

Portland, Maine



Yes. Life's good here.

ECONOMIC DEVELOPMENT COMMITTEE

DATE: October 25, 2016
(Tuesday)
TIME: 5:00 – 7:00 p.m.
LOCATION: Room 209
Portland City Hall

A G E N D A

1. **Review and accept Minutes of previous meetings held on August 23, 2016 and on September 6, 2016.**
2. **Review and vote to recommend to the City Council Assignment of the McAuley Place TIF CEA.**
 - a) See enclosed memo from Greg Mitchell.
3. **Review and vote to recommend to the City Council acceptance of the FYE2016 TIF Report as a communication.**
 - a) See enclosed memo from Greg Mitchell with Annual Report.
4. **Executive session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide City staff general policy guidance regarding real estate negotiations as follows:**
 - a) Possible sale of City-owned East End property;
 - b) Proposed amendments to the City and JBB Land Exchange Agreement;
5. **Review of 2016 Updated Economic Development Committee Work Plan for discussion.**
 - a) See enclosed memo from Greg Mitchell and 2016 Updated EDC Work Plan.

Public Comment will be accepted on action items.

Next Meeting: November 1, 2016

Councilor David Brenerman, Chair

Minutes
Economic Development Committee
August 23, 2016

A meeting of the Economic Development Committee of the Portland City Council was held Tuesday, August 23, 2016 at 5:00 p.m. in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor David Brennerman and members Councilors Justin Costa and Spencer Thibodeau; Councilor Costa arrived shortly after the meeting started as noted in the Minutes. Present from the City staff were Associate Corporation Counsel Michael Goldman (for only the executive session items) Economic Development Director Greg Mitchell, Waterfront Coordinator William Needelman, Senior Executive Assistant Lori Paulette, and Parking Manager John Peverada.

Item #1: Review and accept Minutes of previous meeting held on July 26, 2016.

On motion made and seconded, the Committee voted unanimously (2-0) to accept the Minutes.

Item #2: Review and vote to recommend to City Council City Lease Agreement with Creative Portland for space at 84 Free Street in the Spring Street Garage.

Mr. Mitchell first noted that he is an ex officio Creative Portland (CP) Board Director, and he does not feel he has a conflict of interest with this item. He then noted that CP Board President Sondra Bogdonoff was in attendance.

Mr. Mitchell highlighted the terms of the Lease Agreement for 1,172 sq. ft. of commercial space, along with 1,772 sq. ft. of basement storage space. The term of the lease is proposed as 7 years with one renewal option for up to 3 years at a rental rate subject to mutual agreement. The rent for the first 7 years is proposed as fixed at

\$1,000 annually. There is no parking included.

Mr. Mitchell also noted that the Portland Development Corporation (PDC) approved a loan to CP for \$25,000 for fit-up of this raw space. The proposed lease also has a clause that it can be terminated upon loan default.

Mr. Mitchell said that this space, which has been vacant for a number of years, would provide CP with a storefront presence which would strengthen their ability to connect with constituents and provide more information of their programs of service. Staff recommends approval.

Chair Brenerman noted that he is also an ex officio CP Board Director. At CP Board meetings, he did not participate in the discussion and vote on use of this space so that he could vote here and at the Council meeting. He said that this is a great move for CP and will provide it much more visibility.

Councilor Thibodeau indicated that he was all set with this; his questions were answered at the last meeting.

Chair Brenerman asked if there was any public comment. There being none, the public comment session was closed.

On motion then made and seconded, the Committee voted unanimously (2-0) to forward this to the City Council with a recommendation for approval.

Ms. Bogdonoff thanked the Committee and look forward to the move and energizing that area of the downtown.

Item #3: Amethyst Lot Planning: Review and provide feedback on draft description of goals and program elements for the Amethyst Lot that will direct its future planning, design, and development into a signature public open space on Portland's Waterfront. (Please see attached PowerPoint presented at meeting.)

Mr. Needelman said that the Amethyst Lot (AL) has been the subject of conversations over the last 15 years. The EDC's guidance will be appreciated as the

process as moves forward. The future of the AL is part of the Eastern Waterfront Integrated Work Plan. A presentation was made to a stakeholder group early yesterday evening, and that group provided a few edits for the program statement that will help guide the process and an RFQ to be issued for the City to choose a design team who will then create design concepts. The AL area to be included in designing concepts has approximately land area of 2 acres, plus the Moon Tide Park – 1 acre, as well as submerged lands (10 acres) – all totaling approximately 13 acres of study area. He noted that Sail Maine occupies approximately 11,000 sq. ft. at the east end of the AL. When cruise ships are docked, the AL is used by many taxis queuing up for the cruise ship passengers; this use will most likely be moved as the AL is developed. Design concepts will include integration with trail uses, which have been in existence since the 1990s. He then showed older design concepts of the AL, with one having tug boats in this area. Those tug boats today are envisioned to be located between Ocean Gateway and the Maine State Pier.

Mr. Needelman continued noting that the Portland Company is planning to have a year-round marina, so a commercial marina at the AL is not currently assumed as a key component. He displayed Alan Graves' concept of a commercial marina from the AL, noting that he has had conversations with Mr. Graves about the concept. Perhaps, in the future, this can be discussed as a potential revenue source and possibly smaller in size. The goal is to have a signature public open space.

Mr. Needelman then showed examples of such public open spaces on the water, including "Sail Newport" and went through the goals, noting that the stakeholder group had a few edits from its meeting yesterday late afternoon and those are highlighted in red (again, please refer to attached presentation).

The timeline would have the staff work group recommending a preferred alternative design with budget to the City Manager in March 2017, followed by EDC and

direction to proceed, review by the Parks Commission, Land Bank Commission, Council Workshop, EDC recommendation to full Council, and Council public hearing and vote June-July 2017.

Mr. Needelman said that staff is requesting guidance/direction only today; no vote is needed.

Councilor Costa had a process question of tying in future improvements with the CIP, and Mr. Needelman agreed. With the design alternatives due in approximately March, staff will then formulate a budget for CIP tie in. He anticipates no construction work occurring in 2017, just the design/engineering work.

Councilor Thibodeau said that he would like to see the taxis out of this area and rather it be used for people who come into the City to park. The program statement for the AL itself will be important and applauded having Moon Tide Park included in the overall design plans.

Chair Brenerman said that stakeholders usually live or work nearby, and he suggested including one or two off peninsula folks in this group.

Mr. Needelman said that the stakeholders at this point include those currently using the area, abutting property owners, among others. Additional stakeholders would be welcomed, and suggested any referrals to him would be appreciated. The overall concept that is chosen may be difficult to pay for, and this may be an opportunity to consider a marina – but to what scale would need to be vetted. It has not been a dominant sentiment to have a commercial marina at the AL. He also noted that the Portland Company site has a commercial marina proposed, and questioned the City being in competition with that marina. Council direction would be requested.

Chair Brenerman questioned the City retaining part of the AL and selling the rest, and Mr. Needelman said that anything is possible. There will need to be prioritization of potential uses, while also noting that a signature open space may require

most of the AL.

Chair Brenerman said that there are many potential uses highlighted and questioned how to prioritize, and Mr. Needelman noted three goals that have been discussed for the future for the AL which include: community boating, public landing, and open space. Prioritization will be a process of omission, and the designer chosen is anticipated to provide multiple designs for consideration.

Chair Brenerman asked about public landings on the peninsula, and Mr. Needelman said that the Maine State Pier has space for up to 5 boats to tie up for 2 hours; depending on how tied up, there may be space for only 2 or 3. Bell Buoy Park has drop off area only. Those are the only two areas on the peninsula for public landings. You can also pay by the hour at DiMillo's or at Portland Yacht Services.

Councilor Costa highlighted the public easement that will be part of the Portland Company plans. Although there are still plenty of moving pieces for that development, that easement can also provide an opportunity to identify locations for community boating, public landing, and open space.

Mr. Needelman said that is important for the AL to be integrated with public and private development, noting that the Portland Company is represented in the stakeholder group.

Chair Brenerman said that, particularly, public access to the waterfront is needed and then asked about next steps.

Mr. Needelman said that concepts provided will also have budgets for their build out. He noted that charter boats could possibly be an element to help with build out for the AL. Updates and concepts will be provided to the EDC periodically.

Chair Brenerman thanked Mr. Needelman and the Committee for moving this forward.

Tony Donovan asked if there would be an opportunity for public comment, and

Chair Brenerman indicated that there would not. There is opportunity for public comments at the stakeholder meetings and at public forums to occur. Mr. Donovan said that he represented the railroad and handed the attached to the Committee: (1) Eastern Promenade Trail Corridor Agreement of 5/3/1995 between the City and State of Maine DOT; and, (2) Memorandum of Understanding of 5/31/2015 between CPB2 LLC and State of Maine DOT.

Mr. Needelman noted that both MDOT and the Maine Narrow Gauge Railroad have been invited to participate in the stakeholder meetings.

Item #4: Review of 2016 Updated Economic Development Committee Work Plan for discussion.

Mr. Mitchell said that this is a regular item at each meeting to update the Committee of what has been done, in progress, and future items. He noted that with Lori Paulette's assistance, 32 of the 44 developed tax-acquired properties have redeemed their properties and are now out of foreclosure. This brought in over \$350K in back taxes, interest, and costs. Because these were redemptions and not sales, the Housing Trust Fund has not yet seen any funding from sales.

Councilor Thibodeau said that outdoor dining is still a topic he would like to look into more to increase seating. He requested other cities be looked into as to how they take care of this issue for extra seating, noting Montreal for one.

Councilor Costa suggested that a meeting be reserved for restaurateurs to come in to talk about anything they want to. Chair Brenerman said that this might be good during January or February when it is slower for the restaurants. Mr. Mitchell said that he can partner with Portland's Downtown on this, and Councilor Costa said that this can be informally discussed now so that restaurateurs will know about this opportunity come January or February for an open forum.

Chair Brenerman said that towards the end of the year/first of next, it would be

interesting for CVB Executive Director Lynne Tillotson to provide the EDC with an update of a future convention center in Portland.

Councilor Costa asked about planning surround the Arctic Council coming to Portland the first of October, and Mr. Mitchell said that he would issue an update on City plans, as well as of the Maine International Trade Center who is spearheading logistics for this event.

Item #5: Executive sessions pursuant to 1 M.R.S.A 405(6)(C), the Committee will go into executive session to discuss the following (6:20pm to 7pm):

- a. **To provide staff direction regarding the possible sale of City owned property located in Portland's East End. See enclosed confidential memo from Greg Mitchell with attachments.**
- b. **To provide staff direction on the possible sale of 7+/- acres of City owned industrial property located in the Riverside Street Industrial Subdivision. See enclosed confidential memo from Greg Mitchell with attachments.**
- c. **To provide staff direction regarding City lease terms with possible new Eastern Conference Hockey League use of space at 94 Free Street in the Spring Street Garage. Confidential memo to be provided before meeting.**

Chair Brenerman noted that Item 5(c) would not be taken up tonight.

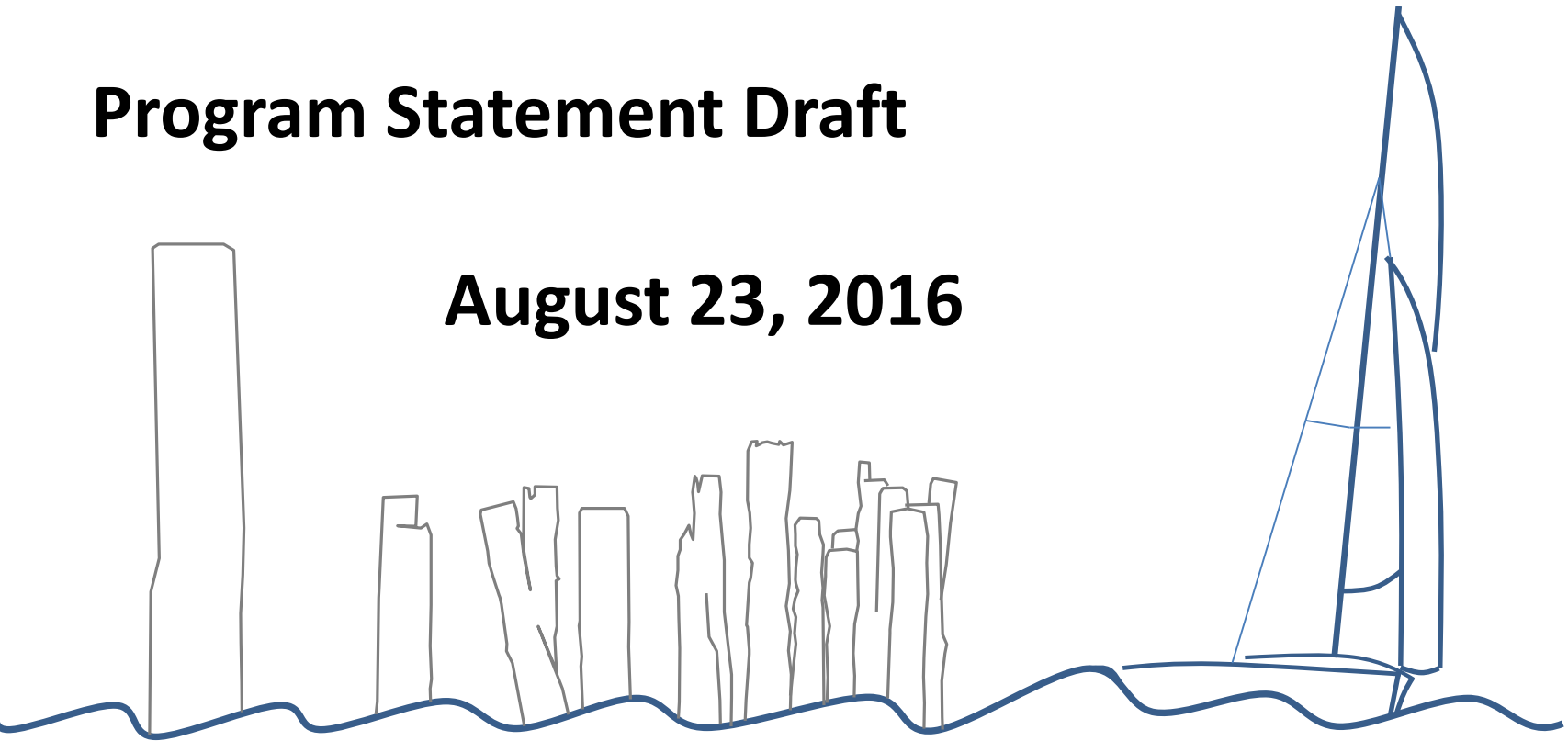
On motion then made and seconded, the Committee voted unanimously at approximately 6:20 to into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss items #5(a) and 5(b) above. At approximately 7:00 p.m., the Committee came out of executive session and the meeting adjourned.

