HOUSING & ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, November 16, 2021
TIME: 5:30 PM
LOCATION:VIA ZOOM

1. **Zoom Public Meeting Information**

   a. Please click the link below to join the webinar:
   https://us06web.zoom.us/j/93002473828?pwd=YVdmL1g4ZThhMS9Md3J2eHQzMzNBdz09
   Passcode: 295064
   Or One tap mobile :
   US: +16465588656,,93002473828# or +13017158592,,93002473828#
   Or Telephone:
   Dial(for higher quality, dial a number based on your current location):
   US: +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799 or +1 720 707 2699 or +1 253 215 8782 or +1 346 248 7799
   Webinar ID: 930 0247 3828
   International numbers available: https://us06web.zoom.us/u/khe73JVzN

2. **Review and accept Minutes from November 2, 2021 Committee meeting.**

   a. See attached draft Minutes.

3. **Short Term Rental Registration Program Review - Permitting & Inspections/Housing Safety Office – Zachary Lenhert.**

   a. See attached Report.

4. **Public Hearing and vote to Recommend to the City Council that the FY2021 Tax Increment Financing Annual Report be forwarded as a Communication Item – Mary Davis.**

   a. See attached FYE2021 TIF Annual Report.

5. **Public Hearing and vote to Recommend to the City Council that the 2021 Housing and Economic Development Committee Accomplishment Report be forwarded to the City Council as a Communication Item – Mary Davis.**

   a. See attached Report.

6. **Communication - Housing Committee Work on Evaluating City-Owned Property for Housing Development - Mary Davis.**

a. See attached Memorandum.

7. **Executive Session: Update on Negotiations for a Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property – Greg Mitchell/City Consultant. NOTE: Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to provide staff direction on negotiations.**

Next Meeting Date: To be determined.

Minutes

Remote Housing and Economic Development Committee

November 2, 2021

NOTE: This meeting was held via Zoom and can be viewed at this link: https://www.portlandmaine.gov/129/Agendas-Minutes These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, November 2, 2021, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Mayor Kate Snyder and members Councilors Pious Ali, Tae Chong, and Andrew Zarro. Present from the City staff were Interim Housing and Economic Development Director Mary Davis, Associate Corporation Counsel Michael Goldman, Planning and Urban Development Director Christine Grimando (joining the meeting as noted herein), Business Programs Manager Nelle Hanig, Principal Adm. Officer Lori Paulette, Office of Economic Opportunity Director Julia Trujillo, and Interim City Manager Danielle West. Also present was City consultant Greg Mitchell.

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

Item #2: Review and vote on October 5, 2021, draft meeting Minutes.

On motion made by Councilor Chong, seconded by Councilor Zarro, the Committee voted 4-0 to accept the Minutes as presented.

Item #3: Update on Portland Adult Education Workforce Training Program – Portland Adult Education (PAE) Anita St. Onge and Julia Trujillo Luengo

Ms. Trujillo indicated that the report today is for PAE's FY2022 TIF Workforce Development Plan, the third year of TIF Workforce Funding at $100,000 from the Downtown

TOD TIF. OEO reviews quarterly reports submitted by PAE as they draw down funds.

Ms. St. Onge, Executive Director of PAE, thanked the Committee and the City for this funding, which allows PAE to serve students who would not otherwise be eligible for other funding.

Elizabeth Love, Assistant Director at PAE, then described the FY2022 Work Plan with a goal to serve 61 students; 58 were served in FY2021. She then highlighted the five programs for FY2022, including Education Academy, New Mainer Teller Training Program, Intensive English Course (twice per year), Job Readiness for Intermediate English Speakers, and Hannaford New Mainer Retail Leadership Internship Program – a pilot program for FY2022. (See attached PAE FY2022 TIF Workforce Development Plan for more information.)

Councilor Chong appreciated the OEO/PAE partnership, noting that other areas in Maine should do the same. The programs are transformative for the populations it serves for them to make livable wages, suggesting the City issue a press release about these successes. He wished the City could do more, and noted that drivers are needed for the Department of Public Works and for the School buses – particularly as the CDL permit program for Class A licenses will continue.

Councilor Zarro echoed Councilor Chong's comments. The programs are exceptional, and encouraged PAE to ask for more funding as this continues. He also noted interest in more private/public partnerships like the new Hannaford program and partnerships with small businesses perhaps in the future.

Councilor Ali thanked OEO and PAE, and agreed that including other businesses in partnerships may be the next step. Metro also needs bus drivers, noting he is on the Metro board and could provide introductions.

Ms. Love thanked all, noting that PAE has incredible, motivated students in these programs. The CDL program last year was a pilot program preparing students to obtain the Class A permits. There were 6 students and all got their permits and 3 now have CDL Class A licenses, with the others are working for it. This year, PAE got a 1-year grant that will cover the program so will not be using TIF money for it for FY2022.

Councilor Chong suggested that PAE did not have to necessarily have to create new programs as these are already working; just find more people to get this training.

Mayor Snyder asked about private partners and if they have helped PAE financially, and also whether PAE could assist more than the goal of 61 students for FY2022.

Ms. Love indicated that in the second year of the teller program, PAE received donations from all 8 partners for a total of $25K. Hannaford will donate for internships at their company. Regarding increasing the goal of 61 students, Ms. Love suggested the possibility of a few more students.

Mayor Snyder thanked PAE for the update and for the great work and successes in the programs.

(Planning and Urban Development Director Christine Grimando joined the meeting at this point.)

Item #4: Public hearing on RFP Response and vote to authorize staff to begin negotiations for a Purchase and Sale Agreement (PSA) for the sale of the remaining portion of City-owned Thames Street property – Greg Mitchell/City Consultant

Mr. Mitchell said that this item is to obtain the Committee's authorization to begin negotiations for a PSA. He then shared his screen and highlighted the subject property, as well as abutting property and ownerships. The current WEX office building is owned by Jonathan Cohen, who, with partner Daniel Smith, was the sole responder to this RFP.

Mr. Mitchell said that RFP had three City goals: (1) Private Sector Investment, as outlined in the Eastern Waterfront Master Plan; (2) Parking, City replacement parking and accommodate parking requirements for new proposed private investment; and, (3) Future Streets (New Connector Road and Mountfort Street Extension). The proposal meets these 3 goals.

Mr. Mitchell noted that this has been a public process, including notifying property owners within a 500-foot radius of these meetings. The City Council also held a public hearing to authorize the staff to issue the RFP.

Mayor Snyder opened the meeting for public comment. Seeing none, she then closed the public comment session.

Councilor Chong said that he liked the proposal and that it made sense. He asked about comparable sales in the area, and Mr. Mitchell indicated that an appraisal was done on the subject property and preferred to further discuss in executive session. If the Committee authorizes staff to begin negotiations, staff will get the best deal it can for the City.

Mayor Snyder asked Mr. Mitchell his take on the City receiving just one response to the RFP.

Mr. Mitchell indicated that he did not expect a high number of responses, noting that two other interested parties did request the RFP. The goals here are to support private investment, connector road to distribute traffic and people, Mountfort Street extension for people access and view corridors, and parking replacement and for the associated new investment. These goals would have necessitated partnerships with other property owners to support more cohesive uses.

Mayor Snyder asked about next steps and timing, and Mr. Mitchell suggested an executive session with the Committee at its November 16th meeting, followed by a public hearing and vote perhaps in January by this Committee.

On motion was then made by Councilor Chong, seconded by Councilor Zarro, to authorize staff to begin negotiations with 144 Fore St OZ, LLC. A vote was then taken on the motion and it passed 4-0.

Item #5: Public Hearing and vote to recommend to City Council proposed Purchase and Sale Agreement for City-owned property at Lot 6 and 7 in the Portland Technology Park – Mary Davis and Nelle Hanig

Ms. Davis noted the Purchase and Sale Agreement (PSA) is for Lots 6 and 7 in the Portland Technology Park (PTP). The PSA is with AJ Holding Company, LLC, a/k/a Aroma Joe's for a sale price of $595,000. Aroma Joe's is planning new construction of a 12,000 sq. ft. building to relocate its headquarters from Warren Avenue to PTP. Estimated new taxes to the City from this development is $26,000 annually.

Ms. Davis then provided some history of the PTP and noted that approximately 350 feet of roadway would need to be constructed by the City to extend the current road to lots 5, 6, and 7, with a plan to use net sale proceeds estimated at $553,350 and a small CIP request. The estimate to build the road was $662,760 in May this year; staff is looking for an update to that estimate.

Ms. Davis noted that once the sale is closed, the City would begin construction of the road extension for construction vehicles, and then finish it when done with construction of building. She thanked Nelle Hanig for her hard work to bring this forward today.

Mayor Snyder asked about timing, and Ms. Davis said that Aroma Joe's has 18 months to conduct its due diligence. After closing, the City would start with the road extension as soon as practical.

Mayor Snyder opened the meeting for public comment. Seeing none, she then closed the public comment session.

On motion made by Councilor Ali, seconded by Councilor Chong, the Committee voted 4-0 to forward this to the City Council for approval.

Staff will attempt to get this on the November 15, 2021, Council Agenda.

Councilor Ali reminded Ms. Davis about his request for more information on Air BnBs and short-term rentals.

On motion then made by Councilor Ali, seconded by Councilor Chong, the Committee voted 4-0 to adjourn the meeting at approximately 6:53 p.m.

Respectfully, Lori Paulette

Portland Adult Education FY 22 TIF Workforce Development Plan

Overview: Portland Adult Education intends to use its FY22 TIF funding allocation of $100,000 to offer five distinct workforce development programs serving 61 students. TIF funds would cover 54% of the total cost and will fill a critical gap in resources to be able to run the programs and enroll qualified students who may be ineligible for other sources of federal and state workforce tuition support. In FY21 PAE served 58 diverse students in TIF supported programs - 77% identified as Black or African American, 5% Asian, 15% White, and 7% Hispanic. Students spoke 10 different primary languages and represented 22 nationalities.

Course Descriptions and Outcomes:

Education Academy: This program offers a flexible, customized approach to meet individual foreign-trained students' needs for entering the education field starting as Ed Tech IIIs with pathways toward Teacher Certification. The program includes a series of courses covering: working in schools in Maine/US, classroom management, teaching methods, remote learning, and exceptional students, as well as a practicum at Portland Public Schools, and one-on-one advising about the teacher certification process, credential evaluation, and job search support. This program works closely with several school districts for job placement.

FY21 Ed Tech 3 or Teacher Job Placement Rate	80%
FY 22 Projected Student Enrollment	12

New Mainer Teller Training Program 3.0: Working closely with its 8 employer partners, PAE will launch a third Teller Training program in January 2021. The 3 month, 150-hour course is co-taught by PAE instructors, ProsperityME instructors, and employer partners. The program provide additional skills training for English Language Learners in contextualized English, customer service, digital skills, personal finance, as well as networking and job search support, and includes the American Bankers Association Today's Teller Certification.

FY 20/21 Teller Job Placement Rate	67%
FY 22 Projected Student Enrollment	12

Intensive English Course (2x per year): This intensive, remote course is designed to enable intermediate English Language Learners to advance quickly to proficiency with opportunity for students to continue throughout the year. This course offers 3 times the intensity of other PAE ESOL classes per term. The course combines classroom and on-line learning with additional computer-based asynchronous learning outside of the classroom.

FY 21 English Assessment Score Increase	100% increase

FY 22 Projected Student Enrollment	20

Job Readiness for Intermediate English Speakers : This 120-hour course prepares intermediate English level students for their first US job, or professional advancement. The course covers US workplace culture, communication, written and spoken directions, safety, job search skills, interviewing, computer literacy and basic money management skills and additional English language support. Students receive one-on-one advising for job placement and follow-up.

FY21 Job Placement Rate	68%
FY 22 Projected Student Enrollment	14

Hannaford New Mainer Retail Leadership Internship Program: PAE and Hannaford have worked closely together and developed a 12 week paid Retail Leadership Internship program to prepare New Mainer students for supervisory positions at the company such as Assistant Department Manager, Front End Service Leader, among others.

FY 22 Student Enrollment	3

TABLE 1:

Workforce Training Program	Employer /Workforce Partners	Position	Starting Wage	Students	Total Cost	TIF Request	% of total cost
Education Academy	*Employers:* Portland Public Schools Other local school districts *Workforce:* Catholic Charities Goodwill Workforce Solutions (WIOA)	Ed Tech III Certified Teacher	$17.67 - $26 /hr $38,000 min.	12	$45,843	$23,751	52%
New Mainer Teller Training Program 3.0	*Employers:* Portland Regional Chamber of Commerce	Bank/Credit Union Teller	$15-$20/hr	12	$39,000	$15,000	38%

	Bank of America c-Port Credit Union Infinity Credit Union Bangor Savings Bank Norway Savings Gorham Savings Bank Camden National Bath Savings *Workforce:* ProsperityME Center for Financial Training and Education Goodwill Workforce Solutions (WIOA)						
Intensive English Course **(2x per year)**	*Workforce:* Greater Portland Workforce Initiative Goodwill Workforce Solutions (WIOA) Greater Portland Career Center Catholic Charities FEDCAP	multiple	N/A	20	$40,000	$36,859	92%
Intensive Job Readiness for Intermediate	*Employers: Multiple in various sectors* *Workforce:*	multiple	$14 -17/hr	14	$34,000	$19,390	57%

English Speakers	ProsperityME						
Hannaford New Mainer Retail Leadership Internship Program	Hannaford	Assistant Department Manager, Front End Service Leader	$19.50 interns, approx $50k salary	3	$25,000	$5,000	20%
Total				**61**	**$183,843**	**$100,000**	**54%**

CITY OF PORTLAND
Permitting and Inspections Department

Memorandum

To: Housing and Economic Development Committee

From: Jessica B. Hanscombe-Director of Permitting and Inspections
Zachary Lenhert-Licensing and Housing Safety Manager

Date: November 3, 2021

RE: Short Term Rentals

The City of Portland registers both Long Term and Short Term Rental Registrations. In 2021, both types required extra documentation because of the Tenant's Rights Citizens Initiative. The deadline for submitting for a 2021 license was extended to April 1, 2021. The Licensing Assistants were tasked with processing the renewal paperwork, the additional documentation for Rentals and all the Business Licenses for the City of Portland.

The numbers in 2020 and 2021 were down from the previous years due to the pandemic. Short Term Rentals fell under the Lodging Rules from the Governor. And we had many people advise us that they would reinstate their Short Term Rental in the future. Below are the numbers of registered rental units and the number of Short Term Rental Inspections done so far in the 2021 calendar year.

2021 Short Term Registration Numbers (as of 11/2/2021):

Owner Occupied	Non Owner Occupied	Tenant Occupied	Island
223	400	21	108

During 2021, the 4 Housing Safety Inspectors inspected both Long and Short Term Properties, Complaints and Rent Control Violations. They work closely with both the Fire Department and the Police Department in ensuring safe housing here in Portland.

2021 Inspection Numbers (as of 11/2/2021:

Short Term Inspections	Short Term Reinspections	Total
186	88	274

In regards to "illegal units", the Housing Safety Inspectors follow up on each complaint that we receive. We also contract with Host Compliance to help us identify any non-registered unit in the City. There were 49 units that were identified as being noncompliant this year. We have received many comments that hundreds of non-compliant units show up when searched online. Host Compliance works through those websites to determine if they are in fact non-compliant. Some of the common reasons why units online are actually not in violation are:

-People in neighboring communities indicate Portland in their ad, but are not actually located here.

-Many people put their Short Term Rental listed on multiple sites to ensure they are seen and get rented. Therefore they are duplicates.

-Hotels, Motels and Inns are listed on Short Term Rental Sites. Host has those physical addresses and removes them from the violation list.

-Some of the units that are listed that are actually Long Term and not Short Term.

-Listings that are still up, but 2020 and 2021 have been blocked out for rental dates due to the pandemic. They anticipate renting in the near future.

Staff works directly with Host Compliance on determine whom is unregistered. Our process follows this:

1. A list of registered units is sent to Host Compliance
2. Host compares their list against ours
3. Host sends us a list of “unregistered units” and we review that list.
4. Staff notifies Host of any amendments to the list
5. Host send out the “First Warning Letter” This would state that the property owner had 14 days to register the unit. 99% of those owners would register the units.
5. After approximately 20 days. Staff will send another list to Host. Host would again compare lists.
6. Any property still on the list would get a Notice of Intent to prosecute which stated they needed to speak with Corporation Counsel.
7. Any that did not register would be taken to court.

Three major things that have changed in the last two years are:

-No longer have regular Docket dates at court. Court has either been closed, or our docket times cancelled.
-Many Short Term Rentals did not renew in early 2021, due to the Covid restrictions. They delayed registration till the summer.
-The Tenant’s Rights Ordinance which also impacted Short Term Rentals. Staff spent a significant amount of time in 2021, collecting the required data for each rental.

Enclosure:
Notice of violation and order to correct (First Warning letter)
Notice of Intent to Prosecute

CITY OF PORTLAND
Permitting and Inspections Department

December 18, 2020

NOTICE OF VIOLATION AND ORDER TO CORRECT

RE:

Dear

We are contacting you because it appears your property is being used as a short-term rental and is not registered with the City. Please see the attached listing. The City requires that all short-term rentals be registered with the City prior to being rented.

