.

SEVENTH: **(Optional)** ☑ (Check if this article is to apply.)

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

EIGHTH: **(Optional)** ☑ (Check if this article is to apply.)

Other provisions of these articles including provisions for the regulation of the internal affairs of the corporation, distribution of assets on dissolution or final liquidation and the requirements of the Internal Revenue Code section 501(c) are set out in Exhibit C attached hereto and made a part hereof.

Incorporators* **Dated** ______________

______________ (signature) Street ______________ (residence address)

______________ (type or print name) ______________ (city, state and zip code)

______________ (signature) Street ______________ (residence address)

______________ (type or print name) ______________ (city, state and zip code)

______________ (signature) Street ______________ (residence address)

______________ (type or print name) ______________ (city, state and zip code)

Form No. MNPCA-6 (2 of 3)

For Corporate Incorporators*

Name of Corporate Incorporator ______________________________

By ______________________________ Street ______________________________
(signature of officer) (principal business location)

______________________________ ______________________________
(type or print name and capacity) (city, state and zip code)

Name of Corporate Incorporator ______________________________

By ______________________________ Street ______________________________
(signature of officer) (principal business location)

______________________________ ______________________________
(type or print name and capacity) (city, state and zip code)

***Articles are to be executed as follows:**

If a corporation is an incorporator (13-B MRSA §401), the name of the corporation should be typed or printed and signed on its behalf by an officer of the corporation. The articles of incorporation must be accompanied by a certificate of an appropriate officer of the corporation, not the person signing the articles, certifying that the person executing the articles on behalf of the corporation was duly authorized to do so.

Please remit your payment made payable to the Maine Secretary of State.

Submit completed form to:

Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101
Telephone Inquiries: **(207) 624-7752** Email Inquiries: CEC.Corporations@Maine.gov

Form No. MNPCA-6 (3 of 3) Rev. 7/1/2008

Filer Contact Cover Letter

To: Department of the Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101

Tel. (207) 624-7752

Name of Entity (s):
Creative Portland Corporation

List type of filing(s) enclosed (i.e. Articles of Incorporation, Articles of Merger, Articles of Amendment, Certificate of Correction, etc.) Attach additional pages as needed.

Articles of Incorportion

Special handling request(s): (check all that apply)

- ☐ Hold for pick up
- ☐ Expedited filing - 24 hour service ($50 additional filing fee per entity, per service)
- ☐ Expedited filing - Immediate service ($100 additional filing fee per entity, per service)

Total filing fee(s) enclosed: $ ____________

Contact Information – questions regarding the above filing(s), please call or email: (failure to provide a contact name and telephone number or email address will result in the return of the erroneous filing (s) by the Secretary of State's office)

(Name of contact person) (Daytime telephone number)

(Email address)

The enclosed filing(s) and fee(s) are submitted for filing. Please return the attested copy to the following address:

(Name of attested recipient)

(Firm or Company)

(Mailing Address)

(City, State & Zip)

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ARTICLE SECOND OF ARTICLES OF INCORPORATION OF CREATIVE PORTLAND CORPORATION

Creative Portland Corporation is organized by the City Council of the City of Portland as a local development corporation pursuant to the provisions of 30-A M.R.S.A. § 5221 et. seq. for the purposes of capitalizing upon and growing Portland's creative economy to achieve its greatest potential. See Map of District attached hereto as Exhibit 1.

Creative Portland Corporation is organized and shall be operated exclusively for charitable, education and non profit purposes to receive donations, grants and contributions in support of the City of Portland's creative economy development efforts which enhance and create business and arts district development and employment opportunities for the creative economy with all such powers as are authorized to non profit corporations by the Maine Non Profit Corporation Act. The primary activities of the Creative Portland Corporation shall include but not be limited to the following:

A. Build Portland's identity as an international creative center;

B. Develop publicly supported and/or affordable space for artists, including performance space, office space, studio space, housing, and exhibition space;

C. Increase collaboration, coordination, and communication within Portland's creative economy;

D. Provide resources and support for community events and cultural tourism;

E. Recruit creative industries;

F. Provide timely input on Portland's development projects that could contribute to the Creative Economy Fund;

G. Acquire, hold, own manage, dispose or liquidate property, upon City Council approval, for the purpose of advancing the creative economy and promoting employment opportunities in the City of Portland; and

H. Implement, facilitate and administer programs which enhance creative opportunities in Portland as initially defined by the City of Portland's Creative Economy Steering Committee in a certain Report of said Committee dated October 2008, and on file in the City's Department of Planning, including but not limited to:

1. Creation of a Creative Economy Fund

2. Promotion of the Creative Enterprises Cluster
3. Development of the Arts District
4. Creation of a Center for the Arts
5. Creation of a Creative Economy Website
6. Identification and Supporting of "Tipping Point" Projects
7. Conduct Creative Economy Analyses
8. Creation of Programming Strategy for Current Events and Cultural Activities
9. Provision of resources and support for community events and cultural tourism
10. Recruitment of Creative Industries
11. Promotion of cultural tourism
12. Maintenance of an information clearinghouse for use by artists, organizations, available space and related information
13. Creation of a strategic plan.

Notwithstanding any other provision of these Articles, this Creative Portland Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code ("Code") or the corresponding section of any future tax code, or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Code.

B

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ARTICLE SIXTH OF ARTICLES OF INCORPORATION OF CREATIVE PORTLAND CORPORATION

The City of Portland, Maine shall be the sole voting member of Creative Portland Corporation and is hereby designated the Corporator. The Corporator shall act by and through its City Council in all matters relating to Creative Portland Corporation. The rights, powers, and responsibilities of the Corporator shall be as follows:

The Corporator shall have the sole and exclusive right to vote at all meetings of the Creative Portland Corporation for such purposes or such other matters as may be prescribed for consideration by these Articles of Incorporation, the By-laws of the Creative Portland Corporation, amendments thereto, and the laws and statutes of the State of Maine, as from time to time constituted. Specifically, the Corporator shall have the following rights:

A) Addition of Corporators;
B) Creation of an additional Class of Corporators;
C) Appoint the Board of Directors and expand or contract its size;
D) Addition of one or more classes of Directors;
E) Appointment of Directors;
F) Removal of Directors;
G) Alteration, amendment or repeal of By-laws;
H) Amendment, modification or restatement of the Articles of Incorporation;
I) Dissolution, merger or consolidation of the Creative Portland Corporation;
J) Approval of the sale, lease or disposition (excluding mortgage or pledge) of all or substantially all of the assets or property of the Creative Portland Corporation;
K) Approval of the annual operating budget;
L) Any other matters which a majority of the Board voting to submit to the Corporator.