Respectfully, Lori Paulette

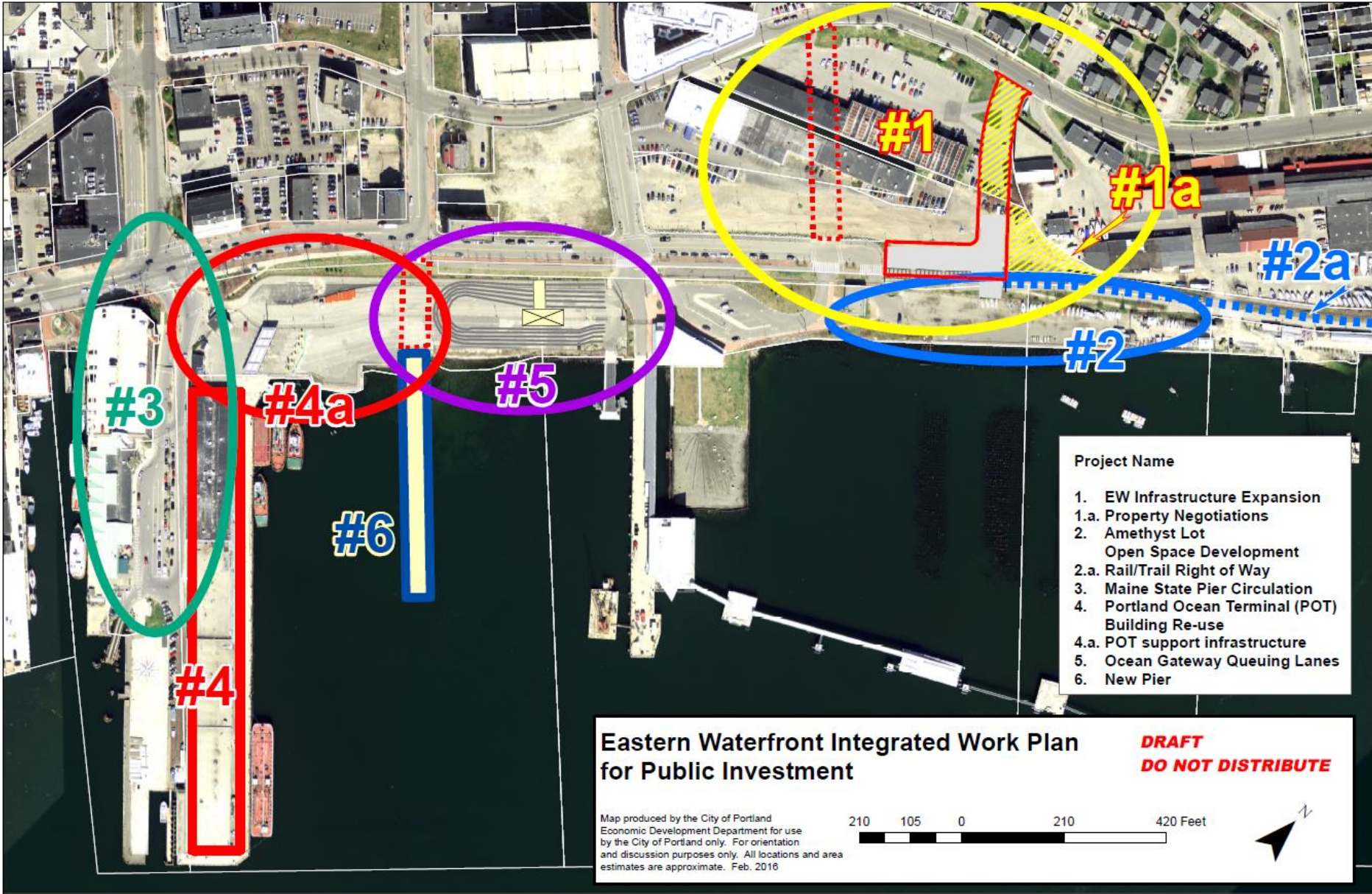
Economic Development Committee Amethyst lot Design Process Briefing