If the unit being used as a short-term rental is owner occupied (you live in the unit as your primary residence), tenant-occupied (a tenant is renting the unit with your permission), or is on an island, please complete the rental registration application and submit the required fee within 14 days of the date on this letter. You are welcome to register in person, or mail it, and we will follow up with you. The application is available on our website at:
https://www.portlandmaine.gov/DocumentCenter/View/18001/Short-Term-Rental?bidId=

Short-term rental units that are not owner-occupied, tenant-occupied, or on an island are considered non-owner occupied units. The City Council has set a cap of 400 non-owner occupied units in the City, and we have already reached that cap and have no more available registrations. You may apply to be put on the wait list in case any registrations become available in the future. However, until your unit is registered, you must immediately stop using your property as a short-term rental, must cancel all future bookings, and must remove any short-term rental listings. This must be done within 14 days of the date of this letter.

You must comply with this notice in the timeframes provided in order to avoid legal action and potential penalties. The ordinance allows penalties in the minimum amount of $100.00 per day.

If you have any questions, please contact us with the information below or stop by. Thank you.

Sincerely,

Sandy Driscoll, Licensing and Registration Assistant
207-874-8557 housingsafety@portlandmaine.gov

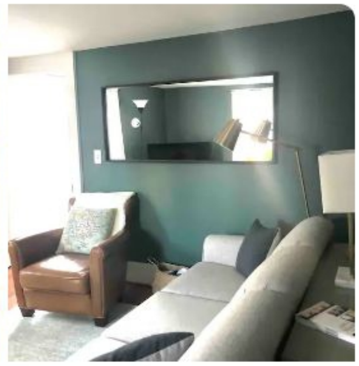
Katlyn Sawyer, Licensing and Registration Assistant
207-756-8131 housingsafety@portlandmaine.gov

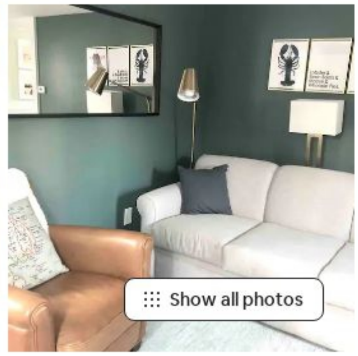
XXXXXXXXXXXXXXXXXXXXXXXXXXX

West End 🔷own house🔷private parking🔷 Fast wifi

★ 5.0 (16) · Superhost · Portland, Maine, United States

Share Save





Show all photos

Entire house hosted by Kathleen

7 guests · 2 bedrooms · 4 beds · 1 bath

Entire home
You'll have the house to yourself.

Enhanced Clean
This host committed to Airbnb's 5-step enhanced cleaning process. Learn more

Self check-in
Check yourself in with the lockbox.

Cancellation policy
Add your trip dates to get the cancellation details for this stay.

House rules
The host doesn't allow parties or smoking. Get details

Welcome to the Harbor View Bunaglow!
800sqft (74sqm) West End house
• quiet residential street
• work from home amenities
• off-street parking for 1 vehicle on site
• animals welcome with additional fee
• Casco Bay views from street
• Free Washer/Dryer in house
• 3 min drive to S. Portland
• 10 min drive to beaches
• 5 min walk to renowned restaurants & coffe... read more

$121 / night ★ 5.0 (16)

Earliest availability is Dec 18. Add check-in date

CHECK-IN	CHECKOUT
12/18/2020	Add date

GUESTS
1 guest

Check availability

Report this listing

:ontact host

CITY OF PORTLAND
Corporation Counsel

September 1, 2020

NOTICE OF INTENT TO PROSECUTE

RE:

Dear :

I represent the City of Portland. The Permitting and Inspections Department previously contacted you about renting a unit at the above property on a short-term basis without having registered that unit with the City. You are operating an unregistered short-term rental, which is a violation of § 6-151 of the City of Portland Code of Ordinances.

If the unit being used as a short-term rental is owner occupied (you live in the unit as your primary residence), tenant-occupied (a tenant is renting the unit with your permission), or is on an island, please complete the rental registration application and submit the required fee within 14 days of the date on this letter. You are welcome to register in person, or mail it, and we will follow up with you. The application is available on our website at:
https://www.portlandmaine.gov/DocumentCenter/View/18001/Short-Term-Rental?bidId=

Short-term rental units that are not owner-occupied, tenant-occupied, or on an island are considered non-owner occupied units. The City Council has set a cap of 400 non-owner occupied units in the City, and we have already reached that cap and have no more available registrations. You may apply to be put on the wait list in case any registrations become available in the future. However, until your unit is registered, you must immediately stop using your property as a short-term rental, must cancel all future bookings, and must remove any short-term rental listings. The City may be willing to give you some additional time to wind down your business in exchange for the payment of civil penalties, and you can contact me directly if you are interested in this option.

If you fail to register in the time provided, or fail to remove your listing and cancel all bookings, the City will issue a summons for you to appear in court on the outstanding violations. In court, the City will seek an order requiring you to register or cease all rentals, awarding the City civil penalties in the minimum amount of $100 per day, and other legal remedies that the City might be entitled to.

If you require assistance registering or have further questions please contact the Licensing and Registration Office at 207-874-8557, 207-756-8131 or housingsafety@portlandmaine.gov.

Thank you for your anticipated cooperation.

Sincerely,

Anne M. Torregrossa, Esq.
Associate Corporation Counsel
atorregrossa@portlandmaine.gov

XXXXXXXXXXXXXXXXXXXXXXXXXX

$250 avg/night

★★★★★ 2 Reviews

Save

Share

Enter dates for accurate pricing

Check In | Check Out

Guests

Check Availability

Free cancellation up to **14 days before check-in**

Owner

Ask owner a question

Property # 1487757

Overview | Amenities | Policies | Reviews | Map | Owner | Rates & Availability

Know before you go

This area may have travel restrictions related to COVID-19.

Weekly Rental on Peaks Island, Maine

- House
- Sleeps: 8
- Bedrooms: 3
- Bathrooms: 2
- Min Stay: 2–6 nights

This site can't load Google Maps correctly.

Do you own this website?
g.co/staticmaperror/signature

Peaks Island, Maine, United States of America

Air Conditioning | No Smoking | Internet | TV | Satellite or Cable | Washer & Dryer

Quiet and secluded house with beautiful ocean views and a minute to the shore

Newly renovated 3 bedroom house on the back shore of the island with a large yard surrounded by a stone wall. Beautiful ocean views just steps away from the beach. High speed internet and cable TV. Extremely quiet location. 10 minute walk to the ferry. Great place for walking, biking, swimming and exploring. . Miles of rocky ocean beach - the longest stretch of public access in Maine. Great for families.

Bedrooms

Bedrooms: 3 | Sleeps: 8

Tax Increment Financing

Fiscal Year 2021 Annual Report
From July 1, 2020 through June 30, 2021

Prepared by the Housing and Economic Development Department

Report prepared 10/2021

Table of Contents

1. **Introduction**

City TIF Policy requires an Annual Report, to the City Council Committee and full City Council, regarding TIF District activity. This Report provides an overview of the TIF District Program, Portland's utilization of TIF Districts to date, and TIF District financial value impacts.

2. **Definitions**

Commonly used terms, included in this Report, include:

"***Captured Assessed Value***" means increased assessed value retained in a TIF District each year during its term.

"***Credit Enhancement Agreement (CEA)***" means the agreement between the City and the site specific TIF District Developer whereby it includes the terms under which the City will provide a portion of the Retained Tax Increment Revenue back to the Developer.

"***Current Assessed Value***" means the then current assessed value of the property located in the TIF District to be determined by the City Assessor as of April 1 of each year during the term of the District.

"***District***" means that portion of property depicted on a map to apply to the TIF.

"***Increased Assessed Value (IAV)***" means the valuation amount by which the Current Assessed Value exceeds the Original Assessed Value (OAV). If the Current Assessed Value is less than or equal to the OAV, there is no Increased Assessed Value in that year.

"***Infrastructure***" is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements, and placing above ground overhead electric and telecom-munications lines underground.

"Non-Captured Value (NCV)" means the value over and above the OAV (defined below) that is not captured by TIF percentage capture rates, with associated taxes from NCV returned to the General Fund.

"***Original Assessed Value (OAV)***" means the assessed value of the property in the TIF District as of March 31 of the year that it was created. For instance, if a TIF District was approved as of the date of this report, or October 2021, the OAV would be the taxable assessed value of the property on March 31, 2021. All taxes from the OAV go into the City's General Fund.

"***Property Taxes***" means any and all ad valorem property taxes levied, charged or assessed against the property by the City or on its behalf and actually paid to the City, but excluding any county, state, or special District taxes that are separately levied, charged, or assessed against the property.

"***Retained Tax Increment Revenues***" means that portion of the Property Taxes paid with respect to the Captured Assessed Value.

"***Tax Year***" means April 1 to March 31.

3. **Revised TIF Policy Adopted by City Council on November 20, 2017 and on February 22, 2021**

Revised TIF Policy of November 20, 2017

Pursuant to City Council Order 61 passed September 19, 2016, the City Council referred to the Economic Development Committee (EDC) consideration of amendments to the current TIF policy, including, but not limited to provisions for:

A. Local Hire;
B. Ethnic and Gender Diversity;
C. Economically Disadvantaged Participation;
D. Veteran Preference;
E. Adherence to State or Federal Prevailing Wages; and,
F. Participation in a Job Training or Apprenticeship Program.

The Order further requested the EDC report their findings and recommendation on amending the current TIF Policy to the City Council.

The EDC began its review for possible amendments to the TIF policy in April 2017.
On November 20, 2017, the City Council reviewed the EDC's recommendation and adopted revised City Tax Increment Financing (TIF) Policy (see Attachment A) in support of both private development projects and public investment in municipal economic development programs and infrastructure investment. Revised City Policy includes:

A. Addition of State prevailing wage requirements in the construction phase of a TIF CEA and annual report about this to the City Council, further detailed below;

B. Equal employment opportunities and nondiscrimination;

C. Increasing the capture rate and the term for affordable housing projects; and,

D. Housekeeping amendments.

The EDC also recommended that the City look into establishing and sponsoring a Workforce Job Training program to be funded by area-wide TIF Districts, as well as having the City Manager and/or his/her designee undertake an analysis of the costs associated with the City undertaking an Employment Disparity Study.

Workforce Training Funding: On October 15, 2018, the City Council approved amendments to the three area-wide TIF Districts – Bayside, Downtown TOD TIF, and Waterfront TIF – to include workforce training as a use of TIF funds. Workforce training funding was included in the FY2020 and FY2021 municipal budgets. In FY2021, the allocation was $100,000.

In FY2021, the City entered into an Agreement with the Portland School Department, through Portland Adult Education (PAE). PAE continued its English as a Second Language (ESL) Workforce Training programming; Education Academy, to prepare educators trained outside of the U.S. to be employed in the K-12 system; Bank Teller Program, in partnership with many financial institutions, to train internationally trained individuals with backgrounds in finance and accounting to become bank tellers and fulfill other similar roles; ELL CDL, to prepare those aspiring to pass their Class A driver's license; an Intensive English module to expedite English acquisition for many; and, a U.S. Workplace module to train those internationally trained individuals with basic norms and skills key in the U.S. workplace. It has resulted in students being hired as tellers, teachers, and one as a CDL Class A driver.

The Fiscal Year 2022 City Council-approved City budget includes an allocation of $100,000 in TIF funding to PAE to continue workforce training investment. It is expected that PAE will offer a module in Clean Energy jobs - a valuable addition to the current catalogue of options.

Employment Disparity Study: The City Manager's office conducted a limited analysis for the costs of such a study and determined it was not cost effective.

State Prevailing Wage Requirement in Construction Phase of a TIF-Assisted Project:

Per TIF Policy:

> "Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.
>
> City staff shall provide to the relevant City Council Committee an annual update on:
>
> a) the impact of this prevailing wage requirements on CEAs;
> b) feasibility of construction firms to pay prevailing wages and benefits; and
> c) compliance with this section."

Since this TIF Policy was amended November 2017, the City Council has authorized AHTIF Districts only. Four of these AHTIF projects went under construction post this revised TIF Policy, namely Deering Place, 58 Boyd Street, 977 Brighton Avenue, and 178 Kennebec Street. Staff monitored wage rates on a bi-weekly basis and all projects were in compliance. The City also received feedback from the developers of these projects who indicated that the wage rate requirement resulted in an increase in construction expenses. While the Housing and Economic Development Committee(s) discussed these issues, no changes were made to the Policy.

City Green Building Code

Per the TIF Policy, all projects with a CEA must be in compliance with the City's Green Building Ordinance.

When a project submits an application for a building permit, the developer is asked to submit a preliminary energy model, along with a statement of certification from a licensed engineer that the project meets the standard and a written explanation of how the building will obtain the applicable standards using design plans to demonstrate compliance. In addition, prior to the issuance of a Certificate of Occupancy, the developer must submit a statement of final certification from a licensed engineer indicating that the project meets the standards, along with any amendment to the preliminary energy model.

A procedure was implemented to ensure compliance with this ordinance to ensure that all projects are in compliance with the Ordinance before the issuance of a Certificate of Occupancy.

Revised TIF Policy of February 22, 2021

This revised TIF Policy (see Attachment B) included a definition of affordable housing to match the definition in other City programs, such as Inclusionary Zoning.

4. Tax Increment Financing Overview and Value

Tax Increment Financing (TIF) is the most flexible economic development program available to municipalities. TIFs support municipal investment, as well as can be associated with private sector or affordable housing investment. TIFs are flexible municipal financing tools to fund the following types of activities to support public and private sector investment:

- public infrastructure projects;
- economic development programs, including municipal marketing and staff; and,
- support of individual private commercial and affordable housing project financing needs.

The three property tax components associated with TIF Districts include:

A. ***New Property Taxes***. TIF revenue is generated from new increased municipal assessed value and associated new property taxes. TIFs can be established for up to thirty (30) years and new or "captured assessed value" in the TIF District can range from 1% to 100% of the amount of new property taxes.

B. ***Original Assessed Property Value (OAV)***. The taxes from property base or "Original Assessed Value" reverts to the municipal general fund and is not captured in a TIF District.

C. ***Flow of TIF CEA Funds***: The flow of taxes to return to the developer through a CEA is as follows.

i. The City sends its yearly tax bills for payments due in September and March of each fiscal year;

ii. Developer pays the taxes;

iii. In September and May of each year, for each CEA, a check is made to be sure the Developer's taxes are current. If current, the Housing and Economic Development Department proceeds to process that fiscal year TIF payment to return a portion of the taxes to the developer according to the CEA. If not current, the Housing and Economic Development Department will not move forward with the payment until current.

5. **TIF District Approval Process**

There is a three step process to approve establishment of a TIF District. The three steps include:

A. Housing and Economic Development Committee recommendation for approval to the City Council for commercial and affordable housing TIFs;

B. City Council approval; and,

C. State of Maine Department of Economic and Community Development Department approval for commercial TIF districts or Maine State Housing Authority approval for affordable housing TIF Districts.

6. City Council Actions During FY2021:

City Council actions during FY2021 targeted Affordable Housing TIF Districts. Because AMI (Area Median Income) is used frequently in this section, please see the table below for the 2021 income limits.

Number in Household	1	2	3	4	5	6	7
50% AMI	$35,000	$40,000	$45,000	$49,950	$53.950	$57,950	$61,950
60% AMI	$42,000	$48,000	$54,000	$59,940	$64,740	$69,540	$74,340
80% AMI	$55,950	$63,950	$71,950	$79,900	$86,300	$92,700	$99,100
100% AMI	$69,950	$79,950	$89,950	$99,900	$107,900	$115,900	$123,900
120% AMI	$83,950	$95,950	$107,950	$119,900	$129,500	$139,100	$148,700

The City Council took up the following items during FY2021:

A. Approved amending the Downtown Transit Oriented Development (TOD) TIF District to support establishment of an Affordable Housing TIF District at 83 Middle Street (detailed below).

B. Approved amending the Bayside TIF District to support establishment of an Affordable Housing District at 337 Cumberland Avenue (detailed below).

C. Amended Portland TIF Policy as noted previously with regard to Affordable Housing.

D. Approved an Affordable Housing TIF District with Watson Renewal Grant LLC at 104 Grant Street for construction of 23 units of owner-occupied condominium units, with 8 of the units occupied by households with income not exceeding 120% of AMI. The remaining units will be sold at market rate.

E. Approved an Affordable Housing TIF District in a partnership with Youth and Family Outreach and Portland Housing Authority at 337 Cumberland Avenue for construction of a 60-unit residential rental housing project, with 36 of the units occupied by households with income not exceeding 50% of AMI, 12 units occupied by households not exceeding 60% of AMI, and 12 units will be market rate.

F. Approved an Affordable Housing TIF District with Community Housing of Maine at 83 Middle Street for construction of a 50-unit residential rental housing project, with 20 of the units occupied by households with income not exceeding 50% of AMI, and 30 units occupied by households with income not exceeding 60% of AMI.