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ARTICLE EIGHTH OF ARTICLES OF INCORPORATIN OF CREATIVE PORTLAND CORPORATION

Other provisions of these Articles:

A. (1) It is intended that the Creative Portland Corporation shall be entitled to exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and shall not be a private foundation under Section 509(a) of the Internal Revenue Code. Notwithstanding any other provision of these Articles, the Creative Portland Corporation shall not engage in any activity or exercise any power which would deprive it of any exception from federal income tax which the Creative Portland Corporation may receive under Section 501(c)(3) of the Internal Revenue Code and contributions to which a deduction may be claimed under Sections 170(c)(2), 2055(a)(2) of the Internal Revenue Code.

(2) No substantial part of the activities of the Creative Portland Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Creative Portland Corporation shall not participate in or intervene in (including the publish in or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office; provided that the Creative Portland Corporation shall have the power to make an election under the Internal Revenue Code. Furthermore, the Creative Portland Corporation shall not engage in any activities that are unlawful under applicable federal, state or local laws.

(3) The Creative Portland Corporation is not organized for pecuniary profit and shall not have any capital stock. All the assets and income of the Creative Portland Corporation shall be used exclusively for its arts related, charitable, scientific and educational purposes. No part of the net earnings of the Creative Portland Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, provided, however, that nothing contained herein shall be construed to prevent the payment by the Creative Portland Corporation of the reasonable compensation to employees and reasonable expenses of Officers and employees of the Creative Portland Corporation for services rendered.

B. If the Creative Portland Corporation be dissolved or its legal existence terminated either voluntarily or involuntarily, or upon final liquidation of the Creative Portland 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 and creation of a reasonable reserve for contingent liabilities, if any, shall be either distributed to an exempt organization under Section 501 (c)(3) of the Internal Revenue Code or the City of Portland, Maine, except as and to the extent otherwise specified by the Board of Directors in Articles of Dissolution, to be used to fund activities consistent with those of the Corporation (within the meaning of 13-B M.R.S.A. § 407.

C. The Creative Portland Corporation shall be an equal opportunity employer, shall not discriminate on the basis of age, race, religion, color, creed, sex, financial status, handicap or national origin:

(1) in the persons served, or in the manner of service; or
(2) in the hiring, assignment, promotion, salary determination, or other conditions of staff employment; or
(3) in the membership of the Board of Directors.

D. Each reference in these Articles of Incorporation to a Section in the Internal Revenue Code or the Maine Non-Profit Corporation Act shall be deemed to include a reference to such code or such act as the same may hereafter be amended and to be the corresponding provision of any such future United States Internal Revenue or Maine Non-Profit Corporation Act, as the case may be.

(501(c)(3) Designation Included)

BYLAWS OF THE CREATIVE PORTLAND CORPORATION

ARTICLE 1
NAME, PRINCIPAL OFFICE, CORPORATE SEAL

Section 1.1. Name. The name of this corporation shall be the Creative Portland Corporation.

Section 1.2. Principal Office. The principal office for the conduct of the activities of the corporation shall be located at Portland City Hall, 389 Congress Street, Portland, Maine.

Section 1.3. Corporate Seal. The corporate seal of the corporation shall be circular in form and shall bear the words and figures "Creative Portland Corporation," the word "Maine" and the year of the corporation's incorporation. The form of such seal may be altered from time to time by the Board of Directors.

Section 1.4. 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 1.5. 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 creative economy development efforts that enhance and create business and arts district development, and employment opportunities for the creative economy including:

A. Build Portland's identity as an international creative center;

B. Develop publicly supported and/or affordable space for artists, including performance space, office space, studio space, housing, and exhibition space;

C. Increase collaboration, coordination, and communication within Portland's creative economy;

D. Provide resources and support for community events and cultural tourism;

E. Recruit creative industries;

F. Provide timely input on Portland's development projects that could contribute to the creative economy;

G. Acquire, hold, own manage, dispose or liquidate property, upon City Council approval, for the purpose of advancing the creative economy and promoting employment opportunities in the City of Portland; and

H. Implement, facilitate and administer programs which enhance creative opportunities in Portland as identified by the Creative Economy Steering Committee in a Report of said Committee dated October 2008, and on file in the City's Office of Planning, including but not limited to:

a. Creation of a Creative Economy Fund
b. Promotion of the Creative Enterprises Cluster
c. Development of the Arts District
d. Creation of a Center for the Arts
e. Creation of a Creative Economy Website and Clearinghouse
f. Identification and Supporting of "Tipping Point" Projects
g. Conduct Creative Economy Analyses
h. Creation of Programming Strategy for Current Events and Cultural Activities
i. Provision of resources and support for community events and cultural tourism
j. Recruitment of Creative Industries
k. Promotion of cultural tourism
l. Maintenance of an information clearinghouse for use by artists, organizations, available space and related information
m. Creation of a strategic plan.

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 an organization 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. In addition to the other powers of the Corporator listed in Section 3.3 hereof, the Corporator shall have the responsibility for the appointment of the Board of Directors of the Corporation, which Board has the ultimate responsibility for governing the Corporation. 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 by 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 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 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 ___________ 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.

Section 4.2. Number of Directors; Eligibility. The Board of Directors shall consist of thirteen (13) individuals eleven (11) of whom shall be Directors appointed by the Corporator through the Portland City Council and two (2) of whom shall be ex officio members of the Board pursuant to Section 4.4 of this Article. Of the thirteen (13) Directors, the Corporator shall endeavor to appoint three (3) representatives from each private creative category (creative enterprises, creative organizations, and artists), and two (2) members representing higher education and real estate. All 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 Appointments Committee, which shall supplement its regular Committee recruitment efforts by advertising in the local media and by otherwise publicizing the vacancies as widely as possible.

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. Five (5) Directors shall be initially appointed by the Corporator to hold office until the Second Annual Meeting of the Corporation following the incorporation of this Corporation; three (3) Directors shall be initially appointed by the Corporator to hold office until the Third Annual Meeting of the Corporator following the incorporation of this Corporation; and three (3) Directors shall be initially appointed by the

Corporator to hold office until the fourth Annual Meeting of the Corporation following the incorporation of this Corporation. The Corporator shall specify the term of office for which each Director is initially appointed. Thereafter, Directors shall be appointed by the Corporator 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.

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 may be filled by the Corporator by appointment of an individual qualifying and eligible for such position. 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.

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 _________, 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. Eight (8) Directors shall constitute a quorum for the transaction of business. The act of at least six (6) 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, a Treasurer and a Secretary. 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. 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 6.7. 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 6.8. 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. 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 Assistant Secretary.

ARTICLE VII
ADOPTION, AMENDMENT

Section 7.1. 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 7.2. Amendments. These Bylaws may be amended solely by the Corporator.