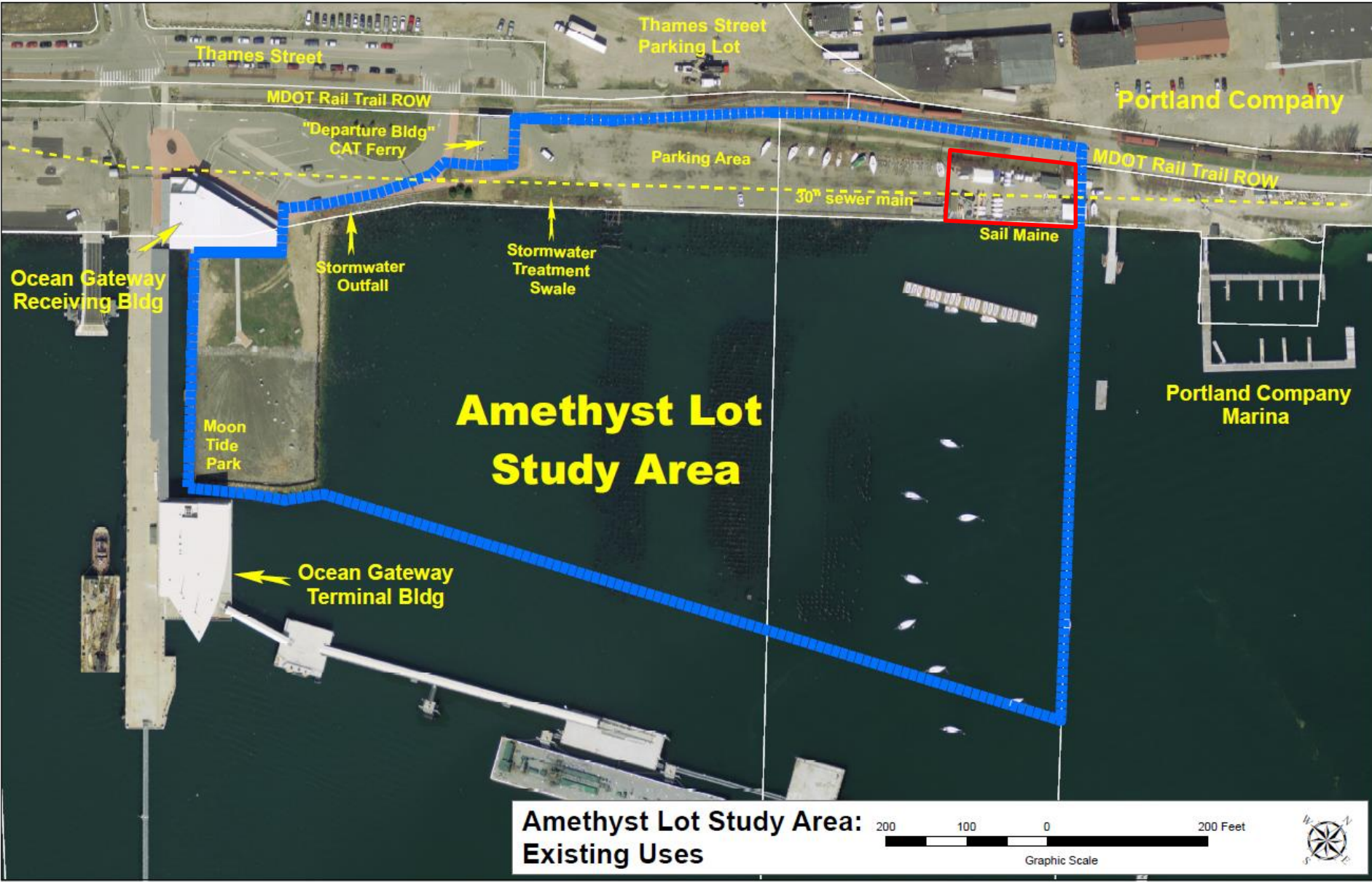
Program Statement Draft

August 23, 2016

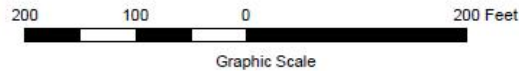








**Amethyst Lot Study Area:
Existing Uses**



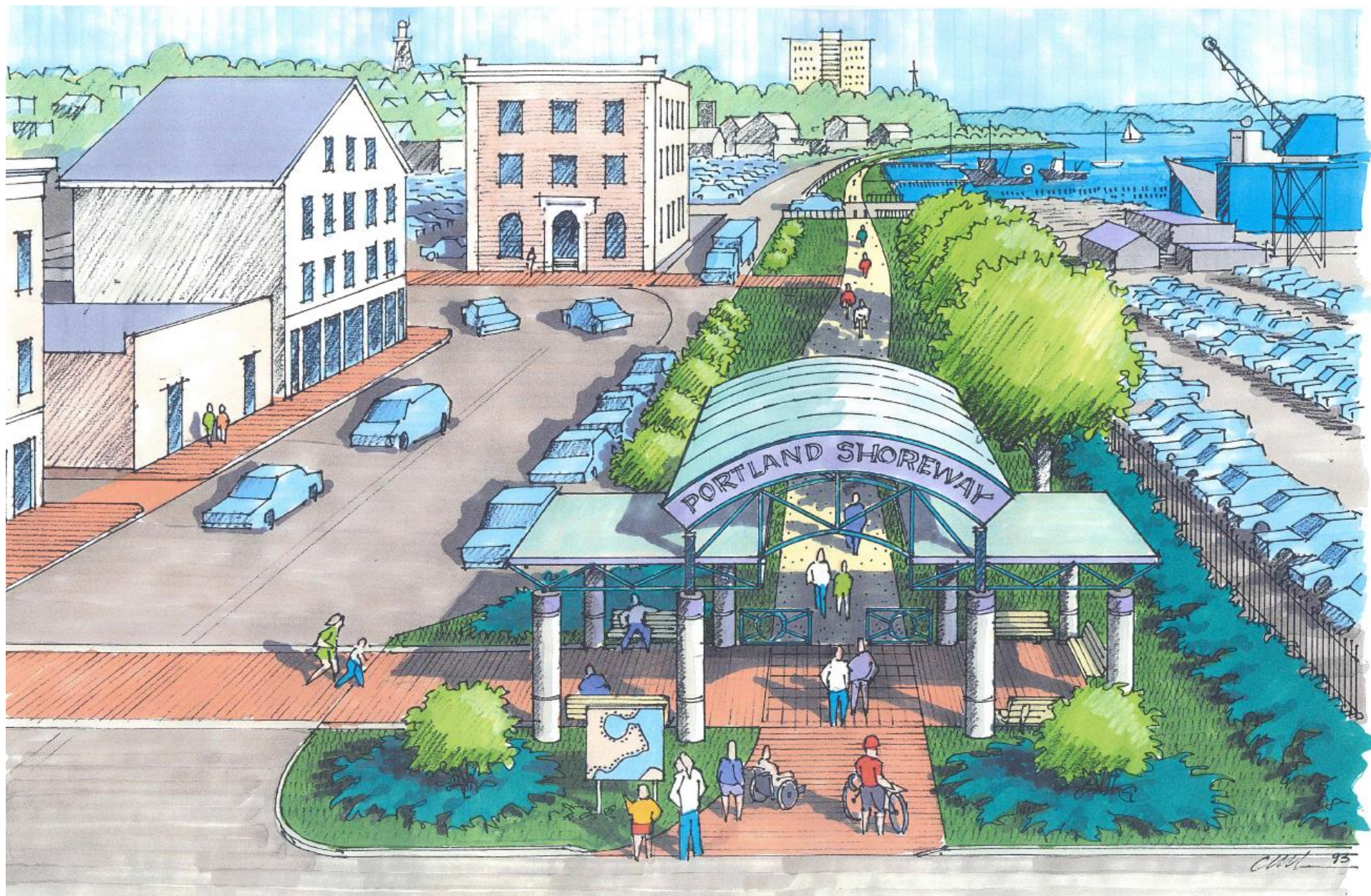


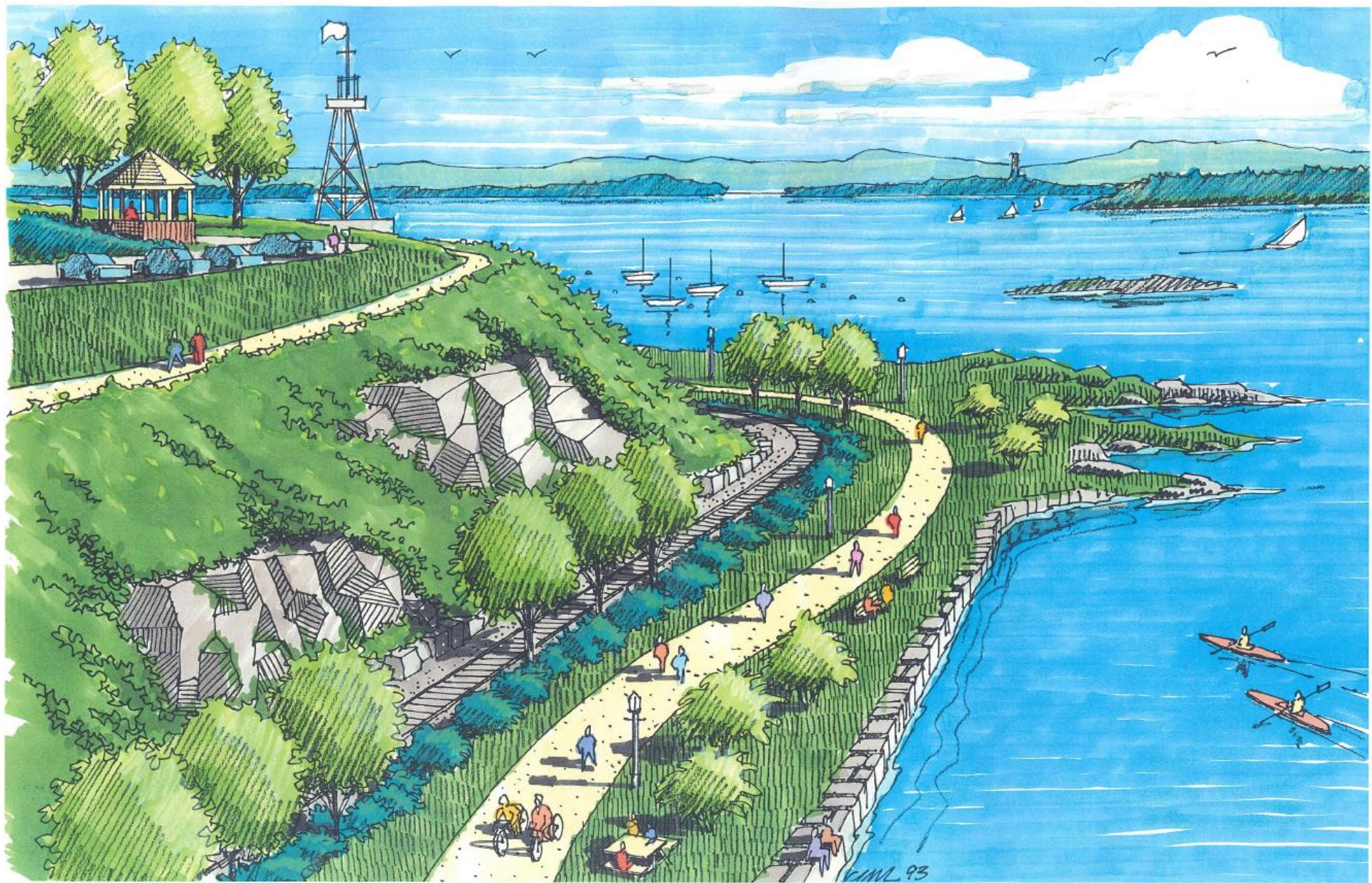




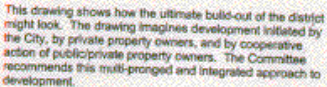












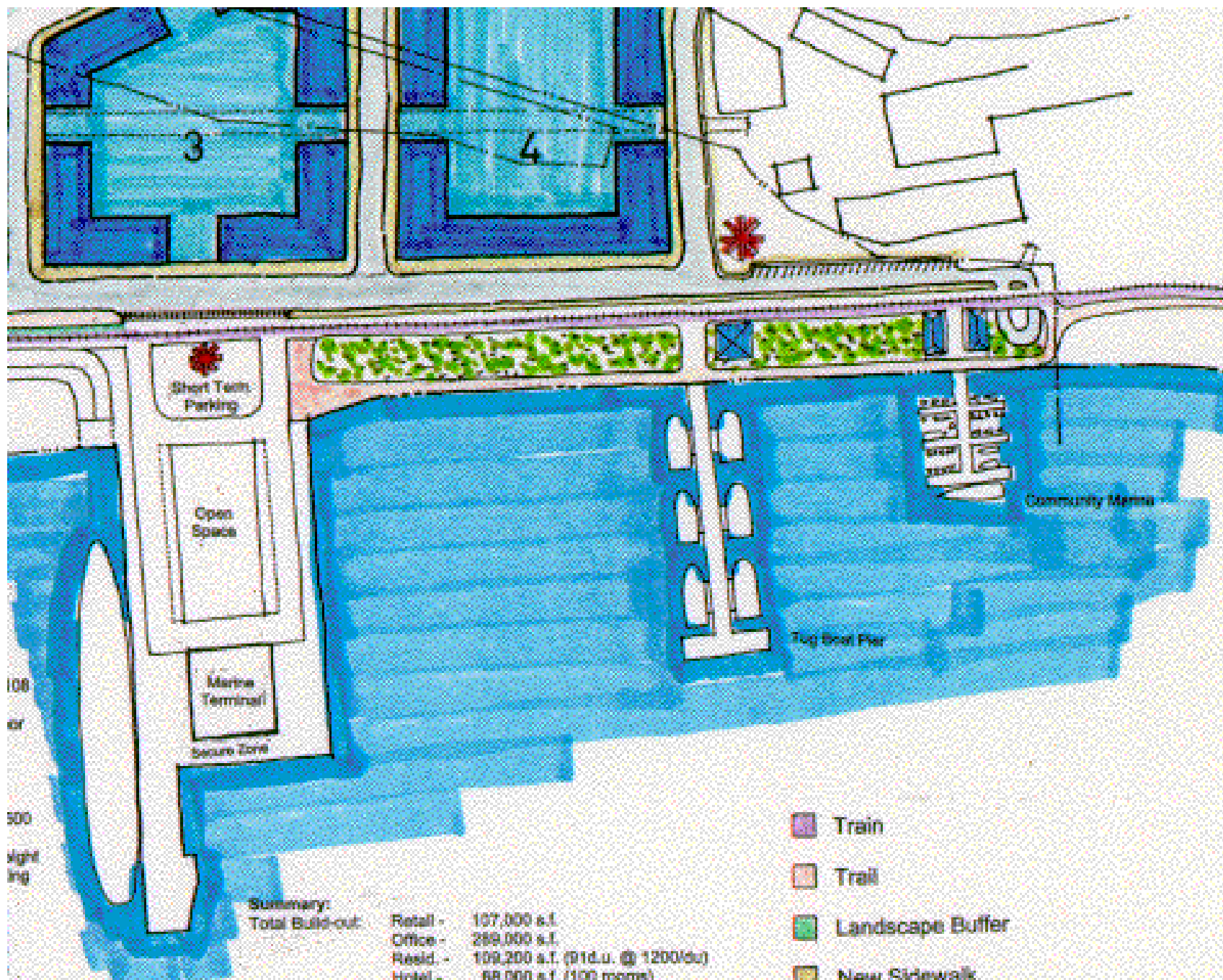
Eastern Waterfront Master Plan: *Small Vessel Marine Support/Public Access Area*

..... provide opportunity for seasonal small vessel berthing and marina development, public access to the water, open space and trail enhancements, and the possibility for a tug boat pier. The character and scale of development in the lands east of Pier 2 should, to the extent possible, be designed to add value and retain views for the Central Redevelopment Area

Development Considerations

- Develop shallow draft commercial and recreational berthing.
- Develop open space and trail enhancements.
- Provide a place for increased public access and use of the water's edge.
- Provide opportunities for development of a public boathouse and landing.
- Retain potential for a wave-attenuating pier to provide future tugboat berthing and expanded protected berthing in the winter months.

Eastern Waterfront Master Plan Excerpts,
Adopted December 2004



Waterfront Low Impact Zone Conceptual Layout Plan

June 28, 2004
For study purposes only
Produced by the City of Portland Planning
Division and the Department of Ports and
Transportation

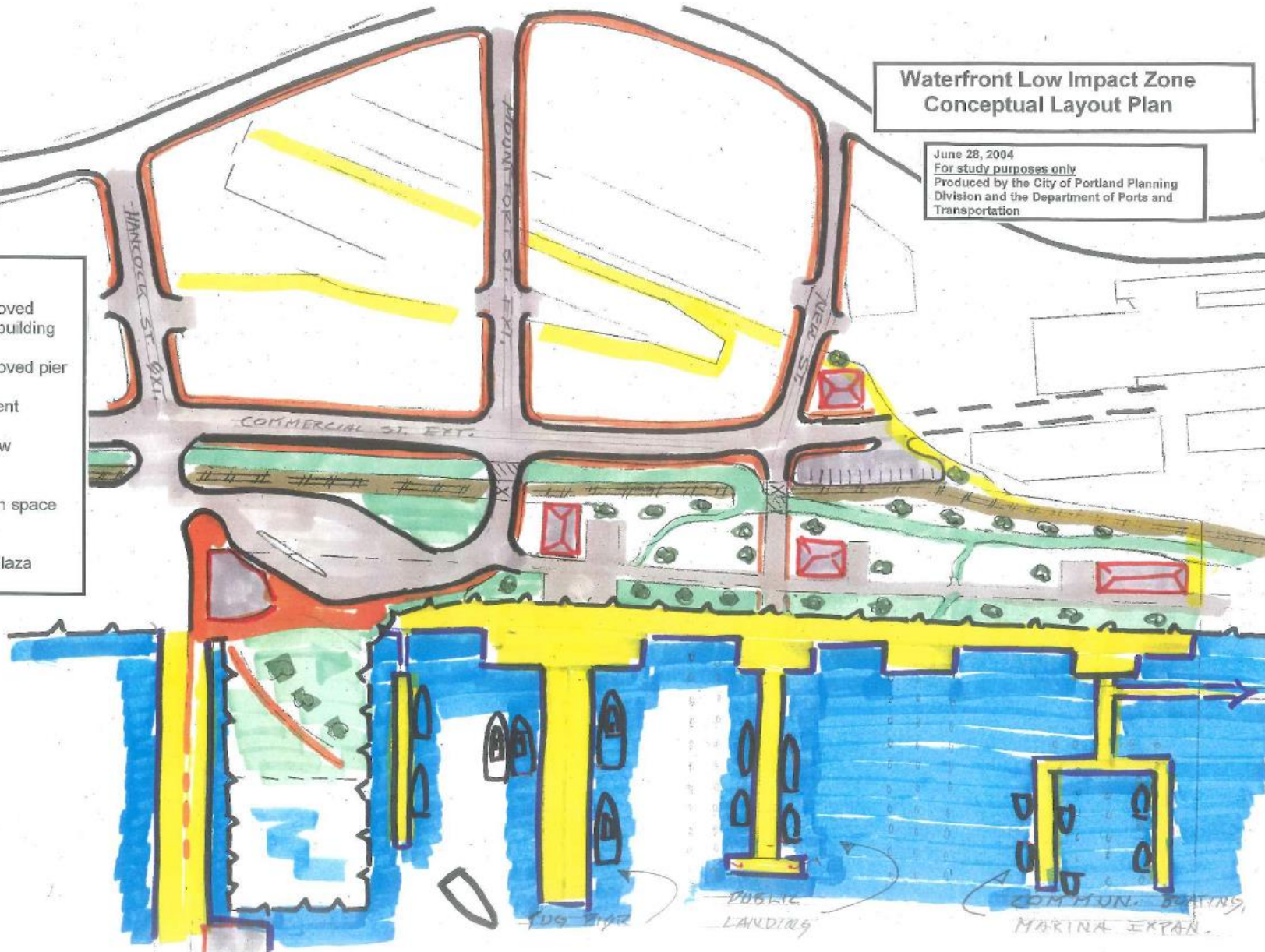
Legend

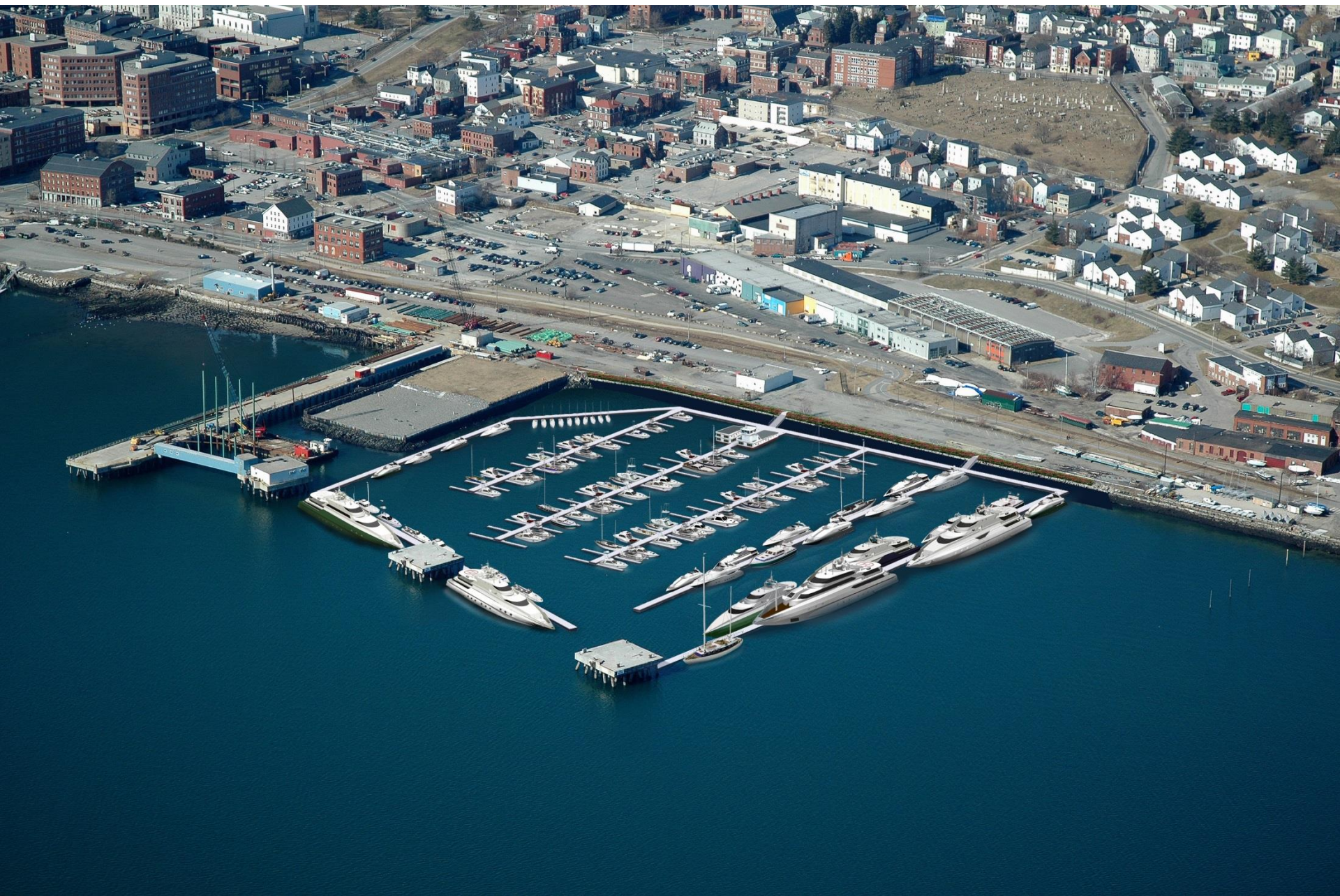
-  New or improved marine use building
-  New or improved pier
-  New pavement
-  Maine Narrow Gauge Rail
-  Trail or green space
-  Sidewalk or pedestrian plaza



Approx North

Scale: 1"=100' +/-





VINTERBAD BRYGGEN

SKITSEFORSLAG

2012-07-06





























Draft Goals:

- The Amethyst Lot will provide the City of Portland a signature amenity that functionally, visually, and symbolically connects people with Portland's maritime heritage and future.
- The Amethyst Lot will provide Portland citizens and visitors an accessible place to interact year round with the water at user-directed intensities – from quiet contemplation to performance competition – from toes in the water to maritime adventure – from a memorial service to commercial enterprise.
- The Amethyst Lot will provide a public face, an open door, and a front porch on the world class resource of Casco Bay.
- The Amethyst Lot will add value to its neighbors, the Eastern Prom Trail, Moon Tide Park, public infrastructure, multi modal transportation, and integrated public and private developments.
- The Amethyst Lot will provide opportunities for play for children and adults of all ages.
- The Amethyst Lot will anticipate and accommodate sea level rise and intense storm threats through resilient and responsible design.
- The Amethyst Lot will improve water quality and the environment of Portland Harbor by helping to reduce combined sewer overflows.
- The Amethyst Lot will provide a permanent home for community boating users.
- The Amethyst Lot will have a better name.