G. Approved an Affordable Housing TIF District with Portland Housing Authority at 577 Washington Avenue for the rehabilitation of a 100-unit residential rental housing project, with 60 of the units occupied by households with income not exceeding 50% of AMI, and 40 units occupied by households with income not exceeding 60% of AMI.

H. Approved an Affordable Housing TIF District with Avesta Housing at 200 Valley Street for construction of a 60-unit residential rental housing project, with 36 of the units occupied by households with income not exceeding 50% of AMI, 12 units to be occupied by households with income not exceeding 60% of AMI, and 12 units to be market rate units.

7. **<u>Statutory Limits for TIF Districts</u>**

There are two State statutory limitations which include:

A. Acreage: No single development District, including Affordable Housing Districts, can be larger than 2% of a municipality's total acreage, or in the case of Portland, 2% of Portland's 12,386 acres is 247 acres. Also, all active development Districts have to be less than 5% of a municipality's total acreage, or in the case of Portland, 5% is 619 acres. Based upon active development Districts as of FYE2021, including Affordable Housing TIF Districts, Portland has the ability to include 243 additional acres in development TIF Districts.

B. ***Value***:

i. **Commercial/Area Wide TIF Districts:** The OAV of all these TIF Districts in a municipality cannot be more than 5% of its total aggregate value (FY2021 aggregate value: $11,149,300,000), or in the case of Portland, 5% is $557,465,000. Based upon active TIF Districts as of FYE2021, Portland has the ability to include an additional $402.7 Million of property value in TIF Districts.

ii. **Affordable Housing TIF Districts:** The OAV of all Affordable Housing TIF Districts cannot be more than 5% of the total aggregate value (FY2021 aggregate value: $11,149,300,000), or in the case of Portland, 5% is $557,465,000. Based upon active Affordable Housing Districts as of FYE2021, Portland has the ability to include an additional $554 Million of property value in Affordable Housing TIF Districts**.**

It is noted that the amount of acreage and OAV to include in TIF Districts fluctuates as TIF districts are created, amended, expired, and/or terminated.

There are exemptions from State limitations for Transit Oriented Development (TOD) and Downtown TIF Districts, for which Portland now has two: Thompson's Point TOD TIF, and the Downtown TOD TIF.

8. **Tax Sheltering Benefits**

Municipalities realize "savings" from the tax sheltering effect of TIF Districts. The following direct financial impacts occur when municipal valuation increases:

A. State Education Aid is reduced,
B. State Municipal Revenue Sharing is reduced, and
C. A municipality pays a higher percentage of the County budget.

This amount of "savings" is significant and one of the most important benefits of establishing TIF Districts.

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF district. Portland's estimated total tax shelter savings for all active TIF Districts is $1.9 Million for FYE2021.

9. TIF Districts in Portland

A list of all approved TIF Districts as of FYE2021 is provided as Attachment C.

This list includes seven expired single TIF Districts as of the date of this Report – Auto Europe, Shipyard Brewery, Nichols Portland, UNUM, Bramhall/Holt Hall, Riverwalk/Ocean Gateway, and Baxter Library LP.

There are three area wide TIF Districts – Downtown Transit Oriented Development (TOD) TIF, Waterfront, and Bayside. In the area-wide Bayside TIF District, there is one expired CEA – Bayside Student Housing, and one active CEA – Capital LLC (Intermed Building). In the Waterfront TIF District, there is one active CEA – Waterfront Maine.

This list also illustrates that there are currently 15 active Affordable Housing TIF Districts, 3 Commercial TIF Districts, and 1 Transit Oriented Commercial TIF District (Thompson's Point).

This list also includes two TIF Districts which were terminated by the City Council during FY15 – those being the Village at Oceangate (Bay House), and the Fore India Middle LLC TIF District.

It is noted that after expiration and termination TIF Districts, 100% of their property tax revenue reverts to the City's General Fund.

In addition, this list provides the following information for each TIF District:

A. TIF District duration;
B. percentages of taxes allocated to the Recipient/Developer, City, and General Fund;
C. TIF District location; and
D. brief description.

Attachment D provides a map showing the location for each active TIF District.

A list of approved active individual site specific TIF Districts, area-wide TIF Districts, Downtown TOD TIF, Thompson's Point TOD TIF, non-active TIF Districts, and terminated TIF Districts by name are provided below.

Active Approved Individual Site Specific TIF Districts

As of the date of this Report, the City has eighteen, single site active TIF Districts with associated CEAs as follows: 2 TIF Districts supporting commercial projects; 1 TIF commercial district supporting housing projects (market and affordable); and, 15 affordable housing TIF Districts, namely:

- PowerPay/Portland Public Market/Commercial TIF
- ImmuCell/Commercial TIF

- McAuley Place/Commercial TIF supporting Market Rate and Affordable Rental Housing)
- Avesta/Pearl Place Affordable Housing TIF
- 409 Cumberland Avenue Affordable Housing TIF
- 134 Washington Avenue Affordable Housing TIF
- 17 Carleton Street Affordable Housing TIF
- Deering Place Affordable Housing TIF
- 58 Boyd Street Affordable Housing TIF
- 66 State Street Affordable Housing TIF
- 37 Front Street Affordable Housing TIF
- 977 Brighton Avenue Affordable Housing TIF
- 178 Kennebec Street (Unit 2) Affordable Housing TIF
- 83 Middle Street Affordable Housing TIF
- 104 Grant Street Affordable Housing TIF
- 200 Valley Street Affordable Housing TIF
- 337 Cumberland Avenue Affordable Housing TIF
- 577 Washington Avenue Affordable Housing TIF

Active Approved Area Wide TIF Districts and Associated CEAs

The City has two active area wide TIF Districts, for which the City retains a portion of the TIF funds for public infrastructure projects, with a portion of the TIF funds targeted to CEAs within those Districts, namely:

- Bayside
  - Capital LLC CEA (expires FY2023)
  - Bayside Student Housing CEA (expired FY2018)
- Waterfront
  - Waterfront Maine CEA (expires FY2031)

Approved Downtown and/or Transit-Oriented Development (TOD) TIF Districts

- Downtown TOD TIF

The City retains a portion of the TIF funds for workforce training, public infrastructure, Creative Portland, and transit projects for the Downtown TOD TIF. This Downtown TOD TIF was approved during FY2015 and was activated with FY2016. There is no CEA associated with it at this time.

- Thompson's Point TOD TIF and CEA

For the Thompson's Point TOD TIF, the City retains a portion of TIF Funds for transit projects. This TOD TIF also has an associated CEA with Thompson's Point Development Company, Inc. for development of Thompson's Point.

Terminated TIF Districts

The City Council has terminated two TIF Districts, namely:

- Fore India Middle LLC – This TIF project had not come to fruition and, therefore, was terminated by the City Council in November 2014; and,

- The Village at Oceangate, LLC (Bay House) – This TIF District was also terminated by the City Council in November 2014 due to this District's use being converted into residential condominiums which is not an allowable TIF District use.

10. TIF District Financial Overview for FYE2021, including FY17, FY18, FY19, and FY2020:

See below for financial comparison of FY2021, FYE2020, FYE2019, FYE2018, and FYE2017 for then active TIF Districts:

	FYE2017	FYE2018	FYE2019	FYE2020	FYE2021
City General Fund Taxes from OAV	$23.38 Million	$23.98 Million	$24.89 Million	$26.39 Million	$26.3 Million
City General Fund Taxes from Non-Captured Value	$2.2 Million	$3.6 Million	$4.8 Million	$4 Million	$4.5 Million
Total TIF Taxes From Captured Value	$2.09 Million	$2.7 Million	$3.2 Million	$4 Million	$5.1 Million
- TIF Taxes to CEAs	$1.08 Million	$1.2 Million	$1.1 Million	$920,000	$1.1 Million
- TIF Taxes to Public Infrastructure/Arts/Staff	$1.01 Million	$1.54 Million	$2.1 Million	$3.1 Million	$4 Million
Total Tax Sheltering Value	$99.6 Million	$126 Million	$143.5 Million	$174.3 Million	$222.6 Million
Estimated Annual Average Tax Sheltering Savings	$.831 Million	$1.2 Million	$1.24 Million	$1.47 Million	$1.9 Million

Table Explanations:

City General Fund-Taxes from OAV - The above table shows a yearly increase in taxes from the OAV into the General Fund for FY2016 to FY2020, with a decrease in FY2021 due to Bayside and Downtown TIF Amendments in support of affordable housing TIFs. As noted earlier in the definition section, all taxes from the OAVs go to the General Fund.

City General Fund-Taxes from Non-Captured Value – The number fluctuates based on each CEA, as well as the City's budget needs for public infrastructure/staff salaries/arts/debt service, for example. The captured value percentages for the area wide TIF Districts - Bayside and Waterfront - are adjusted yearly based on those needs. The captured value percentage for the Downtown TOD TIF was originally set at 12% for the first year (FY2016) and then set at 22% for years 2 through 30. This capture rate was amended during FY2019 to capture up to 100% annually. FY2021 TIF Capture Rates for the Downtown TIF was 30%; Waterfront TIF – 90%; and, Bayside TIF – 75%. Non-captured increased assessed value taxes flow into the General Fund.

<u>Total TIF Taxes From Captured Value</u> – The percentage of captured value varies yearly based on CEAs and the City's financial needs. This TIF Revenue is then allotted to the various CEAs, and then to the City public infrastructure projects/debt service/arts/staff investments, for example.

<u>Total Tax Sheltering Value</u> – This number represents the total percentage of the increased assessed of value (IAV) of all TIF Districts that has been captured. It is noted that the captured value percentage for area TIFs is adjusted yearly based on City use of TIF funds needed for public infrastructure projects, staff, as well as debt service for payment of the Bayside HUD loan and for Ocean Gateway associated debt expenses.

<u>Estimated Tax Sheltering Savings</u> – This is the estimated tax sheltering savings from all the TIF Districts.

Attachment E is a spreadsheet showing the FYE2021 TIF Districts funding allocation and individual CEA annual payments.

11. <u>Example of a Performing TIF</u>

<u>58 Boyd Street (Affordable Housing TIF)</u>

Duration: 30 year term (FY19 through FY48)
Percentages: 50% to Developer, 50% to City General Fund for 30 year term.

The 58 Boyd Street Affordable Housing TIF District was approved by the Portland City Council on November 20, 2017, and then by the Maine State Housing Authority on February 2, 2018.

This Affordable Housing TIF District supported the development of a 55-unit, mixed income, multi-family rental apartment building, known as Solterra Apartments. The project includes 25 efficiency units, 5 1-bedroom units, 16 2-bedroom units, and 9 3-bedroom units; 44 units are affordable to households earning below 60% of the area median income; 11 units are market-rate apartments. Twenty-eight (28) of the units have project based rental assistance; 10% of the units have a set-aside for homeless households; and, another 10% have preference for homeless or disabled households. This is the next phase of Portland Housing Authority's strategic planning goal of increasing the supply of affordable housing.

TIF revenues are used by Developer, Portland Housing Development Corporation, to pay for operating costs for the project.

The subsequent investment and increase in assessed value is as follows:

Dates of Values	**Real Estate Values**
OAV 4/1/2016	$0
4/1/2020	$3,475,100
4/1/2021	$5,363,200

FY2021 was the first year the Developer was eligible for TIF payments, with a TIF payment of $40,502, and the City realized the same amount, $40,502, in General Fund revenue from the project.

For more information, contact Mary Davis, Interim Housing and Economic Development Director, via email at mpd@portlandmaine.gov, or 1-207-874-8683.

PORTLAND TIF POLICY

November 20, 2017

I. INTRODUCTION

Tax Increment Financing (TIF) is an economic development program authorized under state law to support municipal projects. The TIF program allows municipalities to provide financial assistance to local economic development projects and programs – from infrastructure, municipal economic development programs and staff, to business expansions - by using new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

Portland TIF Policy supports investment in municipal economic development programs, infrastructure investment (which is generally through the establishment of area wide or neighborhood TIF districts) and individual project site specific TIF districts to support either infrastructure or individual private project financing needs.

The City is committed to invest in infrastructure located within the public rights-of-way that encourage economic development. Use of TIF investment to invest in infrastructure recognizes the savings which occurs through the TIF Program tax sheltering benefits.

"Infrastructure" is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements and placing above ground overhead electric and telecommunications lines underground.

II. STATE TIF LIMITATION

There are acreage and value caps limitations for municipalities to establish TIF along with term limits. Term limits include bonds which may be issued for a maximum of 20 years (anticipation notes for three years). TIF districts may be designated for a maximum of 30 years.

III. PURPOSE

The primary purposes of the TIF Policy include:

A. To support Portland Economic Development and Housing Plans and Policies;
B. To stimulate expansion of the City's commercial and industrial tax base;
C. To stimulate new affordable and market rate housing investment;
D. To retain and create quality employment;
E. To support Portland's Capital Improvement Plan; and,
F. To establish standards upon which the City Council will authorize TIF.

IV. GENERAL PRINICPLES

The three primary general principles for the City Council to establish TIF districts include:

A. Investment

***Minimum Real Property Investment*.** A minimum of $1 million in new taxable investment property value for commercial and industrial development and $500,000 for affordable housing development is needed to qualify for a TIF. This is the minimum amount which makes practical sense to consider use of the TIF program due to the amount of new municipal property tax revenue generated from new private investment.

B. Jobs Associated with Commercial and Industrial Development

Applicants for TIF participation will be required to provide a plan outlining the number and quality of jobs retained or created associated with each TIF district. While there is not a specific formula for the numbers of jobs associated with the amount of TIF financial assistance, the number and quality of the jobs will be taken into consideration for each TIF district. It is recognized that housing projects do not create many permanent jobs.

C. Maximize Tax Sheltering Benefits

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy) and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. In other words, specific municipal shelter benefits, for the term of the TIF, include:

1) No reduction in State aid for education,
2) No reduction in municipal revenue sharing and
3) No increase in County taxes.

Annually, the Council Committee with jurisdiction over housing and community development and City Council will evaluate available TIF district capacity related to State acreage and value limitations to determine whether existing TIF districts need amending and/or new TIF district establishment. Scheduled public infrastructure investments included in the City's Capital Improvement Plan will inform decisions about adjustments to existing TIF districts or establishment of new TIF districts.

V. APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

There are three approaches to consider establishing TIF districts. They include:

1) ***Municipal Economic Development Programs funded directly through a pay-as-you-go approach.***

   Examples of municipal economic development programs include paying for economic development staff, annual funding to Creative Portland for city marketing/branding, and other TIF law allowable activities.

2) ***Area wide TIF districts financed by City Bond/Debt Issuance***

   Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a TIF district program. Allowable uses are spelled out in state TIF law. Generally, municipalities will issue debt to cover the cost of infrastructure investment.

3) ***Individual Site Specific TIF districts utilizing Credit Enhancement Agreements (CEAs)***

   A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in state TIF law.

B. Policy for the Three Approaches

1. Policy for Municipal Economic Development Programs.

Requires annual review and City Council financial appropriations.

2. Policy for Area wide TIF District Locations (for City Bond/Debt Issuance)

a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.

b) City TIF emphasis will be placed upon the following general "Priority Revitalization Areas" to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

The above list of general priority revitalization areas serve as guides to establish specific boundaries for TIF districts at time of district establishment.

c) <u>Market Rate Housing.</u> Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.

d) <u>Affordable Housing</u>**.** Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

The relevant City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing TIF districts.

Allowable uses of AHTIF revenues are defined by State law.

e) City preference is to invest in area wide public infrastructure TIF districts versus establishing individual private site specific TIF districts.

f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.

g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastructure.

NOTE 1: As of this Amended TIF Policy date, there are two existing area wide TIF Districts, i.e., Bayside and Waterfront TIF Districts.

NOTE 2: As of this Amended TIF Policy date, there also exists two Transit Oriented Development (TOD) District, namely the Thompson Point TOD TIF District and the Downtown TOD TIF District to support new or expanded transit services and improved transit connections between the Portland Transportation Center, Jetport and Downtown.

3. Policy for Individual Site Specific TIF Districts Utilizing Credit Enhancement Agreements (CEAs)

a) CEAs for individual site specific TIF districts will be considered for investment in infrastructure or project financing need and cannot be applied to any agreed upon public infrastructure improvements associated with a City Council approved conditional rezone agreement. Additional provisions related to CEAs include:

i) City Green Building Code

Compliance with the City's Green Building Code is required when TIF assistance is provided to individual private project CEAs.

ii) Affordable Housing

Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis. Developments are encouraged to promote economic diversity.

The City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide AHTIF districts.

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.

City staff shall provide to the relevant City Council Committee an annual update on:

a) the impact of this prevailing wage requirements on CEAs;
b) feasibility of construction firms to pay prevailing wages and benefits; and
c) compliance with this section.

(iv) Equal Employment Opportunities and Nondiscrimination

The developer and its contractors employed in the construction phase of a TIF-assisted project shall adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. All employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate. This policy shall not be construed to prohibit any employment action or policy which is required by federal law, rule or executive order.

b) Applicants for CEA participation must demonstrate and pay the following:

i) Financial Necessity.