ARTICLE IX
CONFLICT OF INTEREST

Section 8.1. 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 8.1. 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 8.3. 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 8.4. 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: ______________________________

Secretary

DRAFT

CITY OF PORTLAND

IN THE CITY COUNCIL

ORDER APPOINTING MEMBERS OF THE BOARD OF DIRECTORS OF THE CREATIVE PORTLAND CORPORATION

ORDERED, that the City of Portland, in its capacity as Corporator of the Creative Portland Corporation and acting by and through its City Council, hereby appoints the following persons to the Board of Directors of the Creative Portland Corporation to serve from the effective date of this Order until the time specified herein:

A. Term ending as of ______ (the Second Annual Meeting of the Corporation):

1.
2.
3.
4.
5.

B. Term ending as of _______ (the Third Annual Meeting of the Corporation):

6.
7.
8.

C. Term ending as of _______(the Fourth Annual Meeting of the Corporation):

9.
10.
11.

BE IT FURTHER ORDERED, that the City of Portland, in its capacity as Corporator of the Creative Portland Corporation and acting by and through its City Council, hereby appoints the following persons to be ex officio members of the Board of Directors to serve from the effective date of this Order until the time specified herein:

Orders\Appointments\Creative Economy Members.doc
01.05.2006

DRAFT

A. Term ending as of _______ (the Second Annual Meeting of the Corporation:

1. ____

(Mayor or City Council member of the City of Portland)

B. Term ending as of the conclusion of his/her employment with the City:

2. ____

(The City Manager or Designee of the City Manager associated with the Economic Development Division)

Orders\Appointments\Creative Economy Members.doc
01.05.2006

DRAFT

CITY OF PORTLAND

IN THE CITY COUNCIL

ORDER DESIGNATING CREATIVE PORTLAND DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT AND ADOPTING THE CREATIVE PORTLAND DEVELOPMENT PROGRAM AS THE MUNICIPAL DEVELOPMENT PROGRAM FOR THE DISTRICT

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

WHEREAS, 30-A M.R.S.A. §5221(2) authorizes municipalities to develop a program for improving a district of the municipality to provide impetus for industrial, commercial or arts district development; and

WHEREAS, 30-A M.R.S.A. §5222(8) of state law defines "downtown" as the traditional central business district of a community that has served as the center of socioeconomic interaction in the community, characterized by a cohesive core of commercial and mixed use buildings, often interspersed with civic, religious and residential buildings and public spaces, that are typically arranged along a main street and intersecting side streets and served by public infrastructure; and

WHEREAS, 30-A M.R.S.A. §5222(9) defines "downtown tax increment financing district" as a tax increment financing district described in a downtown redevelopment plan that is consistent with the downtown criteria established pursuant to rules of the state Department of Economic and Community Development; and

WHEREAS, the City of Portland has an arts and cultural community in its downtown that is experiencing growth in creative, artistic enterprises including architecture, advertising, marketing, specialty products design and manufacturing, engineering and graphic design, all of which is part of Portland's creative economy; and

WHEREAS, there is a need for support and development of the creative economy businesses in the downtown area of the City of Portland; and

WHEREAS, the City intends to promote, encourage, and financially assist economic development in creative economy businesses by assisting with the promotion and financing of business development within the Creative Portland Development and Tax Increment Financing District in accordance with the proposed Creative Portland Development Program; and

Orders:\Creative Economy TIF

DRAFT

WHEREAS, there is a need to provide continuing and new employment opportunities in creative economy businesses for the citizens of Portland and the surrounding region; to improve and broaden the tax base of the City of Portland; and to improve the general economy of the City of Portland, the surrounding region and the State of Maine; and

WHEREAS, the Creative Portland Development and Tax Increment Financing District will help to provide continued and new employment for the citizens of Portland and the surrounding region; improve and broaden the tax base in the City of Portland and improve the economy of the City of Portland and the State of Maine; and

WHEREAS, there is a need to encourage the development, expansion and improvement of creative economy businesses in the City's downtown through the establishment of a Municipal Development District and Tax Increment Financing District in accordance with the provisions of Chapter 206 of Title 30-A; and

WHEREAS, the City has held a public hearing on the question of establishing the Creative Portland Development Program and the Creative Portland Development and Tax Increment Financing District in accordance with the requirements of 30-A M.R.S.A. § 5226, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the Creative Portland Development and Tax Increment Financing District and adopt the Creative Portland Development Program as the Development Program for such District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development, approving the designation of the Creative Portland Development and Tax Increment Financing District and the adoption of the Creative Portland Development Program for the District;

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

Section 1. The City hereby finds and determines that:

(A) The Creative Portland Development and Tax Increment Financing District is the traditional central business district of Portland and has served as the City's center of socioeconomic interaction, and is characterized by a cohesive core of commercial and mixed use buildings that are interspersed with civic, religious and residential buildings and public spaces that are arranged along Congress Street, which is the City's main street, and intersecting side streets, all of which is served by public infrastructure, and is the City's downtown;

(B) The City expects that the acquisition, construction and installment of any and all real and personal property improvements, buildings, structures, fixtures and equipment within the district contemplated by the Development Program will be completed in accordance with State law; and

(C) The designation of the Creative Portland Development and Tax Increment Financing District and pursuit of the Creative Portland Development Program as the Municipal Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