Minimum Development Program

Minimum Development Program for the Amethyst Lot:

- Public landing and transient vessel berthing.
- Open space and trail enhancements that are fully accessible by pedestrians and bicyclists.
- Trail system continuity serving both access to the site and thru-site commuter users.
- ~~Opportunities~~ Permanent facilities for community boating, ~~including and~~ Sail Maine.
- Public views to and from the water using low-scale, dispersed structures/landscape design elements where needed.
- Opportunities for passive enjoyment of the water.
- Access to the intertidal zone.
- Storm water treatment for on-site impervious surfaces.
- Short-term and long-term plan for remnant piling fields from the Grand Trunk grain piers.

Potential Additional Program Elements

- Commercial berthing for home-port charter and water taxi services.
- ~~Public rest rooms~~
- Public fishing amenities, where safe and appropriate
- Signature Feature –functional and/or artistic statement symbolizing the site and the city; could take the form of design feature, a particular use, public art installation, etc.
- Storm water management for off-site impervious surfaces

Examples of Design Features

- Tide pool playground
- Public art
- Fountains and play features (hills, mounds, boulders, splash pads, etc.)
- Seating for multiple uses in a variety of conditions
- Living shoreline/beach construction
- New fixed piers and re-use of existing pilings and historic pier areas
- Floating docks
- Reasonably scaled and sensitively sited and structures supporting on-site program (potentially on land, docks, or floats)
- Small on-land structures supporting on-site program
- Green infrastructure highlighting interaction between water and land
- Storm drain outfall on the site which will allow the city to provide separated storm drain service to the Munjoy Hill/Fore Street Watershed
- ~~Pedestrian~~ pathways, internal, at water's edge, or extending over the water, augmenting the Eastern Prom Trail
- Shared facilities that accommodate multiple compatible uses
- Lawns and/or hills
- Picnic areas
- Steps, ramps, seats at/to the water's edge
- Info signs/wayfinding
- Short-term parking and *pick up-drop off* serving on-site uses
- Public rest rooms, changing rooms
- Launch and haul capabilities for on-site community boating tenants

Draft Work Plan:

- | | |
|--|------------------|
| • RFP for consulting services | Sept – Nov 2016 |
| • Initiate design process | Dec 2016 |
| • Stakeholder input | Jan 2017 |
| • Alternatives development | Jan – Feb 2016 |
| • Public Forum | Feb 2017 |
| • Staff Workgroup recommends preferred alternative
with planning budget to City Manager | March 2017 |
| • EDC – Direction to proceed | March 2017 |
| • Parks Commission – Present preferred alternative | March-April 2017 |
| • Full Council Workshop | May 2017 |
| • EDC – Recommendation to full Council | June 2017 |
| • Full Council Public Hearing | June – July 2017 |

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EASTERN PROMENADE TRAIL CORRIDOR AGREEMENT

Agreement executed this 3rd day of MAY, 1995, by and between the CITY OF PORTLAND, a body politic and corporate, located in Cumberland County, Maine (hereinafter referred to as the "CITY") and the STATE OF MAINE, acting by and through its Department of Transportation, located in Augusta, Kennebec County, Maine (hereinafter referred to as the "DEPARTMENT").

WHEREAS, the DEPARTMENT purchased a certain parcel of land (hereinafter the "Department's Property") in the City of Portland shown as Parcel C on a Plan entitled "Land Title Survey and Subdivision Plan in Portland, Maine, USA," (hereinafter the "Plan") made for The Trust For Public Land, the City of Portland, the Maine Department of Transportation and the Canadian National Railway Company, Sheets 1 through 7, dated February 19, 1993, as revised through June 28, 1993, and recorded in the Cumberland County Registry of Deeds in Plan Book 193, Pages 187 to 193; and

WHEREAS, the CITY purchased certain parcels of land shown on the Plan as Parcel A, Parcel B and Lot 2 (hereinafter the "City's Property"); and

WHEREAS, the DEPARTMENT purchased the Department's Property utilizing funds available under the Intermodal Surface Transportation Efficiency Act of 1991 which provided for, among other things, the use of federal highway dollars for: (1) the preservation of the railway corridor, (2) the conversion and use of portions of such corridor for pedestrian and bicycle trails and facilities, (3) the acquisition of scenic easements and scenic or

WHEREAS, the CITY and DEPARTMENT have agreed to provisions relating to construction and maintenance of the Eastern Promenade Trail Corridor as described in Exhibit B, attached hereto and incorporated herein; and

WHEREAS, the parties have agreed to the terms and conditions of this Agreement in an effort to achieve the various goals of the DEPARTMENT and the CITY and in consideration of the CITY's assuming responsibility for overseeing the landscaping, construction of improvements, development and maintenance of the trails and recreational facilities within the Eastern Promenade Trail Corridor; and

WHEREAS, the DEPARTMENT and the CITY have the benefit and protection of the Maine Tort Claims Act for those uses which are being granted to the CITY hereunder;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the CITY and the DEPARTMENT covenant and agree as follows:

1. The DEPARTMENT hereby reserves the right to install within the Rail Corridor a rail line, together with such appurtenances as may be necessary or appropriate for the operation of such line and the maintenance of public safety.

2. The DEPARTMENT hereby grants to the CITY the right and easement to use the Eastern Promenade Trail Corridor for the installation, maintenance, replacement, repair and relocation of one or more pathways for recreational and non-motorized (except as necessary for disabled and emergency access) transportation uses, including without limitation use by pedestrians, runners, hikers, bicyclists, persons using roller blades, and persons in wheel chairs. At such time as the DEPARTMENT reactivates standard gauge

historic sites, (4) landscaping and other scenic beautifications, and (5) historic preservation; and

WHEREAS, the CITY purchased the City's Property in order to facilitate the construction of a shorefront pedestrian and bicycle trail and to provide for future transportation, economic development and recreational uses; and

WHEREAS, the DEPARTMENT desires to assure the ability to reestablish standard gauge rail service and to preserve a continuous rail corridor twenty-six (26) feet in width extending from the intersection of Commercial and India Streets in Portland at Railway Mile 0.0 to Railway Mile 1.43 on the former Atlantic and St. Lawrence Railroad Line at the location more particularly described on Exhibit A, attached hereto (hereinafter the "Rail Corridor"); and

WHEREAS, the CITY wishes to provide for a recreational and transportation pedestrian and bicycle trail and waterfront park over, under and along all of the Department's Property which is not within the Rail Corridor (hereinafter the "Eastern Promenade Trail Corridor"); and

WHEREAS, the CITY and the DEPARTMENT have agreed that landscaping, construction of improvements including, but not limited to, fencing, lighting, signage, and maintenance of improvements and provisions for public safety within the Eastern Promenade Trail Corridor are to be administered by the CITY; and

rail service within the Rail Corridor then, if determined by the DEPARTMENT to be necessary in order to preserve public safety, the CITY shall install fencing with the cost of said fencing to be borne either by the CITY or the operator re-establishing rail service or both, at the edge of but outside of the Rail Corridor to segregate the public's use of the Eastern Promenade Trail Corridor from any rail activity uses.

3. Following the approval of the Eastern Promenade Trail Plan (hereinafter the "Trail Plan") by the DEPARTMENT, the CITY shall not install any structures or make any alterations or improvements not shown on the Trail Plan exceeding Twenty-five Thousand Dollars (\$25,000) in cost to the Eastern Promenade Trail Corridor, calculated as a combined cost over any three consecutive years without prior written approval from the DEPARTMENT. Said approval shall not be unreasonably withheld or delayed. The Twenty-five Thousand Dollar (\$25,000) cost shall be adjusted annually from base year 1994 by reference to the U.S. Consumer Price Index for all Items for Urban Wage Earners and Clerical Workers (1982/1984 = 100) ("CPI").

4. The CITY shall have the right to construct and maintain two "trail" crossings over the Rail Corridor, which, if necessary as determined by the DEPARTMENT, shall be actively protected; one from Lot 2 to Parcel B of the City's Property as shown on the Plan and the other to cross the Rail Corridor in the general vicinity of the westerly end of the railroad trestle. Separate, detailed agreements regarding the locations and uses of said "trail" crossings of the Rail Corridor shall be executed by the DEPARTMENT and the CITY at such time as the Trail Plan has been finalized and approved by the DEPARTMENT and prior to any use of such "trail" crossings by the CITY.

5. The CITY and the DEPARTMENT further acknowledge that the railroad trestle and swivel bridge (hereinafter the "Trestle") gives rise to a unique opportunity to provide for a pedestrian and bicycle trail connecting the Eastern Promenade Trail corridor with East Deering and the other communities north of the Portland Peninsula and agree that, if and when the Trestle is restored or funds are allocated for the Trestle's restoration, the CITY and the DEPARTMENT will enter into a separate agreement providing for use of the Trestle for pedestrian and bicycle users subject to such rail use as may be permitted or provided for, by the DEPARTMENT.

6. Until such time as the Trestle may be placed into full operation, the DEPARTMENT agrees that the CITY shall have the right, but not the obligation, upon written authorization by the DEPARTMENT, to expend funds, whether directly or as may be allocated from time to time from State or Federal funds for

purposes of re-decking that portion of the Trestle which extends from its westerly end to the westerly end of the swivel bridge and to make such other improvements on the said portion of the Trestle as may permit use by the public for fishing, walking, strolling and other recreational purposes. In such event of re-decking, the CITY shall ensure that said portion of the Trestle is safe-guarded twenty-four (24) hours a day. At such time as the Trestle is placed into full operation for rail service, the CITY shall remove or relocate any re-decking as directed by the DEPARTMENT. Nothing in this paragraph shall be construed to extend the easement granted to the CITY in paragraph 2 of this Agreement onto the Trestle.

7. The DEPARTMENT further grants the CITY the right and easement to permit and allow the public to use portions of the Eastern Promenade Trail Corridor for such purposes as may be customarily permitted within public parks throughout the CITY.

8. The CITY and the DEPARTMENT further understand and agree that, except for providing periodic police presence and providing police response capability, the CITY's intention hereunder to construct trail and recreation improvements and amenities within the Eastern Promenade Trail Corridor is contingent upon receipt by the CITY of such funds as may become available from time to time from Federal, State, CITY and private sources and that the CITY by executing this Agreement is not committing to any specific timetable for the making of improvements thereto.

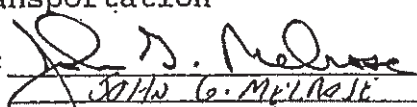
9. In the event that the DEPARTMENT condemns any of the area covered by this right and easement, the DEPARTMENT agrees to relocate improvements constructed under the approved Trail Plan, as amended from time to time, at its expense and the CITY agrees to waive any right to compensation for any value in improvements affected by the condemnation which were made with funds provided by or administered by the DEPARTMENT and for any value in any affected easement rights granted hereunder to the CITY at no cost.

IN WITNESS WHEREOF, the CITY and the DEPARTMENT have caused this instrument to be duly executed by their duly authorized representatives on the date first written above.



Witness

STATE OF MAINE, acting by and
through its Department of
Transportation

By: 

(type or print name)
Acting Commissioner

STATE OF MAINE
CUMBERLAND, ss.

MAY 3, 1995

Personally appeared the above-named JOHN G. MILNOR,
~~Notary~~ Commissioner of the State of Maine Department of
Transportation, and made oath that the foregoing instrument is his
free act and deed in his said capacity and the free act and deed of
the State of Maine Department of Transportation.

Before me,

Sh. R. W.
Notary Public/~~Attorney at Law~~
COMMISSION EXPIRES: 11/30/97

CITY OF PORTLAND

Sonia T. Bean
Witness

By: Robert Ganley
Robert Ganley
Its City Manager

STATE OF MAINE
CUMBERLAND, ss.

April 21, 1995

Personally appeared the above-named Robert B. Ganley, City
Manager of the City of Portland, and made oath that the foregoing
instrument is his free act and deed in his said capacity and the
free act and deed of the City of Portland.

Before me,

Sonia T. Bean
Notary Public/~~Attorney at Law~~



OWEN HASKELL, INC.

EXHIBIT A

CENTER LINE DESCRIPTION
TWENTY-SIX FOOT WIDE CORRIDOR
MAINE NARROW GAGE RAILROAD

A certain lot or parcel of land, being a twenty-six foot wide corridor, running from a point near the corner of Commercial Street and India Street, through land formerly of the Canadian National Railway Company, around the Eastern Promenade, to the existing abandoned railroad bridge at Back Cove in the City of Portland, County of Cumberland, State of Maine. The centerline of said twenty-six foot wide corridor being further described as follows:

Beginning at a point on the Easterly sideline of India Street, that is distant N-30°-35' W, 13.12 feet, measured by said sideline from the Southeast corner of India Street and Commercial Street.

Thence by said centerline on the following described courses, distances and curves;

N- 67°-18'-24" E, 91.46 feet to a point;

Thence N-56°-16' E, 619.76 feet to a point;

Thence N-62°-51' E, 202.07 feet to a point;

Thence N-74°-21' E, 173.72 feet to a point;

Thence N-68°-31'-30" E, 741.30 feet to a point;

Thence N-63°-18'-30" E, 1015.80 feet to a point of curve;

Thence by a concave curve to the Northeast having a radius of 766.00 a distance of 528.08 feet, measured on the arc thereof and a chord bearing and distance of N -43°-33'-30" E, 517.69 feet to a point of compound curve;

Thence by a concave curve to the Northeast having a radius of 947.00 feet a distance of 647.08 feet measured on the arc thereof and a chord bearing and distance of N-4°-14'-E, 634.57 feet to a point of tangent;

Thence N-15°-20'-30" W, 518.21 feet to a point of curve;

Thence by a concave curve to the Northwest having a radius of 1,330.82 feet a distance of 675.14 feet measured on the arc thereof and a chord bearing and distance of N-29°-52'-30" W, 667.92 feet to a point of tangent;



OWEN HASKELL, INC.