The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed.

ii) Financial Capacity**.**

The applicant must demonstrate financial capacity to support their project.

iii) Fees

A financial underwriting analysis will be conducted by a third party on all projects requesting CEA participation. Applicants for CEA assistance will be responsible for reimbursing the City for all project third party legal and financial underwriting costs***.***

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEA's. Notwithstanding the previous sentence, the maximum average percentage for the entire term associated with individual project CEAs for affordable housing shall be 75%. For the purposes of this policy, the term affordable housing shall be defined as in "V. Approach, Policy, and Term Requirements" Section B(2)(d) (Affordable Housing) of the Portland TIF Policy.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms; for Affordable Housing projects, up to thirty (30) years. The term of a TIF may start upon agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

VI. TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Economic Development Department and the Housing and Community Development Division (for affordable housing projects) handle all TIF inquires and processes requests for TIF. An applicant must submit a letter to either the Economic Development Department for commercial projects or the Housing and Community Development Division for affordable housing projects outlining the proposed project, including TIF project financial information, a plan outlining both the number of permanent and construction jobs associated with the proposed project, as well as a demonstrated ability to meet the requirements under Section B(3)(a) of this policy.

B. Approval Process.

There is a two step approval process which includes obtaining a recommendation from the City Council Committee and City Council approval. Two meetings (or readings) by the City Council are needed. The City Council vote on the TIF occurs at the second meeting.

C. Post-Construction Report to City Council.

The Economic Development Department and the Housing and Community Development Division shall provide a post-construction report to the City Council Committee and City Council regarding each TIF-assisted project which shall include, but not be limited to, an analysis of the adherence to Section (V)(B)(3)(a) of this policy.

D. **Annual Report to City Council.**

The Economic Development Department and the Housing and Community Development Division shall provide annual reports to the City Council Committee and City Council regarding TIF district activity.

PORTLAND TIF POLICY

February 22, 2021

I. INTRODUCTION

Tax Increment Financing (TIF) is an economic development program authorized under state law to support municipal projects. The TIF program allows municipalities to provide financial assistance to local economic development projects and programs – from infrastructure, municipal economic development programs and staff, to business expansions - by using new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

Portland TIF Policy supports investment in municipal economic development programs, infrastructure investment (which is generally through the establishment of area wide or neighborhood TIF districts) and individual project site specific TIF districts to support either infrastructure or individual private project financing needs.

The City is committed to invest in infrastructure located within the public rights-of-way that encourage economic development. Use of TIF investment to invest in infrastructure recognizes the savings which occurs through the TIF Program tax sheltering benefits.

"Infrastructure" is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements and placing above ground overhead electric and telecommunications lines underground.

II. STATE TIF LIMITATION

There are acreage and value caps limitations for municipalities to establish TIF along with term limits. Term limits include bonds which may be issued for a maximum of 20 years (anticipation notes for three years). TIF districts may be designated for a maximum of 30 years.

III. PURPOSE

The primary purposes of the TIF Policy include:

A. To support Portland Economic Development and Housing Plans and Policies;
B. To stimulate expansion of the City's commercial and industrial tax base;
C. To stimulate new affordable and market rate housing investment;
D. To retain and create quality employment;
E. To support Portland's Capital Improvement Plan; and,
F. To establish standards upon which the City Council will authorize TIF.

IV. GENERAL PRINICPLES

The three primary general principles for the City Council to establish TIF districts include:

A. Investment

***Minimum Real Property Investment*.** A minimum of $1 million in new taxable investment property value for commercial and industrial development and $500,000 for affordable housing development is needed to qualify for a TIF. This is the minimum amount which makes practical sense to consider use of the TIF program due to the amount of new municipal property tax revenue generated from new private investment.

B. Jobs Associated with Commercial and Industrial Development

Applicants for TIF participation will be required to provide a plan outlining the number and quality of jobs retained or created associated with each TIF district. While there is not a specific formula for the numbers of jobs associated with the amount of TIF financial assistance, the number and quality of the jobs will be taken into consideration for each TIF district. It is recognized that housing projects do not create many permanent jobs.

C. Maximize Tax Sheltering Benefits

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy) and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. In other words, specific municipal shelter benefits, for the term of the TIF, include:

1) No reduction in State aid for education,
2) No reduction in municipal revenue sharing and
3) No increase in County taxes.

Annually, the Council Committee with jurisdiction over housing and community development and City Council will evaluate available TIF district capacity related to State acreage and value limitations to determine whether existing TIF districts need amending and/or new TIF district establishment. Scheduled public infrastructure investments included in the City's Capital Improvement Plan will inform decisions about adjustments to existing TIF districts or establishment of new TIF districts.

V. APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

There are three approaches to consider establishing TIF districts. They include:

1) ***Municipal Economic Development Programs funded directly through a pay-as-you-go approach.***

   Examples of municipal economic development programs include paying for economic development staff, annual funding to Creative Portland for city marketing/branding, and other TIF law allowable activities.

2) Area wide TIF districts financed by City Bond/Debt Issuance

   Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a TIF district program. Allowable uses are spelled out in state TIF law. Generally, municipalities will issue debt to cover the cost of infrastructure investment.

3) Individual Site Specific TIF districts utilizing Credit Enhancement Agreements (CEAs)

   A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in state TIF law.

B. Policy for the Three Approaches

1. Policy for Municipal Economic Development Programs.

Requires annual review and City Council financial appropriations.

2. Policy for Area wide TIF District Locations (for City Bond/Debt Issuance)

a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.

b) City TIF emphasis will be placed upon the following general "Priority Revitalization Areas" to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

The above list of general priority revitalization areas serve as guides to establish specific boundaries for TIF districts at time of district establishment.

c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.

d) Affordable Housing**.** Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

The relevant City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing TIF districts.

Allowable uses of AHTIF revenues are defined by State law.

e) City preference is to invest in area wide public infrastructure TIF districts versus establishing individual private site specific TIF districts.

f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.

g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastructure.

NOTE 1: As of this Amended TIF Policy date, there are two existing area wide TIF Districts, i.e., Bayside and Waterfront TIF Districts.

NOTE 2: As of this Amended TIF Policy date, there also exists two Transit Oriented Development (TOD) District, namely the Thompson Point TOD TIF District and the Downtown TOD TIF District to support new or expanded transit services and improved transit connections between the Portland Transportation Center, Jetport and Downtown.

3. Policy for Individual Site Specific TIF Districts Utilizing Credit Enhancement Agreements (CEAs)

a) CEAs for individual site specific TIF districts will be considered for investment in infrastructure or project financing need and cannot be applied to any agreed upon public infrastructure improvements associated with a City Council approved conditional rezone agreement. Additional provisions related to CEAs include:

i) City Green Building Code

Compliance with the City's Green Building Code is required when TIF assistance is provided to individual private project CEAs.

ii) Affordable Housing

Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis. Developments are encouraged to promote economic diversity.

The City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide AHTIF districts.

Affordable means that the percentage of income a household is charged in rent and other housing expenses including utilities, or must pay in monthly mortgage payments (including real estate taxes, mortgage insurance, condominium/HOA fees, insurance and utilities), does not exceed 30% of a household's gross income, or other amount established in city regulations that does not vary significantly from this amount. These restrictions must remain in place for the full term of the AHTIF district.

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.

City staff shall provide to the relevant City Council Committee an annual update on:

a) the impact of this prevailing wage requirements on CEAs;
b) feasibility of construction firms to pay prevailing wages and benefits; and
c) compliance with this section.

(iv) Equal Employment Opportunities and Nondiscrimination

The developer and its contractors employed in the construction phase of a TIF-assisted project shall adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. All employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate. This policy shall not be construed to prohibit any employment action or policy which is required by federal law, rule or executive order.

b) Applicants for CEA participation must demonstrate and pay the following:

i) Financial Necessity.

The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed.

ii) Financial Capacity**.**

The applicant must demonstrate financial capacity to support their project.

iii) Fees

A financial underwriting analysis will be conducted by a third party on all projects requesting CEA participation. Applicants for CEA assistance will be responsible for reimbursing the City for all project third party legal and financial underwriting costs***.***

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEA's. Notwithstanding the previous sentence, the maximum average percentage for the entire term associated with individual project CEAs for affordable housing shall be 75%. For the purposes of this policy, the term affordable housing shall be defined as in "V. Approach, Policy, and Term Requirements" Section B(3)(a)(ii) (Affordable Housing) of the Portland TIF Policy.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms; for Affordable Housing projects, up to thirty (30) years (affordability must be maintained for the full term of the TIF). The term of a TIF may start upon agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

VI. TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Housing and Economic Development Department handle all TIF inquires and processes requests for TIF. An applicant must submit a letter or application to the Housing and Economic Development Department outlining the proposed project, including TIF project financial information, a plan outlining both the number of permanent and construction jobs associated with the proposed project, housing affordability, as well as a demonstrated ability to meet the requirements under Section B(3)(a) of this policy.

B. Approval Process.

There is a two step approval process which includes obtaining a recommendation from the City Council Committee and City Council approval. Two meetings (or readings) by the City Council are needed. The City Council vote on the TIF occurs at the second meeting.

C. Post-Construction Report to City Council.

The Housing and Economic Development Department shall provide a post-construction report to the City Council Committee and City Council regarding each TIF-assisted project which shall include, but not be limited to, an analysis of the adherence to Section (V)(B)(3)(a) of this policy.

D. Annual Report to City Council.

The Housing and Economic Development Department shall provide annual reports to the City Council Committee and City Council regarding TIF district activity.

SUMMARY OF ALL APPROVED

TAX INCREMENT FINANCING (TIF) DISTRICTS

IN THE CITY OF PORTLAND A/O JUNE 30, 2021

This provides an overview of the thirty-one Tax Increment Financing Districts (TIF's) approved by the City of Portland.

Of the 31 Districts:

- 7 have expired;
- 2 were terminated;
- 3 are area-wide TIF Districts (Bayside, including one Credit Enhancement Agreement; Waterfront, including one Credit Enhancement Agreement; and, Downtown Transit Oriented Development TIF District) used primarily by the City of Portland for public infrastructure, workforce training, staff salary and administrative expenses, and debt service;
- 15 are Affordable Housing TIF Districts;
- 3 are Commercial TIF Districts; and,
- 1 is a Transit Oriented Commercial TIF District.

Below are details of each of these TIF Districts.

1. Nichols Portland (Economic Development TIF) **(Expired FY14)**

Duration: 20 year term (FY95 through FY14)
Percentages: Years 1 to 5, 90% to Recipient, 10% to City General Fund; years 6 to 10, 75% to Recipient, 25% to City General Fund; years 11 to 20, 50% to Recipient, 50% to City General Fund.

Location: 2400 Congress Street

This TIF was created to support Nichols Portland expansion of its existing manufacturing facility at 2400 Congress Street and retain 450 jobs.

2. Shipyard/Longfellow (Economic Development TIF) **(Expired FY07)**

Duration: 12 year term (FY96 through FY07). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.
Percentages: 90% to Recipient, 10% to City General Fund Years 1 through 6; 50% to Recipient; 50% to City General Fund Years 7 through 11; 1% to Recipient, 99% to City General Fund Year 12.

Location: Newbury Street

This TIF was used to transform the former Crosby-Laughlin site on Newbury Street into the Shipyard Brewing Company.

3. <u>Auto Europe</u> (Economic Development TIF) **(Expired FY11)**

Duration: 15 year term (FY97 through FY11). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.
Percentages: 75% to Recipient; 25% to City General Fund

Location: Commercial Street across the street from Casco Bay Lines, former Galt Block building.

This TIF was used to renovate the former Galt Block Building into the headquarters for Auto Europe. The Galt Block Building had been vacant for over 10 years.

4. <u>Bramhall/Holt Hall</u> (Economic Development TIF) **(Expired FY19)**

Duration: 20 year term (FY00 through FY19)
Percentages: 75% to Recipient; 25% to City General Fund, plus a Payment in Lieu of Taxes (PILOT) associated with first floor space.

Location: 794 Congress Street

This TIF was used to renovate Holt Hall, built in the 1860's, and then vacant in excess of 10 years, into 36 market rate rental apartments and office space on the ground floor at a cost of almost $4 Million.

5. <u>UNUM</u> (Economic Development TIF) (**Expired FY15)**

Duration: 15 year term (FY01 through FY15)
Percentages: 100% capture of increased value with 75% going to the Recipient, and 25% going to economic development projects for the City.

Location: Outer Congress Street.

This TIF was utilized to support expansion of UNUM offices and to build a 1,200 space parking garage.

6. <u>Waterfront TIF</u> (Economic Development TIF)

Duration as originally approved March 18, 2002: 10 year term (FY03 to FY12)
Duration Extended as of June 7, 2010 for a 30-year term: FY03 to FY32
Percentages: 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place a portion of the property tax revenue in the City General Fund.

Location: Selected waterfront properties.

This is a municipal TIF to be used for waterfront projects and workforce training for the waterfront.

6a. Waterfront Maine LP (Cumberland Cold Storage Building) on Commercial Street (Economic Development TIF)

Duration: 20-year term (FY12 through FY31)
Percentages: 63% years 1 through 5; 64% years 6 through 10; 55% years 7 through 15; 45% years 16 and 17; 40% years 18 and 19; and, 35% year 20 – with a maximum cumulative TIF payment numeric cap not to exceed $2,870,058.

Location: 252 Commercial Street on the Portland waterfront.

The City entered into the TIF in order to support the renovation of the Cumberland Cold Storage building into a Class A office building, with continued marine uses on the first floor and berthing according to zoning regulations. The reuse of this building will accommodate the relocation of Pierce Atwood, bringing its 175 employees to the Portland waterfront.

7. <u>Bayside TIF</u> (Economic Development TIF)

Duration: 30 year term (FY04 through FY33)
Percentages: 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place property tax revenue in the City General Fund.

The geographic area of this TIF District was expanded by City Council vote on November 17, 2014, expanding it from 62 acres, to 129 acres, to align with the area of Bayside contained in the *Bayside Vision Plans I* and *II.*

This is a municipal TIF to be used for public infrastructure improvements, relocation of the one remaining scrap metal recycling facility and acquisition of the scrap metal yard site, business recruitment marketing for the Bayside area, pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances Bayside investment, workforce training, and administrative and staff costs. Investments from this TIF also include two Credit Enhancement Agreements (CEA's) with the following:

7a. Capital LLC (Intermed Building) on Marginal Way (Economic Development TIF)

Duration: 15 year term (FY09 through FY23)
Percentages: 100% to return, to Developer, to an annual maximum cap of $355,000 for years FY2009 through FY2018, and annual maximum cap of $325,000 for years FY2019 through FY2023 and annual debt service threshold test.

Location: Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the office building.

7b. **Southern Maine Student Housing on Marginal Way** (Economic Development TIF) **(Expired FY18)**

Duration: 11 year term (FY08 through FY18)
Percentages: 100% to return, to Developer, to a maximum annual cap of $120,000 and annual debt services threshold test.

Location: Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the student housing development.

8. <u>Riverwalk/Ocean Gateway</u> (Economic Development TIF) (**Expired FY19)**

Duration: 13 year term (FY07 through FY19)
Percentages: Formula based percentages in Credit Enhancement Agreement

Location: Hancock and Fore Street area

The TIF was entered into to assist with the construction of a parking structure for the development plan for the area adjacent to Hancock Street.

9. **<u>Avesta/Pearl Place</u>** (Affordable Housing TIF)

Duration: 30 year term (FY08 through FY37)
Percentages: Various percentages captured value to return to Developer based on Maine State Housing Authority Certificate of Approval, to a maximum of $22,000 annual cap.

Location: Oxford and Pearl Streets

This TIF is an affordable housing TIF to assist in the creation of affordable housing in the City's Bayside area along Oxford and Pearl Streets

<u>10.</u> <u>Creative Portland Development and Arts</u> (Economic Development TIF)

<u>NOTE:</u> ***This area wide TIF District was reduced/renamed by the City Council on February 19, 2015, reducing the geography to just the Baxter Library property (see #10a below), and renaming it the Baxter Library TIF District with the term ending FY19; this will take effect with FY16).***

Original Duration: 15-year term (FY10 through FY24); ***Term amended as noted above to end FY19.***
Original Percentages: 100% capture; annually, the City Council may adjust this TIF capture rate to place property tax revenue in the City General Fund; ***Percentage amended to reflect the 65% capture for the Baxter Library project***.

Original Location: Multiple properties included in the Downtown Area; ***Location amended as noted above to be only the Baxter Library property.***

This TIF was ***originally*** created to assist in maintaining the creative economy businesses through the creation of the Creative Portland Corporation and TIF funds to assist in funding its administrative personnel and program of activities up to a maximum of $100,000 annually. ***This element of the original TIF District is now included in the recently created Downtown Transit Oriented Development (TOD) TIF District – See Item #18 below.***

10a. Baxter Library LP at 621 Congress Street (Economic Development TIF) (**Expired FY19)**

Duration: 9-year term (FY11 through FY19)
Percentages: Lesser of annual 65% to return to Developer or amount necessary to service project debt. Adjustments to annual payment if project refinancing occurs.

The City entered into the CEA in order to assist with the reuse, redevelopment, and preservation of a hallmark downtown building built in 1888, where adaptive reuse of this former library is challenging and expensive. This Project added $2.5 Million in new municipal assessed commercial valuation. The reuse of this building accommodated the relocation of the VIA Group, bringing its then 64 employees to this upper area of downtown Portland.