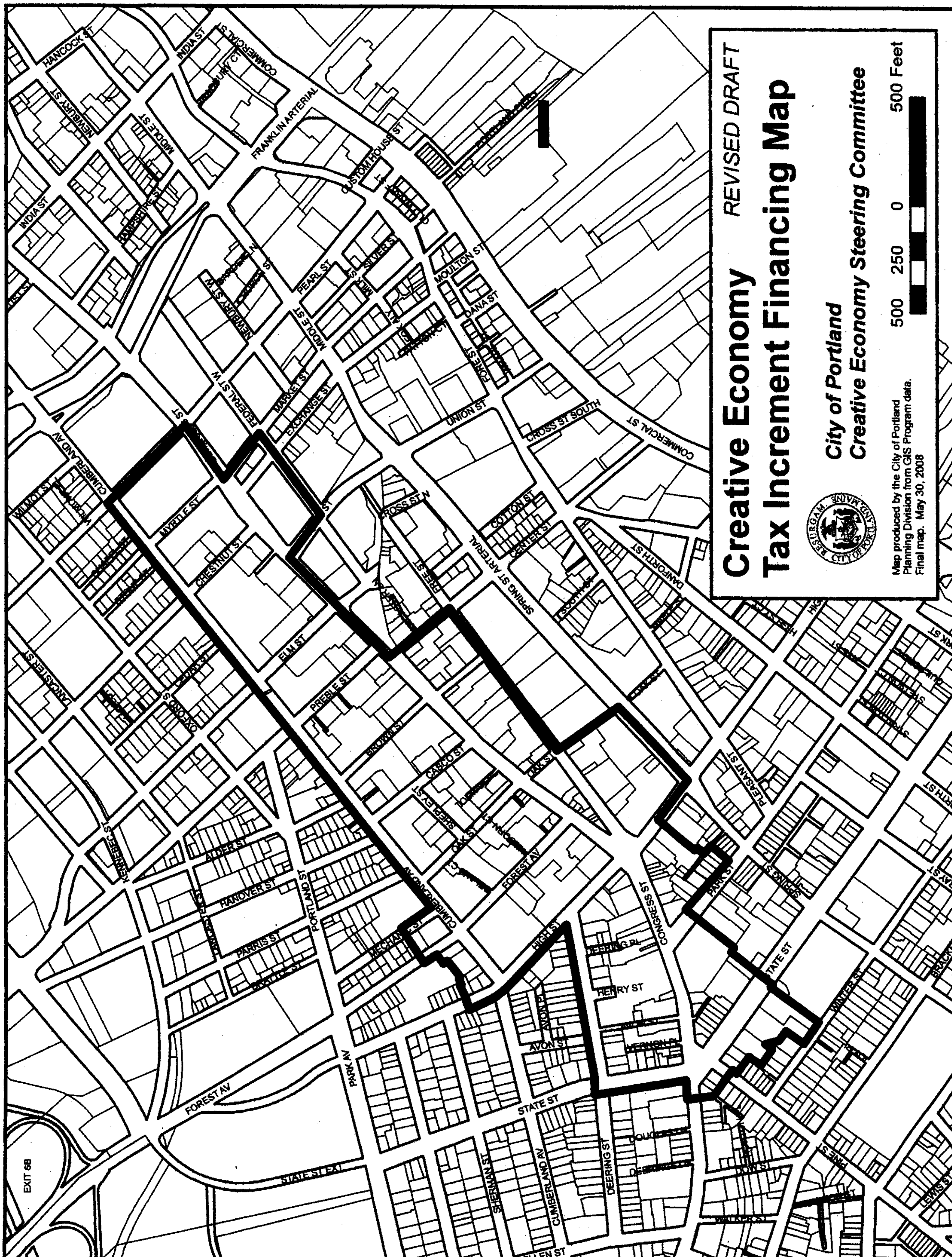
Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates the Creative Portland Development and Tax Increment Financing District, as shown on attachment A hereto.

Section 3. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes as amended, the City hereby approves the document entitled "City of Portland Creative Portland Development Program – Application for Creative Portland Development and Tax Increment Financing District," presented to the City Council in the form attached hereto as attachment B and the Creative Portland Development Program, in the form attached hereto as attachment C, as the municipal development program and hereby incorporates these documents by reference into this order as the development program for the District (the "Development Program").

Section 4. Pursuant to the provisions of 30-A M.R.S.A. § 5227, the City hereby adopts the statement of the percentage of Assessed Value to be retained by the City set forth as Exhibit A in the Creative Portland Development Program and TIF applications for the Creative Portland TIF District approved for purposes of said Section 5227.

Section 5. The City Manager be, and hereby is, authorized, empowered and directed to submit the proposed Creative Portland Development Program and the Municipal TIF designation for the Creative Portland TIF District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226.

Section 6. The foregoing designation of the Creative Portland TIF District and the adoption of the Creative Portland Development Program for the Creative Portland District shall automatically become final and shall take full force and effect upon receipt by the City of approval of the designation of the District and adoption of the Creative Portland Development Program by the Department of Economic and Community Development, without requirements of further action by the City, the Council or any other party.


Creative Economy
Tax Increment Financing Map
REVISED DRAFT
City of Portland
Creative Economy Steering Committee
Map produced by the City of Portland
Planning Division from GIS Program data.
Final map. May 30, 2008
500 250 0 500 Feet
RESURGAM
CITY OF PORTLAND, MAINE
CONGRESS ST
CUMBERLAND AV
FOREST AV
SPRING ST ARTERIAL
COMMERCIAL ST
FRANKLIN ARTERIAL
STATE ST
HIGH ST
PARK AV
PORTLAND ST
STATE ST EXT
EXIT 6B
MELLEN ST
DEERING ST
ELM ST
PREBLE ST
CHESTNUT ST
MYRTLE ST
FEDERAL ST
MARKET ST
EXCHANGE ST
UNION ST
PEARL ST
MIDDLE ST
INDIA ST
HANCOCK ST
NEWBURY ST
CUSTOM HOUSE ST
MOULTON ST
DANA ST
CROSS ST SOUTH
COTTON ST
CENTER ST
DANFORTH ST
PLEASANT ST
PARK ST
WINTER ST
OAK ST
CASCO ST
BROWN ST
FOREST AV
HENRY ST
AVON ST
ALDER ST
HANOVER ST
PARRIS ST
KENNEBEC ST
LANCASTER ST
WILMOT ST
SHERMAN ST
LEWIS ST
PINE ST

Municipal Tax Increment Financing Overview Refresher

Finance Committee

September 30, 2021

This presentation was created by:
Gregory A. Mitchell
during his tenure as Director of the
Housing and Economic Development Department

What is Tax Increment Financing?

- A public economic development financing program, funded by property taxes on the incremental new value generated by a development project.

Why is TIF Used?

- To stimulate private sector investment and job creation
  - Targeted industries
  - Targeted locations
- Expand existing or fund new transit service capital costs and limited operational costs (transit operator salaries, fuel, and maintenance), invest in public infrastructure, staff salaries, and those listed on pages 10 to 13 of the presentation for additional uses of TIF revenue.
- To 'shelter' against adverse adjustments to State subsidies and County taxes based on total municipal valuation

How Does TIF Work?

- A municipality designates a specific geographic area as a **municipal development tax increment financing district.**
- This **"freezes" the value** of taxable property within the district (the original assessed value or "**OAV**"); TIF revenues derive from taxes on **incremental new value** above OAV.
- Municipality adopts a **development program** describing authorized uses of revenue.

Establishing the TIF District

TIF law places certain limitations on the size and assessed value of TIF districts.

*TOD and Downtown Districts are exempt from limitations below.

Size (Based on FYE2020 Annual TIF Report)

- **2%** of total acreage for single district (commercial and affordable housing districts); **5%** of total acreage for all commercial and affordable housing districts (619 acres total with 375 acres available).

Value (Based on FY2020 Annual TIF Report)

- Commercial Districts: All commercial districts combined may not exceed **5%** of total value of taxable property ($525 Million total, with $366 Million in value remaining for new districts).
- Affordable Housing Districts: All affordable housing districts combined may not exceed **5%** of total value of taxable property ($525 Million total, with $523 Million in value remaining for new districts).

Establishing The TIF District

TIF districts may be designated for a maximum of **30** years, and at least **25%** of the district area must be:

- Blighted
- In need of rehabilitation, redevelopment or conservation;
- Suitable for commercial uses or arts; or
- Affordable Housing with 25% suitable for residential use.