CENTERLINE DESCRIPTION
TWENTY-SIX FOOT WIDE CORRIDOR
MAINE NARROW GAGE RAILROAD
(page 2)

Thence N-44°-24'-30" W, 44.74 feet to a point;

Thence N-46°-34'-58" W, 557.78 feet to a point;

Thence N-43°-38'-05" W, 739.45 feet to a point;

Thence N-35°-38'-05" W, 571.82 feet to a point of curve;

Thence by a convex curve to the Northwest having a radius of 687.42 feet a distance of 204.58 feet measured on the arc thereof and a chord bearing and distance of N-27°-06'-33" W, 203.82 feet to a point of tangent;

Thence N-18°-35' W, 114.08 feet to a point at said abandoned railroad bridge.

The above described courses are magnetic 1967.

The twenty-six foot wide corridor herein described by its centerline contains 4.44 acres.

Louis T. Haskell

EXHIBIT B

PROVISIONS RELATING TO CONSTRUCTION AND MAINTENANCE
OF THE EASTERN PROMENADE TRAIL CORRIDOR

1. Specifications.

(a) The CITY shall, at its sole expense, and at all times during the terms of this Agreement maintain the Eastern Promenade Trail Corridor (hereinafter the "IMPROVEMENTS") in accordance with the design indicated on a plan approved by the DEPARTMENT and the provisions of applicable statutes, orders, rules, or regulations of any competent public authority. The CITY shall not proceed with any construction or maintenance except as provided in paragraph 3 of the Trail Corridor Agreement, without the prior written approval of the Director of the Rail Transportation Division of the DEPARTMENT, which approval shall not be unreasonably withheld or delayed.

(b) If, in any particular, said specifications conflict with any statutes or with any orders, rules, or regulations of any competent public authority having jurisdiction in the matter, then such statutes, orders, rules, or regulations shall prevail, but in all remaining particulars said specifications shall govern.

2. Construction and Maintenance.

(a) The CITY, in constructing and maintaining the IMPROVEMENTS, shall avoid interference with the operation of trains and locomotives and with the use and enjoyment by the DEPARTMENT of its property. The CITY shall, except in emergency, give not less than 10 days written notice to the Director of the Rail Transportation Division of DEPARTMENT and to any rail operators designated by the DEPARTMENT of the day and hour the CITY proposes to construct, reconstruct, remove or maintain the IMPROVEMENTS. In the event the Director of the Rail Transportation Division of DEPARTMENT considers the time specified in such notice unsatisfactory or inconvenient he shall, within 5 days after receipt of such notice, notify the CITY to that effect in writing and shall specify a time satisfactory or convenient to DEPARTMENT.

Should emergency work be necessary the CITY shall notify DEPARTMENT by telephonic or facsimile communication that such work is to be done.

(b) If the CITY shall fail to properly maintain its IMPROVEMENTS or if the IMPROVEMENTS interfere with drainage or

other uses of DEPARTMENT's property, then DEPARTMENT may order changes in the IMPROVEMENTS at the CITY's expense or may (but shall have no obligation to do so) make such repairs to the facilities of the CITY as may be immediately necessary for the safety of trains and property of DEPARTMENT. DEPARTMENT shall promptly notify the CITY of the making of such repairs. DEPARTMENT shall not incur any liability as a result of performing such repairs and the provisions of Paragraph 6 shall apply.

The CITY agrees to pay to DEPARTMENT the cost of such repairs on or before the fifteenth day of the month next succeeding that in which a bill therefore is rendered.

3. Use.

The CITY shall use the IMPROVEMENTS solely for those purposes specified in the Use Agreement. The CITY shall be solely responsible for acquiring and complying with federal, state and local permits required for its intended use.

It is expressly agreed that no hazardous waste, as defined in Title 38 M.R.S.A. Section 1303(5), shall be deposited in any portion of the IMPROVEMENTS under any circumstances.

4. Protection of Other Utilities.

The CITY shall protect the power, communication, signal and other utility lines on, over, or under the property of DEPARTMENT from damage of any kind by or because of the IMPROVEMENTS, maintenance, or use of said IMPROVEMENTS, and shall construct, maintain and use said IMPROVEMENTS in such a manner as will not damage or injuriously affect the use of power, communication, signal or other utility lines of DEPARTMENT or other companies which may have under contract the right to maintain such utilities on the property of DEPARTMENT.

5. Liability and Risk.

(a) The CITY and DEPARTMENT agree that all cost or expense resulting from any and all loss of life or property, or injury or damage to the person or property of any person, firm or corporation (including the parties hereto and their respective officers, agents and employees), and any and all claims, demands or actions for such loss, injury or damage, caused by or growing out of the presence or use, or the construction, maintenance, renewal, change, relocation, or removal of the IMPROVEMENTS, shall be borne by the CITY. The

CITY also shall bear the cost of inspections performed by DEPARTMENT to determine whether the CITY is in compliance with this agreement during all phases of construction and maintenance of the IMPROVEMENTS. Said cost to CITY for annual inspections shall be limited to the actual cost of an inspector for a period not to exceed eight (8) hours. Costs of inspections related to alterations shall be negotiated by parties and included in CITY's project budget at such time as DEPARTMENT approves of any alterations or maintenance activities.

(b) The CITY assumes all risk of loss or damage to the CITY's property, inclusive of free or unused materials, supplies and equipment, however caused, resulting directly or indirectly, by reason of the installation, maintenance, use, existence or removal of the IMPROVEMENTS, and hereby releases DEPARTMENT from any and all liability on account of such loss or damage, except for loss or damage caused by the negligence of DEPARTMENT.

(c) Notwithstanding the above provisions, neither the CITY nor the DEPARTMENT hereby waive any immunities or rights it may have under the Maine Tort Claims Act, 14 M.R.S.A. Section 8101, et seq, or any other law granting immunity or limitations on liability.

6. Changes or Relocation.

CITY shall, at its sole expense, pay all costs of changes to or relocation of the IMPROVEMENTS if such change or relocation is made at the request of CITY. DEPARTMENT may request that CITY change or relocate the IMPROVEMENTS in order to protect or maintain the rail corridor and such requests shall not be unreasonably denied. If such change or relocation is required, directly or indirectly, by statute or by any order of any competent public authority having jurisdiction in the matter or if the change or relocation is required because of any action by CITY or any CITY authority, including but not limited to alterations of city streets or developments approved by CITY, such change or relocation shall be at expense of CITY. In other cases, DEPARTMENT shall either pay for the expense of the change or relocation or assess all or part of it to a third party.

Nothing in this section shall prevent either DEPARTMENT or CITY from assessing the cost of a change or relocation to a third party whose activities have led to the necessity for the change or relocation.

7. Discontinuance.

The CITY shall, at its sole expense, upon termination of this agreement, or upon the abandonment or discontinuance of use of the IMPROVEMENTS, promptly remove its property from the premises of DEPARTMENT after receiving a written request from DEPARTMENT and restore such premises disturbed by the IMPROVEMENTS to a condition satisfactory to the Director of the Rail Transportation Division of DEPARTMENT, and upon the completion of such work this agreement shall terminate.

8. Cost of Changes.

If, after abandonment or discontinuance of use, CITY fails to remove the IMPROVEMENTS or its property from the trail corridor, within a reasonable period of time following the receipt of a written request from the DEPARTMENT, the DEPARTMENT may remove the IMPROVEMENTS or property and may render bills for the costs of such removal to CITY, which bills the CITY agrees to pay within thirty (30) days.

9. Taxes.

The CITY shall pay all taxes and other amounts assessed upon the IMPROVEMENTS, or on account of the existence of the IMPROVEMENTS, and shall indemnify DEPARTMENT against the payment of such taxes or other amounts.

10. Additional Obligations of the City.

10.1 Compliance with Laws. The CITY agrees to perform the IMPROVEMENTS pursuant to this Agreement in compliance with all applicable federal, state and local laws, regulations and administrative policies. This shall include without limitation compliance with the requirements of the Clean Air Act (42 USC 18570-9), the Comprehensive Environmental Response, Compensation, and Liability Act (42 USC 9601 et seq.), the Resource Conservation and Recovery Act (33 USC 1318), the Maine Uncontrolled Hazardous Substance Site Law (38 M.R.S.A. §1361-§1371), 23 M.R.S.A. §5005, all as amended from time to time, and all of the regulations issued thereunder. The CITY will notify the DEPARTMENT of the receipt of any communication indicating that the CITY has not complied with such laws or regulations, including without limitation providing the DEPARTMENT with a copy of any notice from the Environmental Protection Agency and/or the Maine Department of Environmental Protection, which indicates that the Line is under consideration

for inclusion on the Environmental Protection Agency's or the Maine Department of Environmental protection's list of violating facilities.

10.1.1 All costs and penalties relating to any contamination requiring clean-up under federal or state solid or hazardous waste law caused or contributed as a result of the CITY's operation shall be the responsibility of the CITY.

10.1.2 The construction, use and maintenance of the trail corridor shall not infringe, impact or prejudice the ability of the DEPARTMENT to contribute air emissions or pollutants within the same air quality planning area.

Notwithstanding the foregoing, the CITY reserves the right to pursue enforcement against any other party contributing air emissions or pollutants within the same air quality planning area.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is entered into this 31st day of March 2015 by and between CPB2 LLC ("CPB2"), a Delaware limited liability company, having a mailing address of P.O. Box 17919, Portland, Maine 04101, and STATE OF MAINE DEPARTMENT OF TRANSPORTATION ("DOT"), having an office at Child Street, 16 State House Station, Augusta, Maine 04333-0016.

WITNESSETH:

WHEREAS, CPB2 is the owner of the property located at 58 Fore Street in Portland, Maine (the "CPB2 Property"), which is depicted on the ALTA survey attached hereto and made a part hereof as Exhibit "A" (the "Survey") and which is commonly known as "The Portland Company Complex;" and

WHEREAS, DOT is the owner of the rail/trail corridor cross-hatched on the Survey (the "DOT Property"), which bisects the CPB2 Property and which is approximately fifty (50) feet wide, consisting of an approximately twenty-six (26) foot wide rail corridor ("Rail Corridor") and an approximately twenty-four (24) foot wide trail corridor ("Trail Corridor"); and

WHEREAS, in connection with the redevelopment of the CPB2 Property, CPB2 would like to create a recreational, public pathway on the portion of CPB2 Property abutting the water to replace the use of the current Trail Corridor; and

WHEREAS, CPB2 and the DOT have been discussing the redevelopment of the CPB2 Property and the creation of a new waterfront recreational, public pathway; and

WHEREAS, CPB2 and the DOT desire to enter into this MOU in order to memorialize their agreements;

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CPB2 and the DOT hereby agree as follows:

1. Upon the request of CPB2, the DOT agrees, subject, to the terms of this MOU, to swap the portion of the DOT Property shown in purple on the Survey (the "DOT Swap Property") for the portion of the CPB2 Property shown in green on the Survey (the "CPB2 Swap Property"). The parties acknowledge that the depiction of the DOT Swap Property and the depiction of the CPB2 Swap Property is not to scale, and represents an illustration of the approximate location of the respective areas. It is the intent of the parties that, upon the completion of the swap, the DOT Property, as reconfigured, will be fifty (50) feet wide and will be located closer to the waterfront, subject to the provisions of clause 1.d below. The parties agree that:
 - a. ~~The DOT Property, as reconfigured, shall continue to be used as a rail corridor and a trail corridor;~~

- b. DOT shall grant to CPB2 an easement or easements over the DOT Property, as reconfigured, for pedestrian and vehicular access between the portion of the CPB2 Property, as reconfigured, located on the north side of the DOT Property and the marina and the portion of the CPB2 Property, as reconfigured, located on the south side of the DOT Property. The parties acknowledge that the scope and location of such easements will be informed through the master planning process and the redevelopment of the CPB2 Property, but it is generally agreed that the pedestrians' right to cross the DOT Property, as reconfigured, will not be restricted to specific areas, and that the terms and conditions of such easement or easements shall be reasonably acceptable to both parties;
 - c. If DOT concludes, through its normal and customary evaluation process, that the fair market values of the properties being swapped are equal, then no consideration shall be exchanged between the parties in connection with the swap. If DOT concludes, through its normal and customary evaluation process, that there is a discrepancy in the values of the properties being swapped, then the parties will work cooperatively to arrive at terms that will allow the swap to go forward;
 - d. CPB2 will retain a strip of land along the waterfront in order to preserve its right to have a marina, which may be approximately ten (10) to twelve (12) feet wide (the "Waterfront Strip"); the parties acknowledge and agree that the width of the area may be more than 10-12' in various locations to accommodate the variations in the waterfront and will be informed through the master planning process and the discussions with the Planning Department for the City of Portland. The depiction of this area on Exhibit A is not to scale, and represents an illustration of the approximate location of the strip to be retained. The parties will agree upon the exact location of the Waterfront Strip at the time of the swap; and
 - e. CPB2 will cause the Survey to be revised to reflect the agreed upon location of the DOT Property, as reconfigured, the CPB2 Property, as reconfigured, and the Waterfront Strip.
2. CPB2 may elect, at its sole discretion, to exercise its rights under Paragraph 1 of this MOU by notice given to the DOT at any time on or before the tenth (10th) anniversary of the date of this MOU. If CPB2 exercises such rights, the parties shall enter into a purchase and sale agreement (the "P&S") setting forth the terms and conditions of such swap (the "Swap"), the terms and conditions of which shall be consistent with this MOU and with DOT's rights and obligations under Maine and federal law. The parties agree to negotiate such agreement in good faith.
3. In connection with the Swap, CPB2 shall perform, at its sole cost and expense, a geological test of the soils within the existing Rail Corridor and the soils within the proposed relocation of the Rail Corridor (the "Relocated Corridor"). CPB2 shall submit the results of the tests to the DOT for review.