11. McAuley Place (Economic Development TIF)

Duration: 30 year term (FY10 through FY39)
Percentages: 60% to Recipient; 40% to City General Fund.

Location: 605 Stevens Avenue

This TIF was created to assist in the renovation of the former Mother House/Convent (built over 100 years ago) on Stevens Avenue into a market rate independent senior living community, including 45 to 50 apartments in the renovated Convent; 25 to 30 apartments (new construction) in an addition to the Convent; and, 36 units (new construction) to be located in three townhouse/cottages adjacent to the Convent.

The project remained dormant for a number of years until 2016/2017, with an updated renovation plan in the Motherhouse/Convent into 88 units - 66 with affordable restrictions and 22 market rate, and 21 market rate residential units located between the Motherhouse/Convent and Baxter Woods.

It is also noted that 140 residential units are planned to be located on the remainder of the former McAuley Campus, located outside of the TIF District. These units were not part of the 2009 Development Plan.

12. <u>PowerPay/Portland Public Market</u> (Economic Development TIF)

Duration: 30 year term (FY11 through FY40)
Percentages: Years 1 through 8 – 75% to Developer, 25% to City General Fund; Years 9 through 30 – 50% to Developer, 50% to City General Fund.

Location: 25 Preble Street

This TIF district was created to support the retention and expansion of PowerPay, along with redeveloping an important asset in Portland's Downtown that was formerly known as the Portland Public Market. Because of the complex renovation issues and the high cost associated with redeveloping the Portland Public Market property, PowerPay requested TIF assistance to cover the Project financing gap. PowerPay renovated and moved its headquarters to this location with well over 150 employees.

13. <u>Thompson's Point Development Company, Inc.</u> (Transit-Oriented TIF)

Duration: 30 year term (FY15 through FY44).

Percentages:
Phase One of Project*:* Years 1 through 10 – 75% to Developer and 25% to City transit-oriented projects; years 11 through 15 – 60% to Developer, 25% to City transit-oriented projects, and 15% to City's General Fund; years 16 through 20 – 50% to Developer, 25% to City transit-oriented projects, and 25% to City's General Fund; years 21 through 30 – 40% to Developer, 25% to City transit-oriented projects, and 35% to City's General Fund.

Phases Two and Three of Project: Years 1 through 30 – 0% to Developer; 25% to City transit-oriented projects; 75% to City's General Fund.

Location: Thompson's Point

This Transit-Orient Development (TOD) Tax Increment Financing (TIF) District was created to support Thompson's Point Development Company Inc.'s redevelopment of Thompson's Point into the **Forefront at Thompson's Point.** Additionally, the TOD will assist to expand and improve transit connections between Thompson's Point and key commercial locations within Portland (i.e. Jetport, Portland Transportation Center and Portland's Downtown) and around the region.

Thompson's Point consists of approximately 30 acres of real estate adjacent to the Portland Transportation Center that is home to the Northern New England Passenger Rail Authority, which runs the Amtrak Downeaster and Concord Trailways bus company.

The Forefront at Thompson's Point is a mixed-use development that is transforming a blighted and grossly underutilized 30-acre parcel located along Interstate 295 into a highly visible gateway destination event center generating significant economic activity within the District and throughout Portland. The Company is redeveloping Thompson's Point in a manner that includes a substantial investment in public infrastructure, including construction of an above-ground parking garage with approximately 700 spaces, road extensions and widenings, rail crossings upgrade, utility investments, and expanded walking and biking trails.

14. <u>The Village at Oceangate, LLC (Bay House)</u> (Economic Development TIF)
This TIF was <u>terminated</u> by the City Council on November 3, 2014 due to the conversion of market rate apartments into condominiums which is not allowable use of TIF funds.

Duration: 11 year term (FY14 through FY25)
Percentages: Years 1 through 5 – 75% to Developer, 25% to City General Fund; Years 6 through 10 - 65% to Developer, 35% to City General Fund. Total revenue to developer is capped at $647,971 over the term of the District.

Location: Hancock Street, between Newbury and Middle Streets.

This TIF district was created to support the development of The Bay House Project. The Project includes the construction of two new buildings that will contain ninety-four (94) market rate apartments, a parking garage, and approximately 5,700 square feet of commercial retail space. Use of TIF proceeds is directed to support public infrastructure investments.

15. <u>Fore India Middle, LLC (former Jordan's Meat Site)</u> (Economic Development TIF)
This TIF was <u>terminated</u> by the City Council on November 3, 2014 due to the project not coming to fruition.

Duration: 4 year term (FY14 through FY17)
Percentages: Years 1 and 2 – 50% to Developer, 10% to City TIF Project; 40% to City General Fund; Year 3 - 40% to Developer, 10% to City TIF Project; 50% to City General Fund; Year 4 – 40% to Developer, 60% to City General Fund. Total revenue to developer is capped at $650,000 over the term of the District.

Location: Portion of block surrounded by Fore, India, and Middle Streets.

This TIF district was created to support the development of a portion of the former Jordan's Meats site. This development project includes a five-story, approximately 180,000 sf. of mixed-use consisting of 12,300 sf. of retail space on Middle Street, 9,800 sf. of retail space on Fore Street, three levels of office space comprising 63,900 sf. on Middle Street, and 18 residential condominium units along Fore Street and India Street. In addition, there will be two "internal" parking garages behind the retail spaces (not visible from the street), one 110-space garage at the Fore Street level, and another 63-space garage one story above at the Middle Street Level. The Developer expects to have an urban grocery on Middle Street with a variety of produce, meats, food, and household items, with an emphasis on natural, organic and healthy items. The other retail users and the office users have not been identified yet. Use of TIF proceeds is directed to support public infrastructure investments.

16. 409 Cumberland Avenue (Affordable Housing TIF)

Duration: 22 year term (FY14 through FY35)
Percentages: 50% to Developer; 50% to City Housing Affordable Housing Revolving Loan Fund

This Affordable Housing TIF District supports the development of 46 affordable units and 11 market rate units of rental housing. TIF revenues will be used by Developer to pay operating costs for the project; City TIF revenues will be used for the establishment of an affordable housing revolving loan fund.

17. 134 Washington Avenue (Affordable Housing TIF)

Duration: 20 year term (FY15 through FY34)
Percentages: 50% to Developer; 50% to City General Fund.

This Affordable Housing TIF District supports the development of an 18-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

18. Downtown Transit Oriented Development (TOD) TIF (Economic Development TIF District)

Duration: 30 year term (FY16 through FY45)
Percentages: 12% Year One; 22% years 2 through 4; and up to 100% years 5 through 30.

This Downtown TOD TIF will support various municipal and other development projects, including sidewalk and pedestrian enhancements, streetscape, lighting, yearly funding of up to $100,000 for Creative Portland to assist in funding its administrative personnel and program of activities (see Item #10 above), street alignment, utilities, bicycle improvements, public transit, wayfinding, workforce training, administrative and staff costs.

19. 17 Carleton Street (Affordable Housing TIF)

Duration: 22 year term (FY16 through FY37)
Percentages: Years 1 and 2: 0% to Developer; 100% to City. Years 3 through 22: 65% to Developer; 35% to City General Fund.

This Affordable Housing TIF District supports the development of a 37-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

20. ImmuCell (Economic Development TIF)

Duration: 12 year term (FY18 through FY29)
Percentages: Years 1 through 11: 65% to Developer, 35% to City General Fund; Year 12: 30% to Developer, 70% to General Fund.

Location: 56 Evergreen Drive

This Economic Development TIF supports ImmuCell Corporation's expansion from its existing facility at 56 Evergreen Drive to a new two-story, 12,625 sq. ft. (est.) production facility on Caddie Lane off of Riverside Street. ImmuCell Corporation is a growing animal health company that develops, manufactures, and sells products that improve animal health and productivity in the dairy and beef industry. Over the last nearly 16 years, the Company has invested in excess of $11 Million in the R&D of a product that addresses mastitis, the most significant cause of economic loss to the dairy industry. This lead product in development is **Mast Out**, a novel, ground-breaking treatment for mastitis in lactating dairy cows. Completion of construction of this new facility was done 2017.

21. Deering Place (Affordable Housing TIF)

Duration: 30 year term (FY19 through FY48)
Percentages: 75% to Developer, 25% to City General Fund for 30 year term.

This Affordable Housing TIF District supports the development of 75 units of residential rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

22. 58 Boyd Street (Affordable Housing TIF)

Duration: 30 year term (FY19 through FY48)
Percentages: 50% to Developer, 50% to City General Fund for 30 year term.

Location: 498 Cumberland Avenue

This Affordable Housing TIF District supports the development of a 55 unit, mixed income, multi-family rental apartment building. TIF revenues will be used by Developer to pay for operating costs for the project.

23. 977 Brighton Avenue (Affordable Housing TIF)

Duration: 30 year term (FY20 through FY49)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the development of 40 units of senior rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

24. 178 Kennebec Street (Affordable Housing TIF)

Duration: 30 year term (FY20 through FY49)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the development of 51 units of senior rental housing. TIF revenues will be used by Developer to pay for operating costs for the project.

25. **37 and 63 Front Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the construction of a 60-unit mixed income residential rental housing project for individuals and families, and a 45-unit mixed income residential rental housing project for seniors. TIF revenues will be used by Developer to pay for operating costs for the project.

26. **66 State Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the rehabilitation of an existing building into a lodging house with 38 rooming units, and the construction of a 30-unit residential rental housing project. TIF revenues will be used by Developer to pay for operating costs for the project.

27. **83 Middle Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 50% for 30 years to Developer; 50% to City General Fund

This Affordable Housing TIF District supports the construction of a 50-unit residential rental housing project, with 20 of the units occupied by households with income not exceeding 50% of area median income, and 30 units occupied by households with income not exceeding 60% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project.

28. **104 Grant Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing TIF District supports the construction of 23 owner-occupied condominium units, 8 of the units in which will be conveyed to households with income not exceeding 120% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project, including debt service.

29. **200 Valley Street (Affordable Housing TIF)**

Duration: 30 year term (FY21 through FY50)
Percentages: 50% for 30 years to Developer; 50% to City General Fund

This Affordable Housing Project supports the construction of a 60-unit residential rental housing project, 36 of the units in which will be occupied by households with income not exceeding 50% of area median income; 12 of the units in which will be occupied by households with income not exceeding 60% of area median income; and, the remaining 12 units will be market rate. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

30. <u>337 Cumberland Avenue (Affordable Housing TIF)</u>

Duration: 30 year term (FY21 through FY50)
Percentages: 75% for 30 years to Developer; 25% to City General Fund.

This Affordable Housing Project supports the construction of a 60-unit residential housing project, 36 of the units in which will be occupied by households with income not exceeding 50% of area median income; 12 of the units in which will be occupied by households with income not exceeding 60% of area median income; and, the remaining 12 units will be market rate. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

31. <u>577 Washington Avenue (Affordable Housing TIF)</u>

Duration: 30 year term (FY21 through FY50)
Percentages: 50% for 30 years to Developer; 50% to City General Fund.

This Affordable Housing Project supports the rehabilitation of a 100-unit residential rental housing project, with 60 of the units in which be occupied by households with income not exceeding 50% of area median income, and the remaining 40 units will be occupied by households with income not exceeding 60% of area median income. TIF revenues will be used by Developer to pay for operating costs for the project, including funding the Project's capital reserve account.

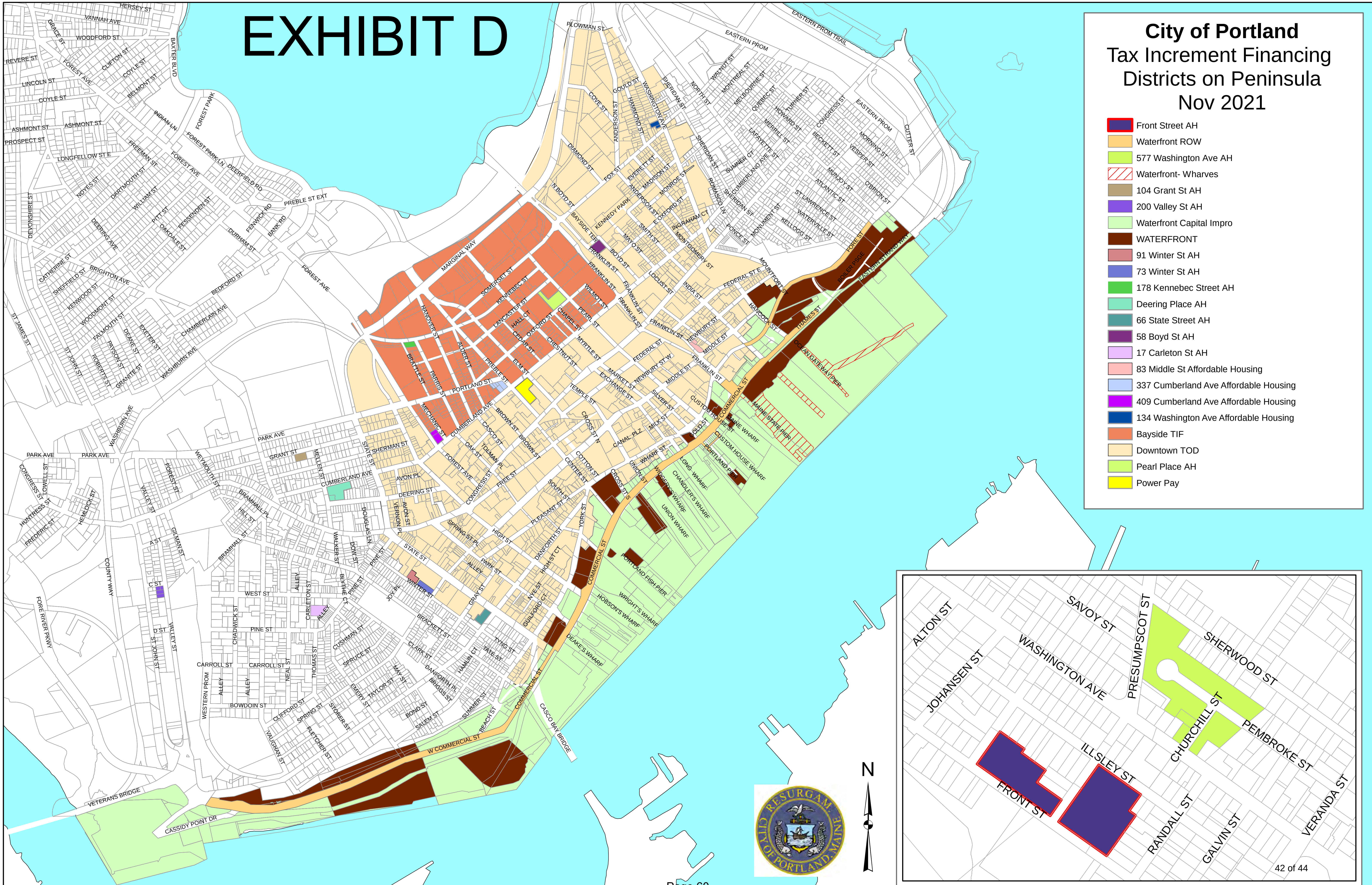


EXHIBIT D
City of Portland
Tax Increment Financing
Districts on Peninsula
Nov 2021
Front Street AH
Waterfront ROW
577 Washington Ave AH
Waterfront- Wharves
104 Grant St AH
200 Valley St AH
Waterfront Capital Impro
WATERFRONT
91 Winter St AH
73 Winter St AH
178 Kennebec Street AH
Deering Place AH
66 State Street AH
58 Boyd St AH
17 Carleton St AH
83 Middle St Affordable Housing
337 Cumberland Ave Affordable Housing
409 Cumberland Ave Affordable Housing
134 Washington Ave Affordable Housing
Bayside TIF
Downtown TOD
Pearl Place AH
Power Pay
ALTON ST
SAVOY ST
PRESUMPSCOT ST
SHERWOOD ST
JOHANSEN ST
WASHINGTON AVE
CHURCHILL ST
PEMBROKE ST
ILLSLEY ST
FRONT ST
RANDALL ST
GALVIN ST
VERANDA ST
42 of 44
N


City of Portland
Tax Increment Financing Districts
November 2021
TIF Districts
Thompson Point
Waterfront Right of Way
Waterfront- Wharves
104 Grant St AH
977 Brighton Ave AH
577 Washington Ave AH
200 Valley St AH
ImmuCell
WATERFRONT
Proposed Front Street AH
Waterfront Capital Impro
91 Winter St AH
17 Carleton St AH
337 Cumberland Ave Affor
58 Boyd Street
66 State Street
178 Kennebec Street AH
73 Winter St AH
83 Middle St Affordable
Downtown TOD
Deering Place
McAuley Place
409 Cumberland Ave Affordable Housing
134 Washington Ave Affordable Housing
Bayside
Downtown TOD
Pearl Place
Power Pay
CONGRESS ST
BAYSIDE
PEARL PLACE
Downtown TOD
337 Cumberland Ave Affordable Housing
Power Pay
409 Cumberland Ave AHTIF
104 Grant St AH
Deering Place AH
91 Winter St Affordable Housing
73 Winter St Affordable Housing
17 Carleton St AH
66 State Street
58 Boyd Street
134 Washington Ave Affordable Housing
83 Middle St Affordable Housing
Waterfront ROW
Waterfront Capital Improvement
Waterfront Wharves
McAuley Place
Thompson Point
200 Valley St AH
977 Brighton Ave AH
ImmuCell
RESURGAM
CITY OF PORTLAND MAINE