Authorized Uses of TIF Revenue

- Costs within the district
  (most flexible)
- Costs outside district but directly related to or made necessary by the district
  (less flexible)
- Community wide economic development (narrow list of uses)

Within The District

- **Capital Costs**, including:
  - Land acquisition or construction, improvements and site work
  - Demolition, repair and remodeling
  - Acquisition of equipment
- **Financing Costs**, including:
  - Public infrastructure or Private Projects

Within The District Continued

- **Professional Services**, including:
  - Licensing and architectural
  - Planning, engineering and legal
- **Other Costs**, including:
  - Reasonable administrative expenses
  - Relocation expenses
  - Organizational costs to establish district, such as impact studies, and public information

Outside The District

Directly related to the district, or made necessary by its establishment

- Infrastructure improvements, including:
  - Sewage or water treatment plants
  - Sewer, water and electrical lines
  - Street amenities and fire station improvements
- Other improvements, including:
  - Public safety

Community Wide Economic Development

Outside and unrelated to the district; municipal-wide

- Economic Development programs, including municipal staff
- Environmental improvement plans
- Permanent Revolving Loan Funds
- Employment training (<20%)
- Quality child care

Prohibited Project Costs

- The TIF statute specifically prohibits the following project costs:
  - Those associated with buildings used predominantly for the general conduct of government
  - Public recreational purposes, except for Affordable Housing TIF

Funding Mechanisms

- **Municipal Bonds**
  - Municipality established a Development Sinking Fund for debt service requirements
- **Credit Enhancement Agreement**
  - TIF revenues placed in a Project Cost Account for direct payment to company for authorized project costs
- **Municipal Economic Development**
  - TIF revenues placed in a Project Cost Account for direct payment by municipality for authorized project costs

How Does 'Sheltering' Work?

- With new investment, real estate valuation goes ↑↑
- As a result, state subsidies go ↓↓ and county taxes go ↑↑
- **TIF 'shelters' captured new value** by excluding it from total municipal value reported to the state for the length of the TIF

TIF Approval Process

TIF Program

- District Boundaries
- Development Program
- Financial Plan

Municipal or County Approval, followed by:

State DECD Approval for Commercial & Industrial Projects;

OR

Maine State Housing Authority for Affordable Housing TIFs.

Credit Enhancement Agreements w/Project Developer then executed after above two approvals.

Tips for Effective TIF's

- Support local goals and objectives
- Puts a decision-making process in place
- Establish guidelines around the use of TIF revenue
- Allow as much flexibility as feasible
- Delineate boundaries thoughtfully
- Maximize shelter value

Portland's Experience With TIFs

- Adopted New Council TIF Policy as of 2/22/2021.

- As of FYE2020 Portland has:

  - 3 area-wide TIF Districts (Bayside, Waterfront, and Downtown Transit Oriented District);
  - 10 Affordable Housing Districts;
  - 3 Commercial Districts
  - 1 Transit Oriented Commercial District

Questions?

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

CITY OF PORTLAND
IN THE CITY COUNCIL

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

ORDER AMENDING THE DOWNTOWN TRANSIT ORIENTED DEVELOPMENT AND OMNIBUS TAX INCREMENT FINANCING DISTRICT TO 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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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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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

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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.

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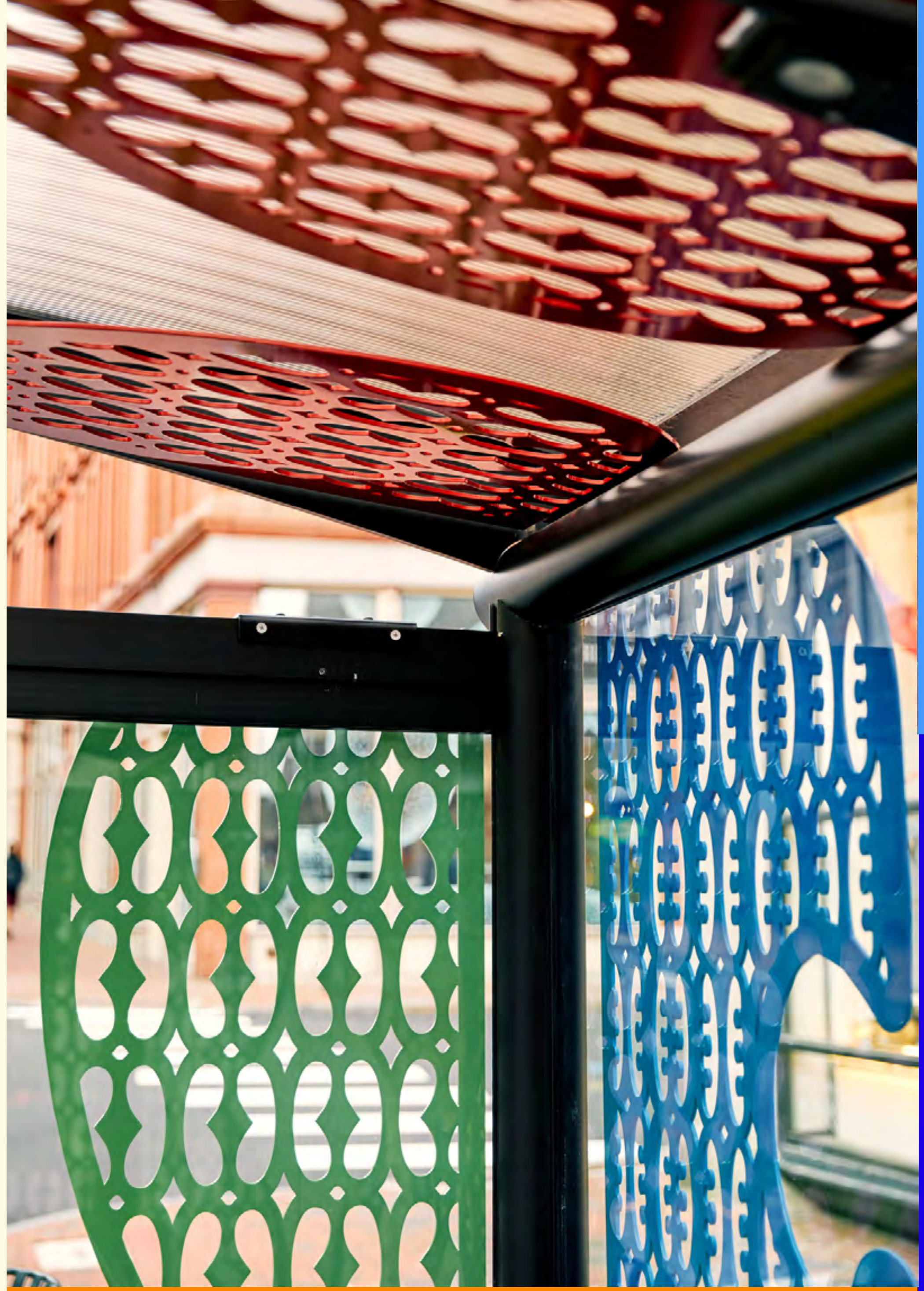