- a. If the results of the test show that the density of the soils are substantially the same or that the density of the soils within the Relocated Corridor are better than the density of the soils within the existing Rail Corridor, then such test results shall be deemed to be satisfactory to the DOT and CPB2 shall not be obligated to do any work to the soil within the Relocated Corridor.
 - b. If the results of the test show that the density of the soils within the Relocated Corridor are worse than the density of the soils within the existing Rail Corridor, then CPB2 agrees, at its sole cost and expense, to do such work as is commercially reasonable to bring the density of the soils within the Relocated Corridor up to the density of the soils within the existing Rail Corridor. Such work shall be a condition precedent to the closing under the terms of the P&S.
4. The parties acknowledge that the DOT and The Trust for the Preservation of Maine Industrial History and Technology (the "Narrow Gauge") have entered into a lease agreement dated October 1, 2009 (the "Narrow Gauge Lease"), pursuant to which the DOT has allowed the Narrow Gauge to install, maintain, repair, replace and operate the railroad tracks for its narrow gauge trains within the existing Rail Corridor. If, as a result of the Swap, the tracks belonging to the Narrow Gauge are not located within the Relocated Corridor, CPB2 agrees to the following:
 - a. CPB2 shall relocate, at no expense to the DOT or the Narrow Gauge, the existing narrow gauge railroad tracks so that they are located within the Relocated Corridor or other location reasonably acceptable to the Narrow Gauge and CPB2, or
 - b. CPB2 shall enter into an agreement with the Narrow Gauge, pursuant to which CPB2 agrees to permit the Narrow Gauge to continue to maintain, repair, replace and operate the existing narrow gauge railroad tracks in their then location or such other location reasonably acceptable to the Narrow Gauge and CPB2 for the balance of the term of the Narrow Gauge Lease.
5. If it is determined that a Phase I Environmental Site Assessment of the existing Rail Corridor is required in connection with the Swap, CPB2 agrees to obtain, at its sole cost and expense, such Assessment and to submit such Assessment to the DOT for review.
 - a. If, as a result of the findings of the Phase I Environmental Assessment, it is determined that a Phase II Environment Site Assessment is required in connection with the Swap, CPB2 agrees to obtain, at its sole cost and expense, such Assessment and to submit such Assessment to the DOT for review.
 - b. If it is determined that environmental remediation is required in connection with the existing Rail Corridor, the parties acknowledge that the DOT shall not be required to perform such remediation unless CPB2 agrees to pay for all associated costs or the DOT is otherwise reimbursed for such costs.

6. In addition to the P&S, CPB2 and the DOT agree to perform, execute and deliver, or to cause to be performed, executed and delivered, in connection therewith any and all such further acts, documents, deeds and assurances as may be necessary to consummate the transactions contemplated by the Swap.
7. As a condition to the closing under the terms of the P&S, CPB2 shall obtain the consent of the City of Portland to the relocation of the Trail Corridor and if applicable, CPB2 shall obtain the consent of the Narrow Gauge to the track relocation or to the terms of the agreement, as contemplated by Paragraph 4 above.
8. Each party shall be responsible for payment of their respective fees and expenses incurred in connection with the negotiation and implementation of this MOU, including, without limitation, their respective attorneys' fees and disbursements.
9. All notices given under this MOU shall be in writing and shall be hand delivered, or sent by certified or registered mail, return receipt requested, or sent by nationally recognized overnight delivery service. All notice shall be addressed to the address set forth above for the addressee or to such other address as designated by such addressee by notice to the other party. Any notice given pursuant to this Paragraph 9 shall be deemed given upon receipt by the addressee or upon the date receipt is refused. Supplementing the foregoing, a copy of any notice to CPB2 shall be simultaneously sent, in the same manner as set forth above, to Bernstein Shur, 100 Middle Street, Portland, Maine 04101, to the attention of Richard D. Prentice, Esq.
10. This MOU may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one MOU. To facilitate execution of this MOU, the parties may execute and exchange by telephone facsimile or electronically scanned counterparts of the signature pages.
11. If any provision of this MOU is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable as if such provision had never comprised a part of the MOU; and the remaining provisions of the MOU shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this MOU. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this MOU a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and that is otherwise legal, valid and enforceable.
12. This MOU constitutes the entire understanding between the parties with respect to the scope of the agreements described herein, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written are merged into this MOU. Neither this MOU nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by both parties.
13. This MOU shall be binding upon and shall inure to the benefit of CPB2 and the DOT and their respective successors and assigns.

14. This MOU shall be governed by and interpreted in accordance with the laws of the State of Maine.

[END OF DOCUMENT; SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, this MOU has been duly executed and delivered as of the day and year set forth above.

CPB2 LLC

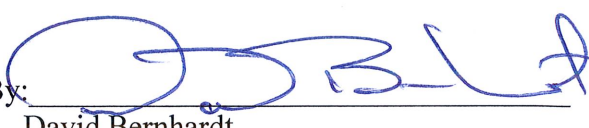
By: CPB2 Management LLC, Manager

By: _____


Casey W. Prentice
Manager

DEPARTMENT OF TRANSPORTATION

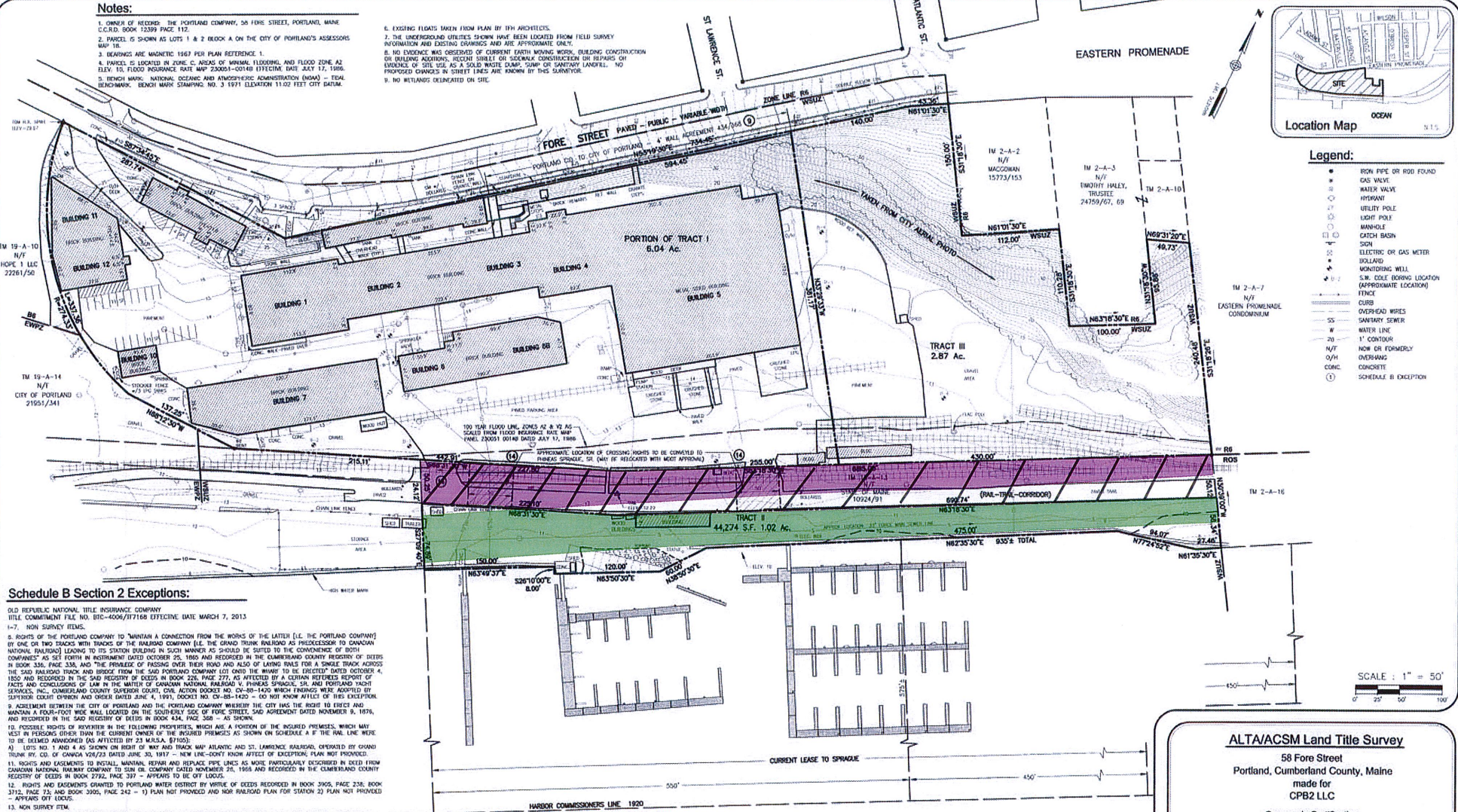
By: _____


David Bernhardt
Its Commissioner

Notes:

- OWNER OF RECORD: THE PORTLAND COMPANY, 58 FORE STREET, PORTLAND, MAINE U.S.A. BOOK 12399 PAGE 112.
- PARCEL IS SHOWN AS LOTS 1 & 2 BLOCK A ON THE CITY OF PORTLAND'S ASSESSORS MAP 18.
- RECORDS ARE MAINTAINED 1567 FOR PLAN REFERENCE 1.
- PARCEL IS LOCATED IN ZONE C AREAS OF MINIMAL FLOODING AND FLOOD ZONE A2 ELEV. 15. FLOOD INSURANCE RATE MAP 22005-1-0014B EFFECTIVE DATE JULY 17, 1996.
- RECORD MAPS: NATIONAL PLANNING AND MAP ADMINISTRATION (NPA) - TOWN BENCHMARK: BENCH MARK STATIONING NO. 3 1971 ELEVATION 11.02 FEET CITY DATUM.

- EXISTING FLOODS TAKEN FROM PLAN BY THE ARCHITECTS.
- THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS AND ARE APPROXIMATE ONLY.
- NO EVIDENCE WAS OBSERVED OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS, RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS OR CHANGES OF SITE USE AS A SOLID WASTE DUMP, DUMP OF SANITARY LANDFILL. NO PROPOSED CHANGES IN STREET LINES ARE KNOWN BY THIS SURVEYOR.
- NO UTILITIES DELINEATED ON SITE.



Schedule B Section 2 Exceptions:

- OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
TITLE COMMITMENT FILE NO. TRC-6006/77168 EFFECTIVE DATE MARCH 7, 2013
- 1-7. NON SURVEY ITEMS.
8. RIGHTS OF THE PORTLAND COMPANY TO "MAINTAIN A CONNECTION FROM THE WORKS OF THE LATTER (E.G. THE PORTLAND COMPANY) BY ONE OR TWO TRACKS WITH TRACKS OF THE RAILROAD COMPANY (E.G. THE GRAND TRUNK RAILROAD AS PREDECESSOR TO CANADIAN NATIONAL RAILROAD) LEADING TO ITS STATION BUILDING IN SUCH MANNER AS SHOULD BE SUITED TO THE CONVENIENCE OF BOTH COMPANIES" AS SET FORTH IN INSTRUMENT DATED OCTOBER 25, 1960 AND RECORDED IN THE CUMBERLAND COUNTY REGISTRY OF DEEDS IN BOOK 335, PAGE 335, AND THE PRIVILEGE OF PASSING OVER THEIR ROAD AND ALSO OF LIVING RAILS FOR A SINGLE TRACK ACROSS THE SAID RAILROAD TRACK AND BRIDGE FROM THE SAID PORTLAND COMPANY LOT ONTO THE WHARF TO BE DEDICATED DATED OCTOBER 4, 1950 AND RECORDED IN THE SAID REGISTRY OF DEEDS IN BOOK 226, PAGE 277, AS AFFECTED BY A CERTAIN INTERESTED REPORT OF FACTS AND CONCLUSIONS OF LAW IN THE MATTER OF CANADIAN NATIONAL RAILROAD V. PHINEAS SPRAGUE, SA AND PORTLAND YACHT SERVICES, INC., CUMBERLAND COUNTY SUPERIOR COURT, CIVIL ACTION DOCKET NO. CV-88-1420 WHICH FINDINGS WERE ADOPTED BY SUPERIOR COURT CHIEF JUDGE AND ORDER DATED JUNE 4, 1991, DOCKET NO. CV-88-1420 - DO NOT KNOW AFFECT OF THIS EXCEPTION.
9. AGREEMENT BETWEEN THE CITY OF PORTLAND AND THE PORTLAND COMPANY WHEREBY THE CITY HAS THE RIGHT TO ERECT AND MAINTAIN A FOUR-FOOT WIDE WALL LOCATED ON THE SOUTHERLY SIDE OF FORE STREET, SAID AGREEMENT DATED NOVEMBER 9, 1979, AND RECORDED IN THE SAID REGISTRY OF DEEDS IN BOOK 434, PAGE 368 - AS SHOWN.
10. POSSIBLE RIGHTS OF RIGHTWAY IN THE FOLLOWING PROPERTIES, WHICH ARE A PORTION OF THE INSURED PREMISES, WHICH MAY VEST IN PERSONS OTHER THAN THE CURRENT OWNER OF THE INSURED PREMISES AS SHOWN ON SCHEDULE A IF THE RAIL LINE WERE TO BE DEEMED ABANDONED (AS AFFECTED BY 23 M.R.S.A. §7160).
- A) LOTS 1 AND 4 AS SHOWN ON RIGHT OF WAY AND TRACK MAP ATLANTIC AND ST. LAWRENCE RAILROAD, OPERATED BY GRAND TRUNK RY. CO. OF CANADA 2/23 DATED JUNE 30, 1917 - NEW LINE-DONT KNOW AFFECT OF EXCEPTION, PLAN NOT PROVIDED.
11. RIGHTS AND EASEMENTS TO INSTALL, MAINTAIN, REPAIR AND REPLACE FIRE LINES AS MORE PARTICULARLY DESCRIBED IN DEED FROM CANADIAN NATIONAL RAILWAY COMPANY TO S&M OIL COMPANY DATED NOVEMBER 20, 1968 AND RECORDED IN THE CUMBERLAND COUNTY REGISTRY OF DEEDS IN BOOK 3792, PAGE 372 - APPEARS TO BE OFF LOGS.
12. RIGHTS AND EASEMENTS GRANTED TO PORTLAND WATER DISTRICT BY VIRTUE OF DEEDS RECORDED IN BOOK 3905, PAGE 238, BOOK 3792, PAGE 73; AND BOOK 3905, PAGE 242 - 1) PLAN NOT PROVIDED AND NOR RAILROAD PLAN FOR STATION 2) PLAN NOT PROVIDED - APPEARS OFF LOGS.
13. NON SURVEY ITEM.
14. TERMS, PROVISIONS, DECLARATIONS, EXCEPTIONS, COVENANTS, RESERVATIONS, AND AGREEMENTS SET FORTH IN INSTRUMENT DATED BY AND BETWEEN MAINE DEPARTMENT OF TRANSPORTATION AND PHINEAS SPRAGUE DATED AUGUST 30, 1993 AND RECORDED IN THE CUMBERLAND COUNTY REGISTRY OF DEEDS IN BOOK 1924, PAGE 97 - AS SHOWN ON PLAN.
15. CERTIFICATE OF TOWN OF PORTLAND DATED JULY 18, 2009 AND RECORDED IN THE SAID REGISTRY OF DEEDS IN BOOK 3290, PAGE 82, AS AFFECTED BY CLERK'S CERTIFICATE IN THE MATTER OF THE PORTLAND COMPANY V. CITY OF PORTLAND, CUMBERLAND COUNTY SUPERIOR COURT, CIVIL ACTION, DOCKET NO. RE-05-05 DATED JULY 7, 2005 AND RECORDED IN THE CUMBERLAND COUNTY REGISTRY OF DEEDS IN BOOK 2205, PAGE 17, AS AFFECTED BY RELEASE DEED FROM THE PORTLAND COMPANY TO THE CITY OF PORTLAND DATED AUGUST 16, 2005 AND RECORDED IN SAID REGISTRY OF DEEDS IN PLAN BOOK 294, PAGE 189 - CITY LOGS.
- 16-17. NON SURVEY ITEM.
18. SUCH STATE OF FACTS AS DISCLOSED ON SURVEY ENTITLED: LAND TITLE SURVEY AND SUBROGATION PLAN IN PORTLAND, MAINE, U.S.A. BY OWEN HASKELL, INC. DATED FEBRUARY 19, 1992 AS LAST REVISED JUNE 22, 2007 RECORDED IN THE CUMBERLAND COUNTY REGISTRY OF DEEDS IN PLAN BOOK 183, PAGES 187 THROUGH 193 AND RECORDING PLAT SHEET 1 OF 3 OCEAN GATEWAY PROVIDED BY OWEN HASKELL, INC. RECORDED IN THE SAID REGISTRY OF DEEDS IN PLAN BOOK 294, PAGE 187 - SEE PLAN.
19. NON SURVEY ITEM.
20. SUCH STATE OF FACTS DISCLOSED ON PLAN ENTITLED "PLAN OF PROPERTIES IN PORTLAND, MAINE, BACK FOR THE PORTLAND COMPANY" PREPARED BY H.L. & C.C. JOHNSON DATED MARCH 26, 1995, LAST REVISED MARCH 21, 1998 - SEE PLAN.
- 21-23. NON SURVEY ITEMS.