FYE2021 Report **FY2021 Tax Rate:** **0.02331**

TIF Name SITE Specific with CEA:	Starts/ Ends-FY	TERM	TIF PLAN YEAR	TOTAL ASSESSED VALUE	ORIGINAL ASSESSED VALUE	Increased Assessed value	PERCENT APPLIED	Total Cpt. Value	PROCEEDS TO OWNER	City TIF Funds	City General Fund (OAV and Non-Captured Taxes from IAV)
AVESTA/Pearl Place	08/37	30 YEARS	**14**	3,528,200	646,050	2,882,150	32%	922,288	21,499	0	60,744
- FY2021 Taxes				82,242	15,059	67,183		21,499			
PowerPay/Ptld Pub Mkt	11/40	30 YEARS	**11**	6,259,500	1,862,600	4,396,900	50%	2,198,450	51,246	0	94,663
- FY2021 Taxes				145,909	43,417	102,492		51,246			
McAuley	10/39	30 YEARS	**12**	7,129,900	0	7,129,900	60%	4,277,940	99,719	0	66,479
- FY2021 Taxes				166,198		166,198		99,719			
Thompson's Point TOD	15/44	30 YEARS	**7**	9,240,000	3,844,900	5,395,100	100%	5,395,100	94,320	31,440	89,625
- FY2021 Taxes				215,384	89,625	125,760		125,760			
409 Cumberland Ave. AH	14/35	22 YEARS	**8**	3,715,400	470,200	3,245,200	100%	3,245,200	37,823	37,823	10,960
- FY2021 Taxes				86,606	10,960	75,646		75,646			
134 Washington Ave. AH	15/34	20 YEARS	**7**	1,079,400	155,600	923,800	50%	461,900	10,767	0	14,394
- FY2021 Taxes				25,161	3,627	21,534		10,767			
17 Carleton St. AH	16/37	22 YEARS	**6**	2,383,300	261,660	2,121,640	65%	1,379,066	32,146	0	23,409
- FY2021 Taxes				55,555	6,099	49,455		32,146			
ImmuCell	18/29	12 YEARS	**4**	4,021,300	52,600	3,968,700	65%	2,579,655	60,132	0	33,605
- FY2021 Taxes				93,737	1,226	92,510		60,132			
58 Boyd Street AH	19/48	30 YEARS	**3**	3,475,100	0	3,475,100	50%	1,737,550	40,502	0	40,502
- FY2021 Taxes				81,005							
Deering Place AH	19/48	30 YEARS	**3**	3,202,200	0	3,202,200	75%	2,401,650	55,982	0	18,661
- FY2021 Taxes				74,643							
977 Brighton Ave AH	20/49	30 YEARS	**2**	602,500	291,100	311,400	75%	233,550	5,444	0	8,600
- FY2021 Taxes				14,044							
178 Kennebec St AH	20/49	30 YEARS	**2**	3,736,700	0	3,250,929	75%	2,438,197	56,834	0	30,268
- FY2021 Taxes				87,102		485,771					
66 State St AH	21/50	30 YEARS	**1**	1,048,300	0	1,048,300	75%	786,225	18,327	0	6,109
- FY2021 Taxes				24,436							
Area-Wide TIFs, with CEA											
BAYSIDE	04/33	30 YEARS	**18**	208,834,371	121,639,640	87,194,731	75%	65,396,048		1,199,382	3,343,547
FY2021 Taxes				4,867,929	2,835,420			1,524,382			
- CEA/Atlantic Bayside Trust	09/23	15 YEARS	**13**	25,852,590	0		Formula		325,000		
WATERFRONT	**03/32**	**30 YEARS**	**19**	104,948,800	34,299,010	70,649,790	90%	63,584,811		1,269,778	964,195
FY2021 Taxes				2,446,357	799,510			1,482,162			
- CEA/Waterfront Maine	12/31	20 YEARS	**10**	15,187,300	950,900	14,236,400	64%	9,111,296	212,384		
DOWNTOWN TOD TIF	16/45	30 YEARS	**6**	1,183,684,140	965,007,320	218,676,820	30%	65,603,046		1,529,207	26,062,470
FY2021 Taxes				27,591,677	22,494,321	5,097,357		1,529,207			
Total Value:				**1,546,889,111**	**1,128,530,680**	**418,358,431**		**222,640,676**			
Total Taxes:				**36,057,985**	**26,306,050**	**9,751,935**		**5,189,754**	**1,122,125**	**4,067,629**	**30,868,231**

CITY OF PORTLAND
Housing and Economic Development Department
Mary P. Davis, Interim Director

MEMORANDUM

TO: Chair and Members of the Housing and Economic Development Committee

FROM: Mary Davis, Housing and Economic Development Interim Director

DATE: November 9, 2021

SUBJECT: **HEDC 2021 Accomplishments**

The following will provide you with the Housing and Economic Development Committee accomplishments, by subject area, during calendar year 2021:

Real Estate Transactions

Homeless Services Center on City-Owned Property at 654 Riverside Street of Approximately 7+ Acres

The Committee reviewed the proposed RFP for a 200-bed homeless services center with wrap-around services, the sole Proposal received from Developers Collaborative (DC) in response to the RFP, First and Second Letters of Agreement for DC to do its due diligence to move forward on the project, and proposed Ground and Master Building Leases - all for recommendations to the City Council. This was a topic on six of the agendas during the calendar 2021. With approvals from the City Council on each, the project is now moving through the regulatory approval process.

City-Owned Portland Technology Park - Units #6 and #7

Reviewed a proposed Purchase and Sale Agreement with AJ Holding Company, LLC (d/b/a Aroma Joe's) in the amount of $595,000 and voted to forward it to the City Council for approval. It is on the Council Agenda for November 15, 2021. Aroma Joe's intends to build a new 12,000 sq. ft. building for its new headquarters, which will be relocated from Warren Avenue when construction is completed.

City-Owned Property on Douglass Street – Former West School Site

This City-owned property of 3+/- acres was placed out to RFP during calendar year 2020 with a goal for affordable housing. Two proposals were received mid-2020 from Douglass Yards LLC and Douglass Commons LLC, with the City Council authorizing negotiations for a Purchase and Sale Agreement (PSA) with Douglass Commons LLC, i.e., The Szanton Company and Maine Cooperative Development Partners. The intended project is two-fold – rental housing of 56 units with a mixture of 1-2-3 bedroom units with at least 40 of the units will be affordable to households earning less than or equal to 60% of Area Median Income (AMI), and cooperative housing of 52 units with a mixture of 1-2-3 bedroom units to be affordable to households earning less than or equal to 100% AMI. Both projects will be affordable for 99 years. The HEDC reviewed the draft PSA with Douglass Commons LLC on April 6, 2021, and voted 4-0 to forward it to the City Council for approval, which was approved at the Council's May 3, 2021, meeting.

City-Owned Property at 21 Randall Street

This City-owned property of .3 acres was placed out to RFP during calendar year 2020 with a goal for affordable housing. Two proposals were received mid-2020 from Ducas Construction and the other from Greater Portland Community Land Trust (GPCLT), with the then Economic Development Committee (EDC) authorizing staff to begin negotiations for a PSA with GPCLT. The HEDC reviewed the draft PSA at its April 6, 2021 meeting and voted 4-0 to forward it to the City Council for approval; the City Council approved the PSA at its May 3, 2021, meeting. The purchase price in the PSA is $1 for affordable housing for 99 years, for households earning less than or equal to 120% of AMI and subject to the requirements of the Inclusionary Zoning Ordinance. The project, to be called "Back Cove Flats" will be a condominium consisting of the greater of 8, 3-bedroom and 5, 1-bedroom dwelling unit, or the maximum number of units allowed under current zoning. Each unit will be individually owned, while the land will be owned by the GPCLT.

City-Owned Property at 622 Auburn/0 Gray Road in Falmouth

This City-owned property of approximately 4.85 acres at 622 Auburn Street and approximately 13.3 acres in Falmouth was placed out to RFP on February 24, 2021, with a goal for affordable housing. Three proposals were received May 4, 2021, from Great Fall Construction, Habitat for Humanity for Greater Portland, and Maine Cooperative Development Partners (MCDP). The HEDC reviewed all three proposals at its June 1, 2021, and again at its July 20, 2021, meeting where it voted 4-0 to direct staff to proceed with PSA negotiations with MCDP. Negotiations continue for this project, which is proposed for a mix of up to 48 1-2-3-bedroom affordable limited equity cooperative units. Ownership shares would be affordable to households earning between 80% and 100% AMI.

Remaining City-Owned Property on Thames Street

This City-owned property of over .5 acres is located along Thames Street between the proposed Mountfort Street Extension and the new Connector Road up to Fore Street. The HEDC reviewed the draft RFP at its August 31, 2021 and voted 4-0 to recommend to the City Council to authorize staff to advertise the RFP for development proposals, which the Council did on September 20, 2021. The RFP was advertised on September 24, 2021, with a deadline to submit proposals on October 21, 2021. The City received one proposal from 144 Fore St. OZ, LLC (Jonathan Cohen and Dan Smith) for development of a 70,000+\- sq. ft. mixed-use (office, commercial, incubator) space in 3 stories. The proposal also included a purchase price of $840,000, donation of privately-owned portion of the New Connector Road as well as over $330,000 developer contribution for the sidewalk on the east side of the New Connector Road, construction public restrooms in Portland Land, and investment in Mountfort Street Extension paving and landscaping, and replacement parking at no cost. The HEDC reviewed this proposal at its November 2, 2021, meeting and voted 4-0 to authorize staff to begin negotiations for a PSA. An executive session is planned for the November 16, 2021, to discuss negotiations and provide direction to staff.

City and MDOT Land Exchange

On May 18, 2021, the HEDC reviewed a proposed land exchange with MDOT, i.e., the City-owned International Marine Terminal property, currently leased to the Maine Port Authority, and the Cliff Island Wharf property, for the following MDOT properties: Wye property along County Way, Park & Ride Lot on Marginal Way, and former Union Branch Rail Corridor, from Forest Avenue to Park Street, including the railroad bridge. The land exchanges were found to be of equivalent value so no money will change hands. The Committee voted 4-0 to forward this to the City Council for approval; the City Council approved the Land Exchange Agreement on June 21, 2021.

United Soccer League (USL) – Request to Use of City Land

At its July 20, 2021, HEDC meeting, the Committee reviewed, discussed, and provided direction to staff regarding USL's request for possible use of City-owned locations for a soccer stadium in Portland – Preble Street (Back Cove), Fitzpatrick Stadium, and Dougherty Field. Preble Street was USL's preferred location; Fitzpatrick Stadium second. Committee consensus was that more detail and data are needed on sites, particularly Fitzpatrick Stadium, and any information on possible deed restrictions for the Preble Street location, and also concerns about costs.

<u>Development Districts</u>

TIF Policy Amendments

The HEDC reviewed proposed TIF Policy Amendments regarding AHTIFs (Affordable Housing TIFs) to include adding a definition of affordable that matches the definition used in other City programs, and to require the term of the AHTIF to match the length of affordability of the project. The HEDC voted 4-0 at its January 19, 2021, to forward the proposed amendments to the City Council for approval. The City Council approved the amendments on February 22, 2021.

66 State Street AHTIF Housekeeping Amendment

The HEDC met on March 16, 2021, to review an amendment to change the name of the Developer in the CEA from Phoenix at Danforth LP to DC 66 State LLC. The Committee voted 3-0 to forward this to the City Council for approval, and the City Council approved this at its April 12, 2021 meeting.

66 State Street AHTIF

The 66 State Street AHTIF was approved by the City Council on July 15, 2019. The project consists of renovating the existing building at 66 State Street to convert it into a women's housing community with 40 rooming units for individuals with income not exceeding 50% of Area Median Income (AMI), and to construct 155 Danforth Street (property behind 66 State Street) into a 30-unit rental housing development with 14 studio units and 16, 1-bedroom units all affordable to individuals with income not exceeding 60% AMI. The HEDC reviewed a request at its August 31, 2021, meeting from the Developer for additional City subsidy for the 155 Danforth Street project, with the Developer noting an increase of approximately $2.3 Million in constructions costs. The Developer initially requested an additional $300,000 City subsidy, and with further staff research on other potential funding from MaineHousing, HCD Staff recommended supporting $150,000 in gap funding from the Housing Trust Fund. The HEDC voted 4-0 in favor of recommending to the City Council authorizing additional funding of $150,000 from the Housing Trust Fund, and the Council voted 8-0 to approve this item.

Downtown TOD TIF/Creative Portland Request for Additional Funding

The Downtown TOD TIF includes funding of up to $100,000 annually for Creative Portland. The HEDC reviewed this request at its March 2, 2021, meeting, requesting more detail and again at its March 16, 2021 meeting, where it voted 4-0 to forward the Downtown TOD TIF Amendment to the City Council to have a floor of $155,000 annually for Creative Portland, versus up to $100,000 annually. The City Council discussed this in a workshop session on September 29, 2021, and voted on October 4, 2021 to postpone this item indefinitely. This will be discussed during the FY2023 City budget process.

Downtown TOD TIF/TIF Funding for Portland Adult Education for Workforce Training

The HEDC heard updates from Portland Adult Education (PAE) on its use of $100,000 in TIF Funding for expansion of programs for workforce training on March 16, 2021, and again on November 2, 2021. In both meetings, PAE provided updates on the success of its CDL Permit Training Program, ELL Intensive Job Readiness Class, Education Academy, and New Mainers Teller Training Program. Both updates were very well-received, and the Committee noted its continued support through this source of TIF Funding. PAE also noted a new program with Hannaford Supermarket for a leadership training program, both at PAE and on-the-job training.

45 Brown Street AHTIF Request and Companion Item to Remove from Downtown TOD TIF

This AHTIF Request was first reviewed by the HEDC at its January 19, 2021, both in public session and in executive session and postponed to a February meeting. An executive session was held by HEDC on February 2, 2021, and a public hearing was held on March 2, 2021, where the HEDC voted 3-1 (Zarro) to forward the request to the City Council for consideration. The proposed project at that time was to construct 275 units of rental housing with 50% of the total units having affordable housing deed restrictions for 30 years. The land and parking garage would remain in the Downtown TOD TIF (condo unit 1), and the rental units being constructed would be its own AHTIF (condo unit 2). On May 17, 2021, the City Council voted 9-0 to forward this item back to the HEDC. The HEDC held another executive session on this item on June 1, 2021, with no action taken. The project did not move forward

Portland Foreside TIF Request

The HEDC reviewed this TIF request at its meeting on April 20, 2021, to provide direction only to staff. The request last year was for a TIF, Business Improvement District, and Credit Enhance Agreement. The request this year was for a 20-year TIF and Credit Enhancement Agreement, with 65% of the captured value returned to the Developer, and 35% returned to the City for on-sight infrastructure. Consensus was not to move forward; affordable housing is the need not economic development.

73 and 91 Winter Street AHTIFs and Companion Item to Take the Property out of the Downtown TOD TIF

These AHTIF requests are from Community Housing of Maine (CHOM) and Portland Housing Development Corporation (PHDC). They were reviewed by the HEDC on May 4, 2021, where it voted 4-0 to forward it to the City Council for approval and also voted 4-0 to recommend to the City Council taking these properties out of the Downtown TOD TIF to be their own, freestanding AHTIF Districts. The City Council approved both at its July 19, 2021, meeting. The 73 Winter Street AHTIF would provide 41 rental units for family housing. With 25 of the units reserved for households earning at or below 50% AMI and 16 reserved for households earning at or below 60% AMIT. The 91 Winter Street AHTF would provide for 52, 1-bedroom apartments for seniors aged 55 and over with 32 reserved for households earning at or below 50% AMI and 20 reserved for households earning at or below 60% AMI. The HEDC and City Council also approved HOME and/or HTF funding for these projects.

FYE2021 TIF Annual Report

This Annual Report is being presented to the HEDC at its November 19, 2021, for review and recommendation to forward it to the City Council as a communication.

Tourism Municipal Development District

Visit Portland, f/k/a Convention and Visitors Bureau of Greater Portland, provided a presentation on its proposed Tourism Development District (TDD) to the HEDC on July 20, 2021, where the

Committee requested staff further research on the process of establishing a TDD and legal concerns and implications. It is anticipated that the HEDC will review and take action on this item in the beginning of 2022.

Pandemic

Winter Outdoor Dining

The Committee met on January 5, 2021, and February 16, 2021, and provided direction to staff to continue Parklets year-round, including off-peninsula parklets, and also asked staff to consider parklets converted to stages for the arts. The Committee also requested staff to continue to research street closures for additional outdoor dining space.