Board of Directors

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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**

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

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

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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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Transformit
CREWE
THE CREWE FOUNDATION
RESURGAM CITY OF PORTLAND, MAINE
David E. Shaw
headlight audio visual video
Curry Printing 43RD ANNIVERSARY 1976-2019
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KNACK FACTORY
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BAYSIDE BOWL PORTLAND, MAINE
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PRESS HOTEL
Beyond Words.
TELLING ROOM
PORTLAND PIE Co
NEWS CENTER MAINE
BIG ROOM STUDIOS
CREATIVE / TECHNOLOGY
Akari
INFINITY FEDERAL CREDIT UNION
PORTLAND OVATIONS
WMPG.ORG
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
PORTLAND DOWNTOWN EST. 1833
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
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Monday Morning Drop By

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CP Art Gallery

Online only during the pandemic

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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

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Public Art Initiatives

Art Banners for Public Health

Click here for more information

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Cultural Events Calendar

Click here to view the calendar

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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

CREATIVEPORTLANDME

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.

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ARTS & MUSIC FESTIVALS

- Art Outta the Park
- Burundian Drum & Dance Festival

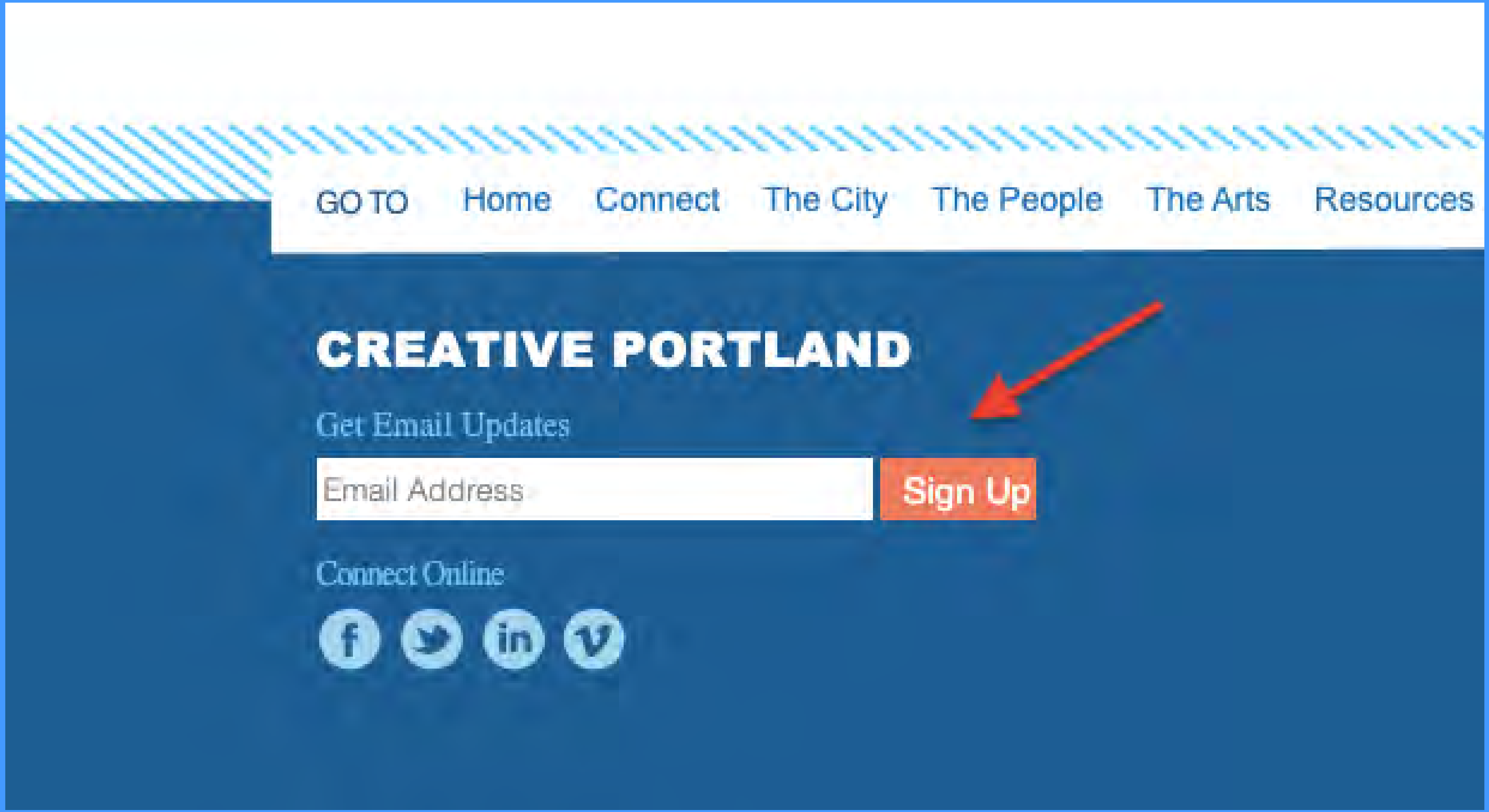
CREATIVEPORTLAND[ME]

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!

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Questions? Ideas?

Get in touch with us at info@creativeportland.com

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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