Plan References:

- "LAND TITLE SURVEY & SUBROGATION PLAN IN PORTLAND, MAINE, U.S.A. MADE FOR THE TRUST FOR PUBLIC LANDS, THE CITY OF PORTLAND, THE MAINE DEPARTMENT OF TRANSPORTATION, THE CANADIAN NATIONAL RAILWAY COMPANY FILED 19, 1993 REV. 6 6/27/93" BY OWEN HASKELL, INC.
- "PLAN OF PROPERTY LINE PORTLAND, MAINE MADE FOR H.M. TAPLEY MARCH 1955" BY E.C. JOHNSON CO.
- "PLAN OF PROPERTY IN PORTLAND, MAINE MADE FOR THE PORTLAND COMPANY 26 MARCH 1995 REVISED MARCH 21, 1998" BY OWEN HASKELL, INC.
- "TESTING CONDITIONS PLAN ON FORE STREET, PORTLAND, MAINE MADE FOR THE PORTLAND COMPANY NOV. 13, 2007 REV. 2 12/18/12 BY OWEN HASKELL, INC.
- "CONCEPT UTILITY PLAN, PORTLAND COMPANY SITE DATED NOVEMBER 2007 BY CELLOCA HOFFMAN ASSOCIATES, INC.

Zoning:

NONE PROVIDED BY TITLE INSURER.



OWEN HASKELL, INC.
PROFESSIONAL LAND SURVEYORS
390 U.S. Route One, Unit #10
Falmouth, Maine 04105
Tel. (207)774-0424 Fax (207)774-0511
www.owenhaskell.com

ALTA/ACSM Land Title Survey

58 Fore Street
Portland, Cumberland County, Maine
made for
CPB2 LLC

Surveyor's Certification

TO: CPB2 LLC, AND OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP ON PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 5, 7(a), 8, 11(b), 13, 14, 16, 17, 18, 19, 20(c), AND 22 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON MAY 2013.

JOHN W. SWAN
PROFESSIONAL LAND SURVEYOR NO. 1035
IN THE STATE OF MAINE
DATE OF PLAN: MAY 22, 2013
REVISION DATE:
CH JOHN NO. 2013-0787

Committee members present: Chair Councilor David Brenerman, and Councilors Justin Costa and Spencer Thibodeau.

Statement from Committee: We are interested in how best to integrate immigrants into the community and also to address economic opportunities for all residents of Portland.

Public Comments:

1. *Tim Honey, resident of South Portland, community volunteer (shared written statement with the Committee)*

What do you see as the gaps in services and /or unmet needs in the context of employment/entrepreneurship?

I am here as a private citizen. I have been involved with the immigrant community; I mentor an immigrant family. There is a huge gap. It is a policy gap. With the current xenophobia and anti-immigrant sentiment, it is imperative for the City to speak to a policy goal around immigration. Only the City can do that – not an organization. I would recommend embracing the World Affairs Council of Maine. The vision is that Portland aspires to be a welcoming place that empowers the immigrant community and provides multiple opportunities for immigrants to thrive.

What should be the city's role in addressing those gaps?

The City's role should be to make a statement. Creating an office would make a statement. I advocate for establishing the office with the three goals in mind. The convening of the conference is important. The City can play a leadership role and a convening role. Through the conference, we can create an environment where the community can come together and participants can think about how to speak to those goals. We want to hear directly from immigrants themselves. The City doesn't have to put in a whole bunch of new programs – but they can play a leadership role. They can ask the questions that can kick this off.

Also, act regionally! Get other city governments involved (like South Portland).

Committee comments: Spencer Thibodeau: We had a mediator in the past. We could have a mediator at the October 26th meeting; get public input with the help of a mediator.

2. *Theng, private citizen*

What do you see as the gaps in services and /or unmet needs in the context of employment/entrepreneurship?

Leadership is lacking; Portland could be a counter to what is happening in the state of Maine. We are a welcoming city for so many people – millennials, visitors – how we present ourselves is so important. Portland is the current economic engine and the future economic engine. We have about 3000 students in high schools who are our future workforce. We have 3000 people taking classes at PAE – most are immigrant and refugees. The City is already investing in this group. How we treat and integrate immigrants and refugees is vital. Other places follow Portland. Portland can set the tone. Without immigrants, Portland wouldn't have grown in last five years. We are dependent on this group to drive future innovation and economic success. How we treat and integrate them is absolutely critical. I hope we create this office to have that leadership here in the state of Maine.

3. *Hussain; Somali Community Center of Maine (shared written statement - attached -with the Committee on behalf of the Somali Community Center of Maine, the New Mainer's Alliance and the New Mainer's Political Action Committee)*

4. *Alain Nahimana, Maine Immigrant Rights Coalition (shared written statement – attached - with the Committee. Additional comments below)*

What do you see as the gaps in services and /or unmet needs in the context of employment/entrepreneurship?

Most of the gaps have been identified.

- Most service provider serve whoever comes through their door. We need to target people and reach out to them.
- We need to have a tiered approach. If asylum seeker – need certain services; if need to learn English – need others.
- There is a need for additional collaboration among service providers.
- English is the gateway to equal access to economic opportunity. We need to support these services.

Our members would like to address the gaps and continue to walk hand in hand with the city to further immigrant integration in Maine.

5. *E'nkul Kanakan*

What is your organization's role in addressing these gaps?

I have worked for an organization as a program manager; today I am the HR director for this organization. Why have I stayed there so long? The organization is a human service organization that helps people with disability and mental health. 90% of people working there are immigrants/refugees. When we started, we had five clients and 12 employees. Now we have 480 clients. For many people, this is now where they go. And why? Because they want a welcoming environment. You want to feel comfortable when you walk through the door. You want to see people who look like you when you enter. And you want to see that someone like you can get to the top. Area directors are now immigrants/refugees. Everyone coming through the door will see that you have a possibility of advancement here. We try to help everyone understand that you have to fight your way but you don't have to be running in a horse race where there is no finish. They want skills and want to be able to use those skills. They want the City to be proactive. They are tax payers and they would like support in being successful. The organization has been welcoming and accepting and encourage refugees to stay in the city. They come, they work and they stay for a long time. (Organization = Granite Bay Care)

6. *Claude Rwangje, Executive Director of Community Financial Literacy*

What do you see as the gaps in services and /or unmet needs in the context of employment/entrepreneurship?

We are not here to compete to with other organizations and other cities. We are here to support each other. We are here to support the City. Do we have a demographic issue or leverage issue? Where are we going to get employees? Do we have to go to other states or do we pull them from our state? The biggest challenge we have is how we take care of people who are already here. What is the role the City can play so people feel welcome and they make Maine their home. I attended an Immigration Integration Conference that brought 2000 people together from across the state. The movement is not starting here – we not inventing the wheel here – we should be doing more here because we have a demographic issue. We need to educate people and make them stay here. It is the City's role to bring many stakeholders together. We do not want the City to create organizations – but they can play a key role in bringing people together.

What is your organization's role in addressing these gaps?

My organization has been around for 8 years. I am happy to see that we are educating new Mainers – and we also reach out to low income Mainers. Along with CEI, PAE we address the workforce issues. But it's not enough. We can still use the forces and continue to advance the

issue. In brief. Financial stability is really needed and I am proud of what I do. We can't be the connector. The City can be the connector! New Mainers and all low income people if integrated, can address issues the state is facing. I appreciate the council members coming together on this issue.

7. Regina Phillips

What do you see as the gaps in services and /or unmet needs in the context of employment/entrepreneurship?

We had an office that was led by the City. We were integrated in the community and we were helping them find jobs and sustain job. The City had a plan and we had an office. There were no discussions – there is no gaps in service.

How do you integrate people of color in Portland? There aren't good jobs here and they have some of the same issues that immigrants have. If the City wants to do something we need to help minorities, people of color, so they are excited to stay in the City of Portland. If you feel like there is something you need to do... we applied for a Development Block Grant fund and we got the door slammed in our face multiple times. So take a look at that process and whether it can fund some of the good work that people in the previous organizations want to do.

September 6, 2016

Dear Councilor Brenerman and members of the Economic Development Committee,

I am speaking as a community volunteer who has been actively involved in immigration issues over the past three years. I have worked as a volunteer advisor to the Maine Immigrant Rights Coalition, an active member of the Welcoming Immigrant Coalition, president of the World Affairs Council which completed the Celebrating Immigration project in 2015, and as a mentor to a member of the Burundian community here in Portland. It is from these different perspectives that I offer my remarks.

I believe that the challenge for the city is to adopt a set of policy goals that articulate the collective aspirations of the citizens of Portland. Through the work of the World Affairs Council and the Celebrating Immigration initiative, over 700 individuals participated, and articulated that Portland should aspire to be a Welcoming, Opportunity and Empowering city for immigrants.

The challenge for the city is to set the policy goals and then to challenge the community to put together the best possible programs to achieve these goals. Without this policy framework, there will not be clear aspirational objectives that the city/community is attempting to achieve. In the current climate of xenophobia and anti-immigration hysteria, Portland needs to present itself as a community that welcomes immigrants, is committed to creating opportunities for them, and wants them to be empowered within the civic fabric of the city.

A first step was taken with the World Affairs Council initiative, Celebrating Immigration. It sets forth a definition of Immigrant Integration that can guide the work of the city and the upcoming conference in October. It states:

“Immigrant integration is a dynamic, two-way process in which immigrants and the receiving society work together to build secure, vibrant and cohesive communities. As an intentional effort, integration engages shared benefits and creating a new whole that is greater than the sum of its parts. Immigrant integration is multifaceted and includes several components, focusing on including immigrants’ access to mainstream institutions.”

How does Immigrant Integration get actualized into programs, projects, and community initiatives? The aspirational framework of a Welcoming, Opportunity and Empowering city can create an organizational framework for the community to roll up its sleeves and achieve tangible results.

The city should create an office that is the facilitator of the Immigrant Integration process and allows the community to act. The city does not need to be the front line leader/player on each issue. This is unrealistic given the demands on the city, but it is indeed an achievable process if the city truly engages the community.

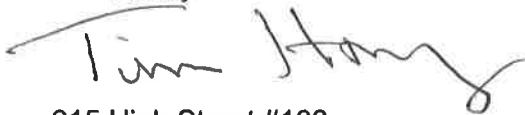
The conference in October offers a great opportunity to utilize a consensus building methodology to bring together all stakeholders under the goals of making Portland a Welcoming, Opportunity and Empowering City for immigrants. Because of the work of the Celebrating Immigration initiative, and the public hearings that were held by the Economic Development Committee, an actionable set of recommendations can emerge.

Through this community process, the immigrant community must be heard, listened too, and be seen as an essential partner. They are the ones who can tell whether or not programs are working and meeting their goals. They can identify gaps, and provide guidance to priority initiatives focused upon Immigrant Integration.

Finally, I recommend that the City Office stay focused on Immigration. However, when there are programs and policies that deal with economic opportunities and employment, that the office should define these programs in terms of serving all low-income individuals. If you do this, the city will be recognizing that there are some important issues that require a broader focus, but that there are many issues and policies that just pertain to the special needs of immigrants. With the immigrant community in Portland comprising nearly 14% of the city's population, their unique needs must be addressed in a focused and targeted manner.

Please keep the dialogue going. You might want to bring the Greater Portland Council of Governments into the process, and to discuss how they could be an important player with this initiative.

All my best,
Tim Honey

A handwritten signature in cursive script, appearing to read "Tim Honey".

215 High Street #103
South Portland, Maine
04106
207-332-8524
timhoney@aol.com

**Statement on behalf of the Somali Community Center of Maine and
the New Mainer's Alliance and New Mainer's Political Action Committee (PAC)
to the City of Portland's Economic Development Committee on Sept 6, 2016**

Dear Honorable members of the Economic Development Committee and other Councilmen, Councilwomen, and City Officials present. We are please to be invited to speak on the topic of the proposed City of Portland efforts to advance immigrant integration.

We, the **Somali Community Center of Maine**, represent the the largest immigrant community here.