Open Air Portland, Permanent Outdoor Dining Plan

On August 24, 2021, the Committee reviewed "Open Air Portland", where staff was recommending that the current Festival Order continue through to April 15, 2022. The Committee voted 4-0 to forward this to the City Council for approval, and the City Council voted 9-0 to approve this on September 8, 2021.

Housing

Housing Trust Fund Renamed to the Jill C. Duson Housing Trust Fund

At its January 5, 2021, first meeting, the Committee noted Councilor Jill Duson's dedication to funding the Housing Trust Fund, which has contributed towards the creation of many units of affordable housing. Due to Councilor Duson's passion and committee for affordable housing, the Committee recommended to the City Council to change the name of HTF to the Jill C. Duson HTF, and the City Council approved the change on March 15, 2021, with a 9-0 vote.

Rental Board/Rental Housing Advisory Committee (RHAC) Redundancies

The Committee met on January 19, 2021, and again on April 20, 2021, to review any potential or unintended redundancies with the work being done by the RHAC and the new Rent Board. The HEDC reaffirmed that the RHAC is more policy focused. The RHAC will provide updates to the Committee on its work plan.

Housing Program Budget/2021 Housing Trust Fund Annual Plan

The Committee reviewed both of the above at its February 2, 2021, meeting and forwarded both to the City Council for approval, which approval occurred at the April 26, 2021 Council meeting.

Homeport Guidelines Communication

On March 2, 2021, the Committee received a communication regarding the HomePort Program, which was discontinued in 2015. The program has 65 active loans. After a 2019 inquiry from a program participant seeking a waiver of the repayment requirements, staff sought guidance from HUD. HUD determined the guidelines were not in compliance with HOME program regulations and required the City to amend the program guidelines. Once the guidelines were amended, nine program participants who paid off their loans from May 2019 to March 2020 were issued partial reimbursements. A notice of the changes to the program provisions and a loan modification agreement was mailed to all HomePort borrowers with active loans in the City's portfolio. These changes will be incorporated in the Annual Action Plan that will be reviewed by the City Council and submitted to HUD in May.

Affordable Housing Resources and update on development projects previously awarded funding for discussion and direction.

Based on the update provided to the Committee at its May 4, 2021, meeting, Committee direction was that staff should continue to reinforce with developers that they should seek resources to fill funding gaps from all development partners, not just the City. As each request for additional funding is officially presented, staff should present it to the Committee for action

Missing Middle Housing

The Committee met three times during 2021 on this subject, including one with housing panelists presentation which included Mark Wiesendanger from Maine State Housing Authority (MSHA) and local housing developer Jonathan Culley. Mr. Wiesendanger noted that the missing middle is typically described as between 60% and 120% AMI. MSHA does not have funding for units above the 60% AMI level, and State legislature is looking at ways to assist with programs for that assistance. Mr. Culley noted that all governments need to be pro-housing and partner with developers, and perhaps have governments articulate a vision for housing production goals. Staff is also evaluating inclusion of a new home ownership assistance using the Jill C. Duson HTF.

HCD CDBG Priority Task Force Report

The Committee reviewed the above Report at its September 21, 2021, meeting. Portland is required to submit a 5-year Consolidated Plan to HUD, which will be done May 2022. The report had 5 recommended structural changes, with the City Manager agreeing with two of them, that is establishing a set-aside for new programs that have previously received CDBG funding, and funding for the Community Policing program be transitioned in the City's budget and set-aside to be used in the Community Policing Program or another alternative response program managed by the Police Department. The Committee voted 4-0 to forward the City Manager's recommendations to the City Council for approval, which approval occurred at the October 4, 2021 meeting, vote 8-0.

<u>Other</u>

CAD Cell/Dredging Project Update

The Committee heard an update on this project at its February 2, 2021, meeting, in particular that staff would be reapplying for a Federal RAISE Grant for $30 Million in the Spring. This project has been ongoing for over 7 years and is the most important project to support the working waterfront and marine economy. Project completion of the CAD, if awarded this funding (staff should know towards the end of November 2021), is anticipated for 2023, and the berthing dredging by 2026. It is noted that dredging only happens in the Winter time to avoid impacts to fisheries and recreational users.

Iris Loan Amendment

The Committee reviewed this item twice during 2021 for a request to allow a 25% payment in lieu of taxes if the title to the property is transferred to a non-profit owner, estimated at $11,452. The Committee voted 0-4 to recommend approval to the City Council; it, therefore, did not go before the City Council.

Portland Harbor Commons

The Committee heard a presentation on the concept for the area between Ocean Gateway and the Maine State Pier. Next steps would be to create a first phase, crafting a budget and plan. The Committee looked forward to learn more about both funding sources and public engagement.

HEDC 2021 Annual Accomplishment Report

This Report will be reviewed at the November 16, 2021, Committee meeting, with a vote expected to forward it to the City Council as a communication.

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

TO:	Mayor Kate Snyder Members of the Housing and Economic Development Committee
FROM:	Mary P. Davis, Interim Director Victoria Volent, Housing Program Manager Housing and Economic Development Department
DATE:	November 2, 2021
SUBJECT:	COMMUNICATION ITEM: City-Owned Property Disposition for Housing Development

Introduction

The Portland City Council's on-going goals and objectives include a recommendation by the Housing and Economic Development Committee and former Housing Committee to review city-owned and tax acquired property to locate parcels that might be suitable for housing development. The responsibility of implementing the City's Property Disposition Guidelines and Procedures is with the City Owned and Tax Acquired Property Committee (COTAPC). This memo is a three-year summation of city-owned and tax-acquired properties that have successfully turned land with no tax liability into income-generating properties for the City's tax rolls that will provide one (1) single-family home with two accessory dwelling units, sixteen (16) condominiums, one hundred and one (101) apartments, and one hundred and thirty (130) to one hundred and forty (140) units of cooperative housing for a total of two hundred and fifty (250) to two hundred and sixty (260) housing units for a diverse socio-economic population. Staff will continue to review and bring additional properties forward for Committee consideration in 2022.

Progress

(1) Progress has been made on several parcels which are currently in the planning phase or the beginning stage of construction.

622 Auburn Street/0 Gray Road proposes the creation of 48 dwelling units consisting of 16 one-bedroom, 16 two-bedroom, and 16 three-bedroom units, or the maximum number of units feasible under the current zoning. The developer, Maine Cooperative Development Partners, proposes to provide limited equity cooperative townhouses to low and moderate income households earning less than 100% of the area median income for a period of no less than 99 years. On July 20, 2021, the HEDC voted to authorize staff to negotiate a Purchase and Sale Agreement. A draft Purchase and Sale Agreement has been prepared and is under review.

18 Central Avenue, Peaks Island, proposes to create a new single-family home with up to two accessory dwelling units affordable to renter households earning 80% of the area median income. The Purchase and Sale Agreement was approved on August 24, 2021 and is under review. Occupancy is expect in June of 2023.

165 Lambert Street originally proposed 30-40 duplex style, three-bedroom, limited equity cooperative townhouses in accordance with the recent amendments to Chapter 14 (the "Green New Deal"). The developer, Maine Cooperative Development Partners is working with the Planning Department in preparation for site plan review with the Planning Board. The City Council has ordered the zoning map of 165 Lambert Street be amended from R-2 to R03 Zone on 7-19-2021. A Purchase and Sale Agreement was approved by the City Council December 21, 20220 and signed in January 2021.

21 Randall Street, also known as Back Cove Flats will be a condominium consisting of 16 units of one to three-bedrooms. The project will maintain affordability with the Greater Portland Community Land Trust for a period of 99 years to households earning from 80% up to 110% of the area median income. To support the project density, the developers will request a zoning map amendment from R-5 to R-5a Zone. The Purchase and Sale Agreement was approved by the City Council on May 3, 2021 and signed on June 8, 2021.

43 & 91 Douglass Street also known as Douglass Commons proposes the creation of 56 rental apartments of low income (40 units) and market rate (16) units in one new building along with 52 affordable limited equity cooperative homes within seven new buildings. The Purchase and Sale Agreement was approved by the City Council on November 16, 2020 and signed on May 21 2021. During their October 18, 2021 meeting, the City Council voted to amend the zoning map for 43 and 91 Douglass Street from R-5 to R-5a Zone.

83 Middle Street is currently under construction, following the September 29, 2021 construction loan closing. When completed the project will include forty-five affordable units of rental housing (with eleven units set-aside for Long-Term Stayers) at 60% of the area median income or below and deed restricted for 90 years.

99 Capisic Street is currently under construction. Per the rules of COTAPC, the City Manager authorized the sale of the property on February 12, 2020. A building permit was issued in March 2020. On September 8, 2021, the City Council voted to approve the Marguerite Emerson House at 99 Capisic Street as a Historic Landmark.

(2) The Housing Committee and/or the City Council voted not to recommend disposition of several parcels.

Parcel Address	Action	Update
157 Brackett St	10-19-2020 City Council voted not to recommend disposition (Resolve 3-20/21)	Action Completed
176 Clark St	10-19-2020 City Council voted not to recommend disposition (Resolve 3-20/21)	Action Completed
431 Commercial St (Angelo's Acres)	9-17-2020 Housing Committee does not pursue housing development on parcel (see attached)	Action Completed
Boyd Street Park (Franklin Reserve)	6-17-2019 City Council voted to refer to Sustainability & Transportation Committee to formalize boundaries of the Park (see attached)	Action Completed
Outer Westbrook Street	4-25-2018 Housing Committee does not pursue housing development on parcel (see attached)	Action Completed

Further Analysis

A thorough review of over 550 parcels of city-owned property revealed only a handful of parcels are suitable for residential development. Those parcels have been brought forward to the Housing and Economic Development and/or former Housing Committee for review. **200 Lambert Street** is the only parcel pending final action. On May 21, 2019, the Housing Committee recommended waiting on the disposition of the parcel at 200 Lambert Street until the reCode work on accessory dwelling units was completed. The Committee may continue their review of the parcel for development of two single-family homes with possible accessory dwelling units. Moving forward, various citywide departments will continue to assess city-owned properties and parcels that become tax-acquired or offered for sale to determine their application for housing, and gather information for the Housing and Economic Development Committee prior to a disposal recommendation.

In addition to citywide department reviews, an annotated interactive map of city-owned property found at http://www.portlandmaine.gov/2543/GIS-Map-Online-Map-Viewer provides both an overview of all city-owned properties as well as a breakdown by parcel categories such as Land Bank/Parklands, Schools, Services & Industry, Deed-Restricted, Island, and Other Parcels. Created through the vision of the Housing Committee, the city-owned property map is an accessible tool to assist with the comprehensive and focused comparison and understanding of constraints and opportunities of city-owned parcels.

Conclusion

Disposition of city-owned and tax acquired property is a policy tool that allows for the best use for property to benefit the City, its neighborhoods, and its citizens. The process includes citywide department input, and multiple Committee and Council review just to approve the Purchase and Sales Agreement. If the project is subsidized and/or requests a zoning map amendment, this requires additional staff contributions on top of eventual site plan review and creating/reviewing closing documents. The on-going process is staff intensive and lengthy, but providing city-owned and tax acquired property for housing development, and offering the land below market price encourages housing development to support greater affordability.

Attachments

08.07.2020 Staff Memo re: 431 Commercial St
09.10.2020 Staff Memo re: 431 Commercial St
09.02.2020 City Manager Memo re: 431 Commercial St
02.23.2018 Staff Memo re: Franklin Reserve & Outer Westbrook St
04.20.2018 Staff Memo re: Outer Westbrook St

CITY OF PORTLAND
Planning & Urban Development Department
Housing and Community Development Division

TO:	Councilor Duson, Chair Members of the Housing Committee
FROM:	Mary Davis, Division Director Housing and Community Development Division Victoria Volent, Housing Program Manager
DATE:	August 7, 2020
SUBJECT:	Review and Recommendation to the City Council on Disposition of Tax Acquired and City-Owned Property (431 Commercial Street, 622 Auburn Street, 0 Gray Road, Falmouth)

Introduction

Department wide surveys conducted by COTAPC for the disposition of three city-owned properties (431 Commercial Street, 622 Auburn Street and 0 Gray Road, Falmouth) have been completed and are presented below per the request of the Housing Committee for consideration and recommendation to the City Council for disposition.

Disposition of Tax Acquired and City-Owned Property

Section 2-313 of the City Code governs the process by which the City disposes of tax acquired and city-owned property. The responsibility of implementing the City's Property Disposition Guidelines and Procedures is with the City Owned and Tax Acquired Property Committee (COTAPC). The Committee has four major functions:

- Selecting properties for sale using pre-established criteria
- Establishing conditions for the sale of individual properties
- Selecting the method of marketing and disposition
- Reviewing bids/proposals to purchase and making a recommendation to the City Manager

After receiving a recommendation from COTAPC to dispose of city-owned property, the City Manager would recommend to the City Council authorization of the disposition process. After approval by the City Council to begin the disposition process, COTAPC would then proceed with the sale process COTAPC, on behalf of the City, may place criteria on the disposition of individual properties or groups of properties that meet the City's objectives. COTAPC would meet to determine if a minimum acceptable purchase price can and should be set for a particular parcel based on assessed value, potential for reuse, and current condition of the property. The City Council may act to authorize staff or the appropriate City Council Committee to review bids/proposals for a recommendation to the City Council for a Purchase and Sale Agreement. In cases where more than one proposal is received for the same property but for different uses, the COTAPC may recommend to the City Manager the proposal and use that will best accomplish the City objectives as detailed in Section I of these Rules, regardless of price offered.

431 Commercial Street

This 1.29 acre (56,245 sq. ft.) parcel located in the West End near the Casco Bay Bridge at 431 Commercial Street is a parking lot used by downtown employees and visitors as well as the City for storage and operations purposes, including placing cars there during snow bans. The assessed value of the property is $562,500.

The property was acquired by the City of Portland in the Order of Condemnation dated August 18, 1997 for the purpose of permitting the expansion of the facility at the International Marine Terminal. A payment of $590,000 was remitted to the previous owner (Angelo Ciocca of Bridgeport Associates).

The property is located in the B-5b zone, which is characterized by urban commercial mixed-use. A minimum lot area per dwelling unit in the B-5b zone does not exist.

During the July 28 meeting of COTAPC, the Committee determined its recommendation to the City Manager is to retain 431 Commercial Street. It was also noted that the City Manager's Working Waterfront Group also sees this piece of land as valuable to the marine industry and for needs unforeseen at this time. It is seen as an asset for transportation issues as development density increases in the area. Below are the results of the department-wide survey conducted by COTAPC.

- *I strongly believe that the City should maintain ownership of this parcel and continue to use it primarily as a parking lot with a small area for storage for downtown Public Works functions. This lot provides an affordable parking option for downtown employees and visitors in addition to Island residents and their guest. It also provides snow ban parking. Without this lot many small businesses would be adversely effected and there would be an increased demand on the on street parking. In a "no Covid year", this lot can generate approx. $100,000 per year in revenue. I urge the City to maintain this lot in it's current status.*
  Jon Peverada – Parking Division Director

- *PW and Waterfront use this location for salt operations including a salt shed and parking during parking bans. In summer months we use it for storage and litter vac debris. An alternative location in the general area is going to need to be found or it will significantly impact work in the downtown and waterfront.*
  Christopher Branch – Director of Public Works

- *The City should retain this particular piece of property. It is a prime piece of real estate and the City has a unique opportunity to control the future development of this parcel by retaining it and keeping in alignment with the 2030 Comprehensive Plan for this area such as helping to balance the transportation needs of the Commercial St. corridor.*

  One of the most common analyses in real estate is the principle of Highest and Best Use. Highest and best use is defined as: the reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value.

  I'll come back to this, but first let's talk about current value. This parcel is coded in our CAMA (Computer Assisted Mass Appraisal) system as City Residual Vacant Land. It's been this way since the last revaluation in 2006 and the assessed value has been the same $562,500 since that time. Because it's tax-exempt, the value has not been thoroughly reviewed or scrutinized over the years, which is very typical for tax-exempt parcels. (No one ever really cares about the value of tax-exempt parcels until they become taxable.)

  Had we implemented the new values on April 1 developed for the 2020 Revaluation Project, this parcel would have stayed coded as City Residual Vacant Land and the value would have effectively doubled to $1,125,000 as "residual" land in this area came in at $20/psf. If this parcel became taxable and was coded as a "Primary Buildable/Improved" parcel, the post-reval land value would be $3,554,700 or $63/psf. Although we are not implementing these values as the revaluation has been pushed back until next April 1 and this value could change slightly, I think this information is critically important to consider when we look at both the value and worth of this parcel and the concept of Highest and Best Use.