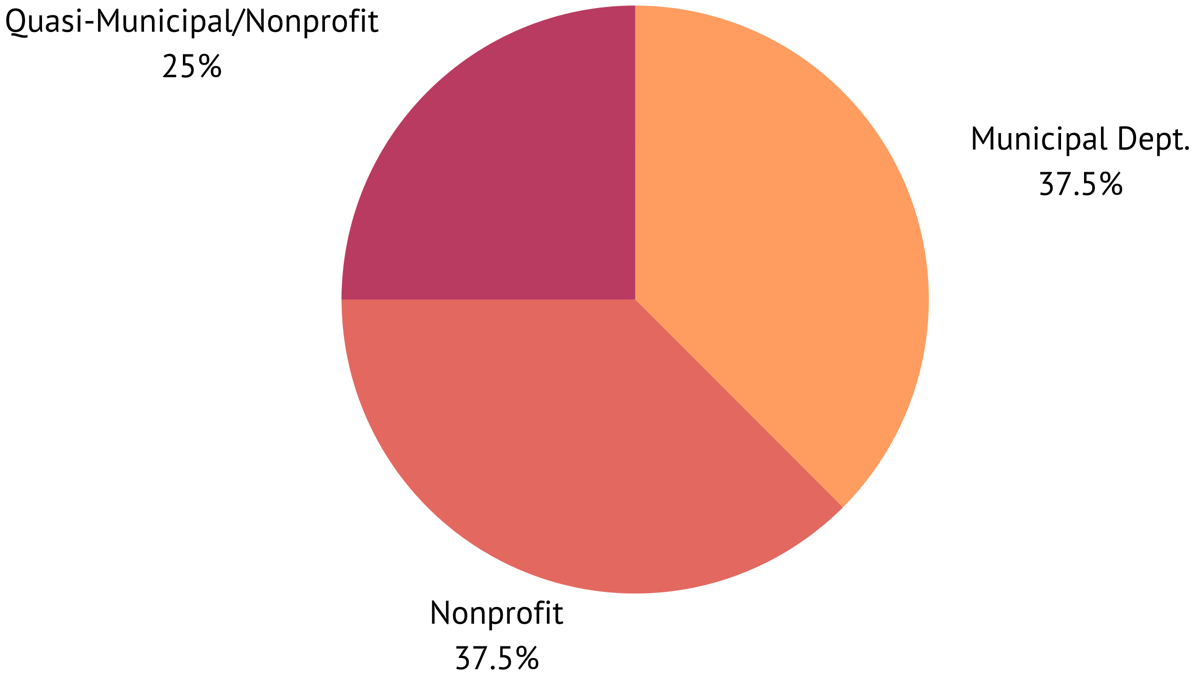
02

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

03

ORGANIZATION TYPES

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



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

04

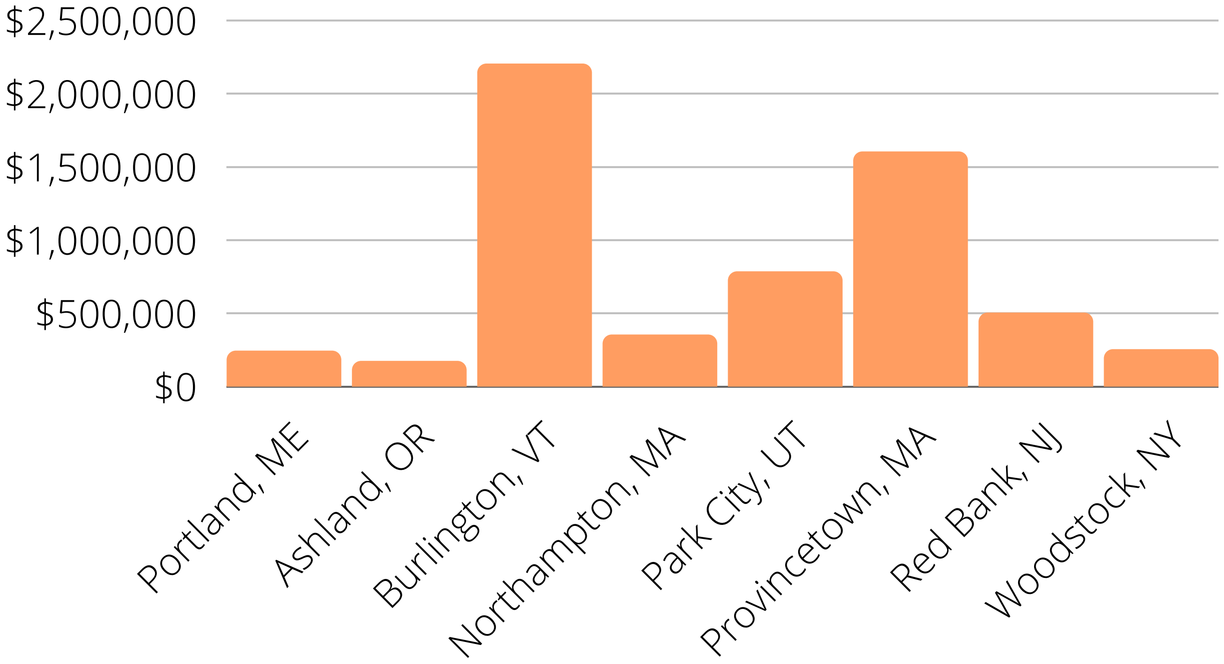
ARTS CENTERS

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

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

05

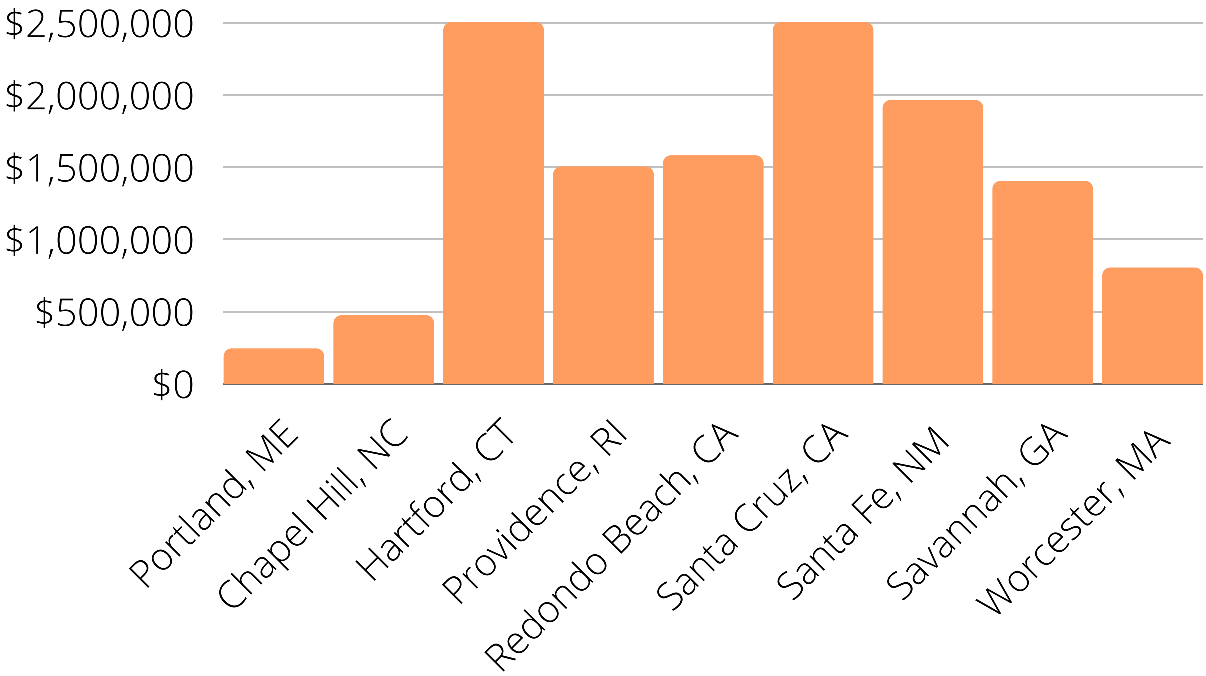
ANNUAL BUDGET PRE-COVID: UNDER 50K POPULATION



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

06

ANNUAL BUDGET OVER 50K POPULATION



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

07

FUNDING SOURCES & BREAKDOWN:

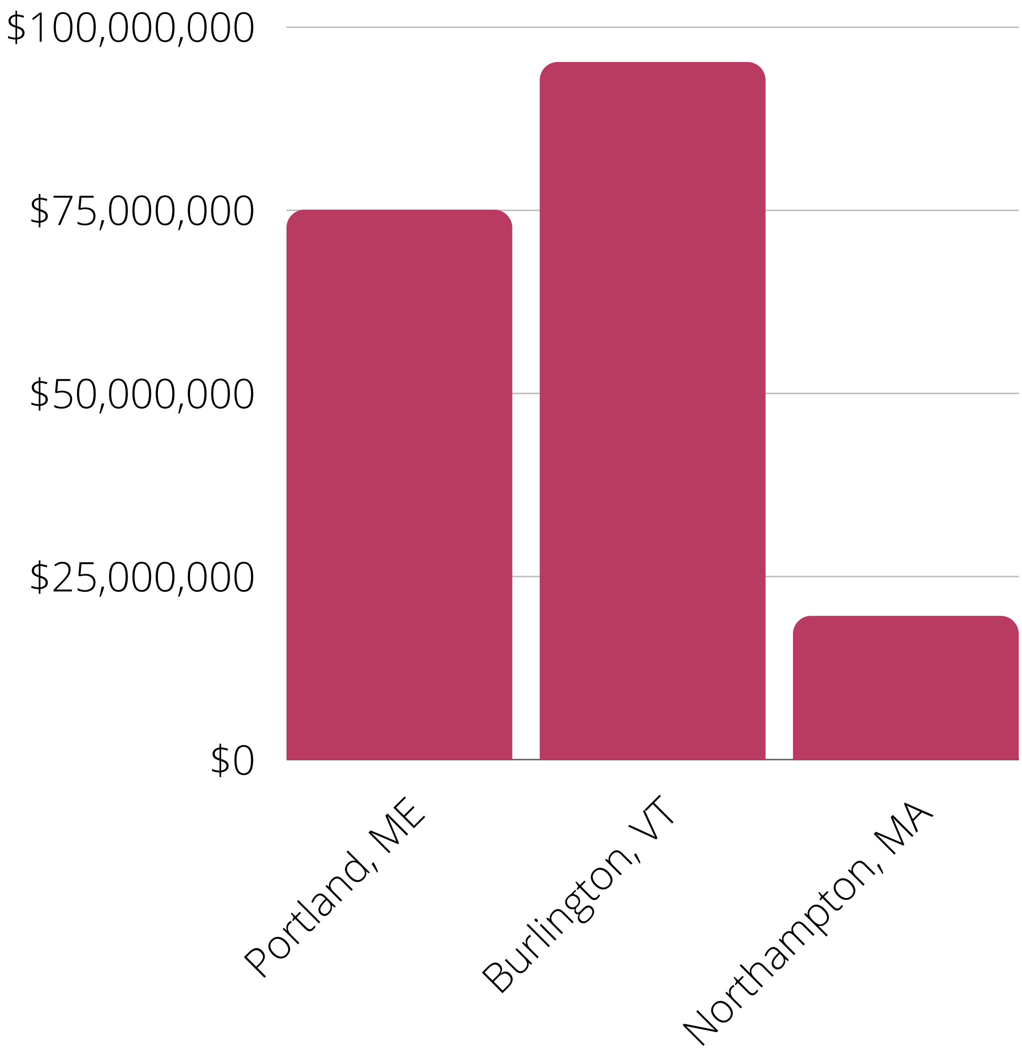
Ashland, OR **Public Arts Commission**	$170,000: Grant received from City Transient Occupant Tax (TOT/Tourism)
BURLINGTON, VT **Burlington City Arts**	$1,000,000 in municipal investments - $1,000,000 from private sources
CHAPEL HILL **Community Arts & Culture**	1% of municipal CIP funds through 1% percent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

08

FUNDING SOURCES & BREAKDOWN CONTINUED:

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

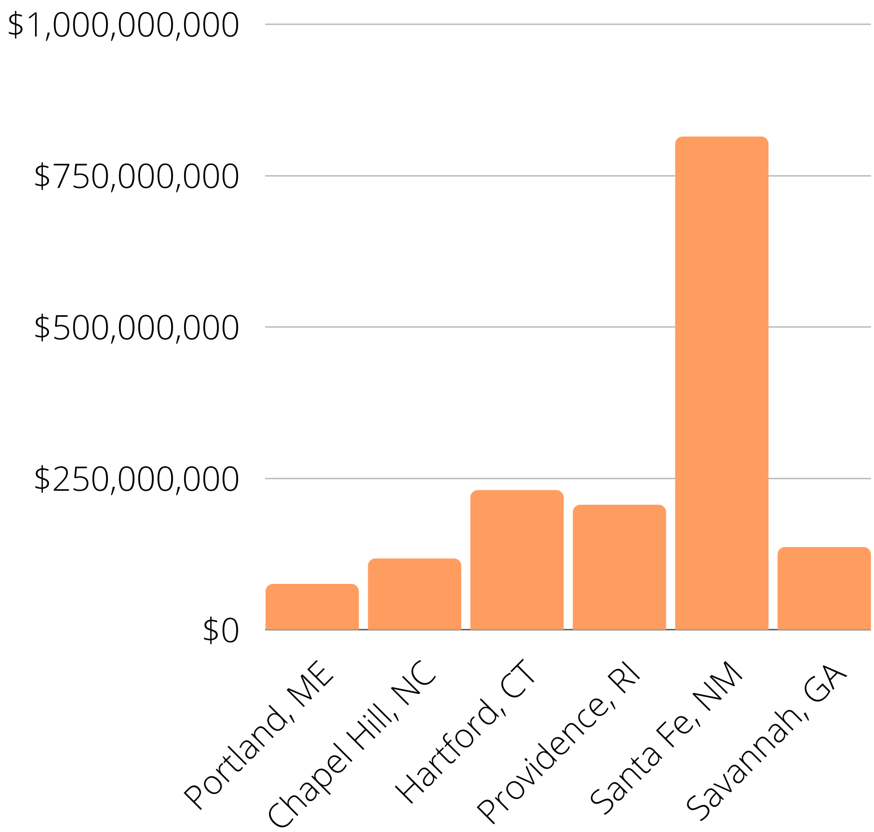
ECONOMIC IMPACT OF ART ORGANIZATION NONPROFITS. UNDER 50K POPULATION



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) **<u>45 Brown Street:</u>** 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.

B. The Projects

Development within the District will provide a revenue source for the City's economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland's business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding 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.

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.

B. The Projects

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

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

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

TABLE 1

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

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

Project	Downtown Revitalization Plan Reference by page no.	Statutory Citation	Estimated Cost
In District: Capital Infrastructure Design and Investments, including Financing Costs, for example: - Multi-modal surface and structured parking	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.

- 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.