  Is housing the highest and best use for this parcel? On one of the busiest corridors in the City? Next to a major bridge overpass? Across from a bustling International Marine Terminal? One with a plan to build a 170,000 sq. ft. cold storage facility?
  (What's that increased truck traffic count look like?) I say all this to argue that a land use other than housing would be considered Highest and Best for this parcel.
  Christopher Huff – Tax Assessor

- *We should keep this lot. As we have sold lots in the downtown core, we have lost valuable storage and operations space that is convenient to downtown, as well as*

parking. While Public Works would use this space much more than Parks, Rec and Facilities, we often work together on Winter Operations or to store materials, equipment, etc... and this lot is useful for that purpose.
Ethan Hipple- Acting Director of Parks, Recreation and Facilities Department

- *Right now it's not only operationally important (as John and Chris point out) for the City, but it's also a parcel that has been targeted for so many different interests and needs - parking, working waterfront, storage, shelter, housing, etc. - that at the least there should be a broader discussion of what could or should happen there beyond just its viability for housing.*
  Christine Grimando – Director of Planning and Urban Development

622 Auburn Street

622 Auburn Street abuts the Falmouth property line and contains 4.85 acres of land. 4.17 acres are considered dry upland with potential for development; access would be from Auburn Street through the right of way. A survey of the property by a wetland scientist concluded no vernal pools are located on the site. Standing water on the property is the result of road ditching and culverts.

This property has been the subject of many proposed uses including rezoning to an office park zone (which the Council did not pass); housing development (which was withdrawn due to neighborhood opposition); and for athletic fields.

0 Gray Road, Falmouth

The majority of 0 Gray Road is bound by Highway I95 to the north, Falmouth/Portland City boundaries to the south, 6 parcels to the west, and a couple of residential properties to the east. Currently, the site is undeveloped. The parcel contains approximately 13.3 acres with an assessed value of $52,600. It is zoned “Mixed Use Cluster District” (MUC), which includes residential. With a minimum lot size for single-family detached and accessory dwelling units at 20,000 sq. ft., if the site was deemed 100% developable, it could yield 28 units.

The Town of Falmouth has confirmed the paper streets for this Falmouth property have been continued, including Ray and Eugene Streets, which are possibilities for accessing this parcel. The wetland scientists Jones Associates, Inc. determined there are three streams located within the property. Two streams on the property only occur on the parcel for a short distance before flowing off the lot. The largest stream bisects the property north and south by its east to west flow. There appears to be a stream in the area of Eugene Street, which could be crossed with a permit from MDEP and ACOE.

COTAPC Recommendation

During the July 28 meeting of COTAPC, the Committee determined its recommendation to the City Manager is to retain 431 Commercial Street, and sell 622 Auburn Street and the abutting property at 0 Gray Road, Falmouth as one property.

Next Step

Based on the rules outlined in Section 2-313 of the City Code, COTAPC presented their recommendation to the City Manager to retain 431 Commercial Street and jointly sell 622 Auburn and 0 Gray Road, Falmouth. The City Manager is reviewing the COTAPC recommendations and will present his recommendation to the City Council regarding the disposition of these properties, per the City Code.

The Housing Committee may choose to take action on these parcels, similar to the actions taken on city-owned property at 21 Randall Street, 43 & 91 Douglass Street, 165 Lambert Street, 156 Brackett Street and 176 Clark Street.

Attachments:

431 Commercial Street: GPS map
622 Auburn Street: GPS map
0 Gray Road, Falmouth: GPS map

431 Commercial Street

Parcel 043 C007

P

Parcel 043 C009

CITY OF PORTLAND
Planning & Urban Development Department
Housing and Community Development Division

TO:	Councilor Duson, Chair Members of the Housing Committee
FROM:	Mary Davis, Division Director Housing and Community Development Division
DATE:	September 10, 2020
SUBJECT:	UPDATE: Review and Recommendation to the City Council on Disposition of Tax Acquired and City-Owned Property (431 Commercial Street, 622 Auburn Street, 0 Gray Road, Falmouth)

Introduction

During the August 12 Housing Committee meeting, the Committee reviewed information on three city-owned properties (431 Commercial Street, 622 Auburn Street and 0 Gray Road, Falmouth). At the time the City-Owned and Tax Acquired Property Committee (COTAPC) recommendations for these properties were available, however the City Manager had not had an opportunity to provide his recommendation. The Housing Committee voted to postpone action on all three properties until the City Manager's recommendation was available. A memo from the City Manager to the Housing Committee and Economic Development Committee (EDC) is attached.

Next Step

Based on the rules outlined in Section 2-313 of the City Code, COTAPC presented their recommendation to the City Manager to retain 431 Commercial Street and jointly sell 622 Auburn and 0 Gray Road, Falmouth. As noted in his memo, the City Manager supports the COTAPC recommendations and has requested that staff work with the EDC to determine the best method to dispose of these parcels to maximize the development of housing. The EDC will discuss the 622 Auburn and 0 Gray Road parcels at their September 15, 2020.

Attachments:
September 9, 2020 Memo from the City Manager.
September 9, 2020 Staff Memo to the Economic Development Committee

CITY OF PORTLAND
Executive Department
Jon P. Jennings, City Manager

MEMORANDUM

TO: Councilor Justin Costa, Chair
Members of the Economic Development Committee
Councilor Jill Duson, Chair
Members of the Housing Committee

FROM: Jon P. Jennings, City Manager

DATE: September 9, 2020

RE: City Manager's Recommendations: Angelo's Acre/431 Commercial Street, 622 Auburn Street/O Gray Road, Falmouth

I received and reviewed recommendations from the City Owned and Tax Acquired Property Committee (COTAPC) regarding city-owned property currently being reviewed by the Housing Committee.

Angelo's Acre/431 Commercial Street/City-Owned Vacant Land Property

The COTAPC recommended that this property be retained for City uses now and in the future. I concur with this recommendation. This is a valuable piece of property to the City and should continue to be held by the City for parking, as well as unforeseen uses in the future. This is one of the only affordable public parking areas in this section of the city and as such, it is a vital resource for employees of the businesses on the working waterfront and the downtown area. Therefore, at this time, city staff has not undertaken any review of or prepared any proposals for the use of this property.

622 Auburn Street & 0 Gray Road, Falmouth/City-Owned Vacant Land Property

The COTAPC recommendation was to sell the 622 Auburn Street parcel and the abutting property in Falmouth that the City owns as one parcel. The 622 Auburn Street property contains 4.84 acres, with an assessed value of $89,700. The Falmouth property contains 13 +/- acres and has an assessed value of $52,600. COTAPC is aware of the housing shortage and feels this could be better used for that purpose. I agree with the COTAPC recommendation to dispose of these properties.

As stated in the COTAPC rules, I can provide my recommendations to the City Council and/or City Council Committee to begin the disposition process. I am therefore, presenting my recommendations to both the Economic Development Committee and Housing Committee as one or all of the above-mention properties have been discussed by both committees.

COTAPC rules also state that I may set out the process for the marketing and review of bids/proposals with a final recommendation to the City Council Committee for its recommendation to the City Council, together with a Purchase and Sale Agreement. Therefore, I am requesting that staff work with the Economic Development Committee to determine the best method to dispose of these parcels to maximize the development of housing.

TO: Councilor Duson, Chair

Members of the Housing Committee

FROM: Victoria Volent, Housing Program Manager

DATE: February 23, 2018

RE: City Owned Property

Introduction

In accordance with Section 2-313 of the City Code, the city may provide city-owned land for housing development and offer the land below market price to encourage housing development or support greater affordability. Selling city owned land provides the city with unique control over the timing, location, and affordability of housing development in Portland. It also has the added benefit of turning land with no tax liability into an income generating property for the city's tax rolls.

Inventory of City Owned Property

In 2013, Portland's Assessing Department identified more than 400 city-owned land parcels which included parks, cemeteries, and other properties designated as recreation/open space, resource protection zones, or in the land bank. Eliminating parcels such as schools, and land likely slated for other uses or purposes (for example trail expansion) from the original list resulted in a revised list of 253 properties. From that list, eight lots were identified for further review and discussion as possible affordable housing locations. Subsequently the vacant lot at the site of the former Adams Elementary School was utilized towards the development of eight workforce units at 65 Munjoy Street. Six parcels of city-owned land in the Bayside neighborhood used by Portland's Department of Public Works were sold in April of 2017 under the stipulation that roughly 100 units of mixed use housing be built.

In August 2015, the United States EPA awarded $200,000 to the Greater Portland Council of Governments to work closely with the City of Portland to develop a Brownfield Area Wide Plan for the East Bayside neighborhood. The 130 acre land area of East Bayside has the potential for the development of retail, wholesale, greenspace, and affordable housing. A site referred to as the Franklin Reserve is a 1.88-acre parcel that was reportedly reserved for the four-lane highway known as Franklin Arterial, but was never utilized for this purpose. Currently, the Franklin Reserve includes community focused urban farms occupied by Cultivating Community (central and northern portions of 2 Boyd Street), and undeveloped land (eastern portion of 2 Boyd Street). The 2018 Housing Committee work plan proposes the presentation of the Franklin Reserve Massing Study at the March 28 meeting for the committee's review.

Another possible site is located on outer Westbrook Street. This site is a seven acre city-owned lot that abuts the Turnpike, Fore River Sanctuary, and Tech Park. Though not part of any on-going discussion to sell this parcel, the lot would allow 16 units of single family housing. Additional research is necessary to evaluate the appropriateness of this site for housing development.

City-Owned and Tax-Acquired Property Committee

In April of 2016, the City Council adopted order 190 – 15/16 amending the rules for the disposition of city-owned and tax-acquired property. The, City-Owned and Tax-Acquired Property Committee (COTAPC) was tasked with: eliminating neighborhood blight; assisting with neighborhood preservation and revitalization efforts; improving the City's housing stock; and putting properties back on the tax roll. The responsibilities of COTAPC include the selection of properties for sale using pre-established criteria. The committee is comprised of staff members representing departments involved in the disposition of tax-acquired and other City-owned property.

Land Evaluation

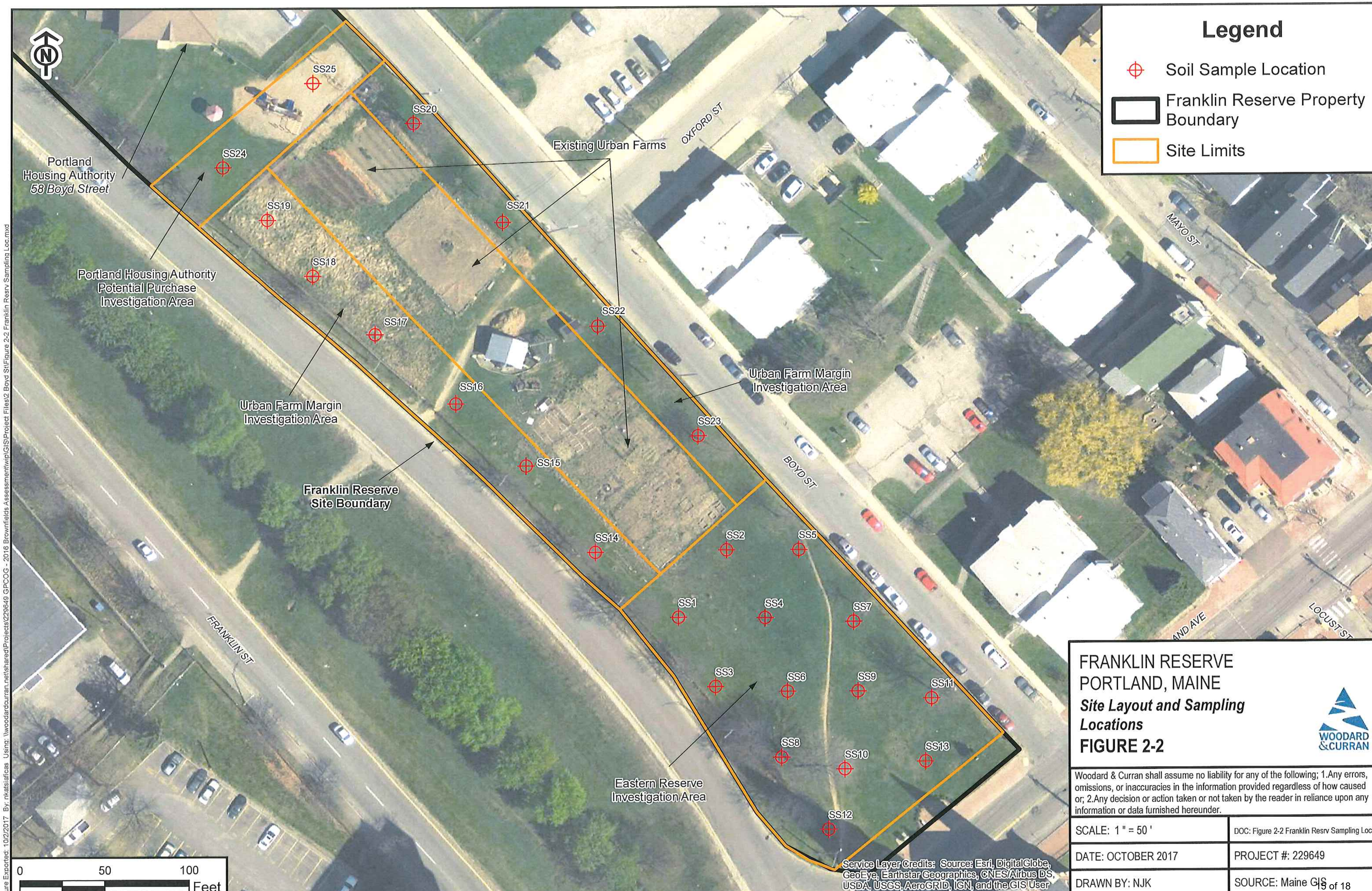
Though the City owns hundreds of parcels, the majority pose significant obstacles for developing affordable housing due to topography (extensive amount of ledge or significant wetland), infrastructure costs (a number of paper streets would require construction of connected roadways, and sewer and storm water expansion), and zoning (industrial locations; density limits). Some lots lack depth; they are long and thin (similar to a strip of spaghetti), or they are the location of playgrounds or community gardens, or are used for drainage. The City conducts on-going evaluations of properties for housing options.

Summary

Two main themes from Portland's new comprehensive plan were housing insecurity and lack of sufficient and suitable housing. The City recognizes that its vitality rests on the availability of diverse, secure housing options for existing residents, new arrivals, and all stages of life. Staff will continue to provide the committee with information regarding other potential housing parcels.

Attachments

Franklin Reserve site layout and sampling locations
Outer Westbrook Street parcel map



FRANKLIN RESERVE
PORTLAND, MAINE

Site Layout and Sampling Locations

FIGURE 2-2

WOODARD & CURRAN

Woodard & Curran shall assume no liability for any of the following; 1.Any errors, omissions, or inaccuracies in the information provided regardless of how caused or; 2.Any decision or action taken or not taken by the reader in reliance upon any information or data furnished hereunder.

SCALE: 1 " = 50 '	DOC: Figure 2-2 Franklin Resrv Sampling Loc.mxd
DATE: OCTOBER 2017	PROJECT #: 229649
DRAWN BY: NJK	SOURCE: Maine GIS

Figure Exported: 10/2/2017 By: nkatsiaficas Using: \\woodardcurran.net\shared\Projects\229649 GPCOG - 2016 Brownfields Assessment\wip\GIS\Project Files\2 Boyd St\Figure 2-2 Franklin Resrv Sampling Loc.mxd

Portland, Maine — Yes. Life's good here.

Planning & Urban Development Department

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Victoria Volent, Housing Program Manager

DATED: April 20, 2018

SUBJECT: Tax Acquired and City Owned Property: 0 Westbrook Street, parcel review

---

Introduction

The Housing Committee's 2018 prioritized housing proposals include the recommendation to have the City take the lead in exploring the creation of a Portland Community Land Trust (CLT) that would receive consideration at below-market rate for surplus city property for housing development. As part of the review of city-owned property, staff conducted a site walk on April 10 to access the parcel at 0 Westbrook Street for potential housing development.

0 Westbrook Street

On July 24, 2017, the City Council adopted order 272- 16/17 to accept the recommendation from the Planning Board to rescind the flexible housing overlay zone located along a portion of Westbrook Street (i.e. 0 Westbrook Street). The 7.05 acre site, assessed for $199,600 is now located in the R – 1 zone. The R – 1 zone is the location of lower density residential development characterized by single-family homes on individual lots of 15,000 square feet or more.

The Westbrook Street parcel, across from the future Stroudwater Preserve site, borders a Resource Protection Zone to the north, land held by the Portland Water District to the west, a single-family lot to the east, and two single-family lots located on Westbrook Street to the south. The parcel is the location of the Westbrook Street entrance to the Fore River Sanctuary. This parcel has been of interest to Portland Trails and the Land Bank Commission for many years. Portland Trails has established a trailhead connecting Westbrook Street to the Fore River Sanctuary at this location. The site features several streams/drainage channels, wet areas and the remnants of a portion of the historic Cumberland Oxford Canal. These generally drain to the Fore River. A natural gas pipeline was also installed through a portion of the site, along the east boundary, to serve the Portland Tech Park. There are also numerous Portland Water District, drainage and other easements on the site.

Staff Analysis and Recommendation

An initial review of the parcel suggests the possibility of developing six single family lots. However, given the many challenges associated with this site, the development would be very expensive. Staff is not recommending perusing this parcel as an option for housing development.

Attachments:

GIS Map
Site Map
Images


Rand
Rd. City RPZ
Land
Natural Gas Line
(See Survey Maps for Actual Location)
Portland Trails
Fore River Sanctuary Trailhead (Easement?)
SWIN-6096
SWIN-6095
WESTBROOK S