Our leaders are active members in the **New Mainers Alliance** and the **New Mainers PAC**, (a 501(c)3 and 501(c) 4 respectively) that are comprised of the following elected leaders:

- Cassius Shirabire, President, The **Burundian Community Association** ✓
- Henri N'Koy Bufumbo, President, The **Congolese Community Association** ✓
- Mahmoud Hassan, President, The **Somali Community Association** ✓
- Kwan Malwal, President, The **Sudanese Community Association** ✓
- Abdi Kahrou, President, The **Djiboutian Community Alliance** ✓
- Faysal Ali and Rael Aldouri, Co-Chairs, The **Iraqi Community Association**
- Francine Ngabu, President, **Maine Association for New Americans (MANA)**

The New Mainers Alliance also includes community leaders from those other communities (Asian, Latino, etc.) that currently lack their own organizations. **The statement below is on behalf of both the Somali Community Association and the New Mainers Alliance.**

I'd like to start by reading you the words of the award-winning columnist David Brooks pfrom the the *New York Times* last week. I believe it will help to frame our discussion about immigrants and their vital role in economic development in Portland. Mr. Brooks wrote:

The cities that are doing best economically (in the U.S.) work hard to attract new immigrants because the benefits are widely shared..... New York, Chicago, Houston and Los Angeles account for about 20 percent of America's economic output, and in those places, immigrants ...make up as much as 44 percent of the total labor supply.

Brooks could also have mentioned that smaller cities, such as **Dayton, Ohio** and **St. Louis Missouri**, have also seen similar gains due to a conscious immigrant welcoming process.

1. So, in Portland, what are the gaps in services or unmet needs?

Welcoming

- a. The current immigrant welcoming process is weak, patched together, not strategic. Very discombobulated and not streamlined or easily navigable. It's reactive rather than proactive. In contrast, we can see how cites like Dayton and St. Louis have proactive strategies for immigrant integration. **We're hoping that Portland can join their ranks.**

- b. Unlike Dayton and St. Louis, the current focus of the immigrant welcoming process in Greater Portland is an extensive orientation to social service programs, rather than a focus on ensuring the type of language acquisition, social integration and professional integration that will result in gainful employment and speed economic integration. Instead, in Portland, the welcoming process promotes an automatic assignment of immigrants – nearly half who have college degrees, and many with advanced degrees -- to social services and low-wage jobs.

This results immigrants in Maine being stigmatized, almost universally, as “service recipients” rather as individuals seen for their individual talents.

This stigma and underemployment drives many of the most talented immigrants away from Portland – to Houston, to Minneapolis, to Pittsburgh, and to the many other more welcoming cities where immigrant professionals are more quickly seen -- and valued -- for who they are and the skills they bring. With your help, we are hoping to stem this tide and keep the best.

Engagement:

- c. While the City of Portland does regularly engage social service providers and coalitions in problem-solving, we haven’t yet seen the City engage immigrant leaders – together with business communities, or broader regional leaderships -- to work in partnership to develop truly sustainable solutions that advance economic growth and integration. Why not?
- d. We also see that many of the programs for immigrant employment and entrepreneurship don’t directly engage or employ people from the community. Their systems are cumbersome and not easily navigable. There’s also a sense of a lack of accountability and trust.

The Result: A system of self-perpetuating social-service-based solutions and overspending. With immigrants on the sidelines.

The Lesson: You can’t advance “immigrant integration” without immigrant inclusion.

Evaluation

- e. Currently the city doesn’t have access to enough data on what inequities currently exist. We need to track disparities and understand them in order to reverse those trends.
- f. We also need more data about the impact of those programs funded to improve immigrant integration. What concrete economic impact do these program have? Are they working?

And so as requested, we’ve outlined the gaps that we think a new office to advance immigrant integration could help address.

2. So, what should be the city's roles in addressing these gaps?

We of the New Mainers Alliance feel that the City of Portland needs to take action to develop an office to advance immigrant integration that leads in:

Welcoming

- a. That studies and implements the most effective national best practices for integration.
- b. Shifts the focus of welcoming from Social Services to rapid language acquisition, social integration and professional integration that will advance immigrant inclusion and ensure more reliable economic growth.

Engagement:

- c. **We would like to see the City work more closely with the members of the New Mainers Alliance, who are the direct representatives of immigrant communities.**

We know first-hand the talents and barriers that each of our communities bring. We can effectively partner with the city, non-profit, and corporate partners to reduce dependency on social services and develop sustainable a plan for the future. We only need to be invited to the table.

- d. An office focused on immigrant integration can take a closer look at programs that are funded to address immigrant employment and entrepreneurship and help them be more effective.

Evaluation

- e. This new office can be charged with collecting data to track inequities -- measuring and reporting our progress annually. It can then work with you to propose, implement, and measure the success of strategies that have been successful elsewhere.
- f. Such an office can also collect and track data on the economic impact of city and state-funded programs to advancing economic integration. Saving everybody money and time. Are all these programs really getting people into jobs that help grow immigrant self-sufficiency and the economy? To find out, let's measure their impact.

We are hopeful at the City's interest in exploring best practices for immigrant integration and want to partner to make these efforts a success.

3. What is the New Mainers Alliance's role in addressing those gaps?

Whereas the New Mainers Alliance is comprised of leaders of the many immigrant communities arriving in Portland, we are the natural key point of contact for the City in planning around immigrant integration.

The leaders of the New Mainers Alliance know, from being daily on the ground with new arrivals, what new and talented immigrants are coming to – or considering coming to -- the City of Portland.

We can help you monitor and track trends.

We also communicate daily in immigrants' many languages, sending communications -- on email, FaceBook and social media -- that reach thousands.

We bring the immigrants many voices and languages into one voice. One contact.

The New Mainers Alliance can help you, the City and the Region, engage immigrant and minority communities in becoming part of the solution.

In this way, we, immigrant leaders together with the Portland City Council, will lead this essential turn in Maine from:

- immigrants as **social-service recipients**

to

- immigrants as both **experienced problem-solvers**
and **powerful contributors to the growth of our local and state economies.**

We welcome the opportunity to partner with you in this endeavor.



**Comments before Portland City Council's
Economic Development Committee
September 6, 2016**

1. Gap in Services – Unmet Needs in Context of Employment and Entrepreneurship

- Limited access to information about available services to the immigrant community. There is a need for a one-stop-center where anyone can get information on available services.
- No streamlined outreach strategy for different categories of immigrants living in the Portland area. Most service providers serve people who come to them for services.
- Opportunities for skilled workers will be better utilized by taking into account the challenges individuals face at each level of their life cycle when they come to Maine but also by having a tailored approach given the differences in skills and English proficiency.
- The economic integration of immigrants and refugees is a multisector issue that requires a collaborative environment where different stakeholders share experiences, priorities and data. Currently there is little collaboration among service providers
- No policy framework that all stakeholders should adhere to and work to implement collectively, each and one in its area of expertise.

2. What Should be the City's Role in Addressing These Gaps?

- ✓ The new city office would clearly be built upon the community values that emerged through the Community Dialogues that were undertaken by the World Affairs Council in partnership with the Maine Immigrants' Rights Coalition and which called upon the Greater Portland region to aspire to being a Welcoming, Opportunity and Empowering Community for immigrants. These community values have been

articulated throughout your deliberations, and can serve as the mission for the new office.

- ✓ You have heard a lot about the lack of community shared vision and a strategic plan for how Portland will respond to the more than 10,000 immigrants who now call Portland their home. We believe the highest value for the new office is a commitment to embrace an **Immigrant Integration policy framework**. Immigrant Integration is a nationally recognized strategic framework for dealing with immigration gaps, lack of coordination among service providers, the need for creative community partnerships, the need for measureable goals that can hold all organizations accountable, and for providing a framework where everyone can be “rowing in the same direction.” Given the importance of immigration to the city and the state, Portland needs a visionary strategic plan that embraces the core values of Immigrant Integration.
- ✓ Therefore, we recommend that the city plays the role of a convener that will work with different stakeholders and hold everyone accountable while at the same time leveraging community resources and partnerships.

We invite the City to adopt the New Americans Dream Platform, as a policy guideline:

*“The **New American Dreams Platform** seeks to define—by immigrants—what it means to be a successful nation of immigrants. The Platform will broaden and deepen current political discourse about immigration so that policymakers must acknowledge that immigrants are not numbers but humans, not burdens but contributors, and not criminals but mothers and fathers and laborers and business owners. The New American Dreams Platform aims to be a framework to discuss immigration from this time onwards.*

The City should build support at the local level and mobilize its constituencies through community actions, social media campaigns, story sharing and testimonials, and coordinated press strategies. The City should work with national partners to take the Platform to policy makers and public opinion makers.”

The Platform Framework:

The Platform is comprised of eight key components. These policy areas are aligned to the immigrant integration pillars—civic, economic, and linguistic—and to meet the needs of various New American constituencies—undocumented immigrants, legal permanent residents, naturalized citizens, children of immigrants, refugees and asylum seekers, and people of various countries of origin, skill, and education levels.

1. A City of Citizens.

Portland has a quite number of foreign born non-citizens. This is unhealthy for both immigrants and our city. Many are trapped with no pathway at all to attain legal status and earned citizenship. Among legal immigrants, many of them could become citizens but for the barriers of cost and English that stand in their way. These blocks depress immigrant earnings and their ability to contribute fully to our workforce and economy. This system is maintaining an American underclass, frozen out of our democracy. The city should engage with immigrant communities and other partners to actively promote naturalization.

2. English as a Gateway.

New Americans want to learn English. English proficiency is virtually a prerequisite for full social and economic participation in U.S. society. Yet more than half of immigrants over five years old in the U.S. face some challenges with English proficiency, and a big number of immigrants report low or no English proficiency. Long waiting lists for ESOL programs around the city demonstrate the interest among immigrants and refugees in learning English. English language proficiency is critical for immigrants to become citizens or pursue pathways to legal status under current reform proposals. Any integration policy must include a significant expansion in public investment in English language instruction; all immigrants should be granted access to 300 hours of ESL instruction.

3. Quality Public Education and Care.

Public education has been one of the most effective ways in which new Americans and their U.S.-born children have become part of the fabric of American life. With the numbers of limited English children in educational institutions increasing, and a persistent achievement gap for many immigrant and ethnic minority students, Latinos in particular, educational policies at state and local level need to strengthen programs that address the linguistic as well as socioeconomic challenges facing these youngest of new Americans, particularly the large percentage of children in immigrant families living below 200 percent of the U.S. poverty line. This also means expanding access for English language learner children to high quality early learning programs, which have been demonstrated to help bridge gaps in school readiness and influence long-term outcomes for these children in school and beyond.

4. A Vibrant and Vital Workforce.

Over our country's history, new Americans' ability to participate in the dynamic American workforce has been the foundation of economic and social mobility—a process not to be taken for granted in today's economic climate. Expanding access to a living wage through workforce development and support for immigrant business development and professional integration must play a crucial part in any immigrant integration policy. Improving workforce access for immigrants in the U.S. must also include a coordinated set of policies addressing temporary and skilled worker visas, one that meets the shifting needs of region's businesses and protects the rights of

native and foreign born workers alike.

5. A Just Labor Market.

New Americans power the American labor force. For far too many immigrants and refugees, working life is dominated by jobs that provide poverty wages, little-to-no benefits, and exploitative working conditions. Immigration status is used to intimidate workers from standing up for their legal rights and building collective power. However, labor is also a key source of collective power for immigrant and refugee communities. Immigrants are the fastest growing sector of the workforce and propel key industries that are vital to the economy. Workers at every level of skill and pay and of any immigration status should be treated with dignity, paid fairly, and protected against abuses in the workplace.

6. Economic Opportunities and Success For All.

Robust economic integration must become a priority, and the time is now. The current socio-economic barriers facing immigrants and refugees are well documented and have significant consequences. By not adequately supporting immigrants' integrating into the mainstream economy, we deny the fastest growing populations in our city the most basic tools they need to succeed and propel Maine into a vibrant economic future. Immigrants must be supported in their pursuit of family wealth and neighborhood assets.

7. A Healthy City.

New Americans make deep contributions to our nation's health but quality health care for their families is too often unattainable. And there are more trained immigrant health professionals who cannot contribute fully to the health industry because of bureaucratic licensing requirements. Immigrant workers care for the elderly, and fill the service jobs in healthcare, but they are systematically excluded from basic healthcare themselves.

8. A Welcoming and Inclusive Society.

Immigrants and refugees have come to our city in search of opportunity and freedom. The process of integrating into a new land – to achieve self-sufficiency, political and civic involvement, and social inclusion – can be difficult but the rewards are immense. Immigration is an issue that is critical to our city's continued economic success and global leadership. Welcoming immigrants and refugees reflects American proud traditions and distinctive characteristics. We need to build a different kind of community – one that embraces immigrants and fosters opportunity for all.

The City should rally all stakeholders and partners behind these key components of the Platform and develop a coordinated strategy for making it a reality.

To summarize:

- The City leadership is critically important when it comes to immigration.
- The City should take a leadership role in developing an overarching immigrant integration strategy.
- The City should promote inclusiveness, and not divisiveness, through its new office.
- The City should coordinate service providers, and should facilitate partnerships, especially with the business community.
- The City should insure accountability around measurable goals, and immigrant feedback from services they have received.

3. What is your organization's role in addressing these gaps?

The Maine Immigrant Rights Coalition (MIRC) is an organization comprised of 54 organizational members that represent the interests of the immigrant community here in Maine. Our members include immigrant led community organizations, organizations that advocate on behalf of immigrants, providers of services to immigrants and refugees, religious congregations and others who support our mission.

MIRC Mission - We strive to improve the legal, social and economic conditions experienced by Maine's immigrants-- enhancing their lives and strengthening Maine - through advocacy, information sharing, and fostering collaboration among member organizations.

Our role, both as the collective body of MIRC and as individual organizations in addressing these gaps has been and will continue to be to carry out our mission and to work hand-in-hand with city and other officials to close the gap in employment and entrepreneurship and further immigrant integration in Maine.



Economic Development Department
Gregory A. Mitchell, Director

TO: Economic Development Committee

FROM: Gregory A. Mitchell, Economic Development Director

DATE: October 21, 2016

SUBJECT: **Authorizing the Assignment of the McAuley Place Tax Increment Financing District Credit Enhancement Agreement**

I. ONE SENTENCE SUMMARY

The request is to assign the McAuley Place Tax Increment Financing (TIF) District Credit Enhancement Agreement (CEA) from Baxter Woods Retirement Community, Inc., to Sea Coast at Baxter Woods Associates, Inc. and Motherhouse Associates, LP.

II. AGENDA DESCRIPTION

Changes in corporate entities are taking place to support the redevelopment of the Motherhouse Project and surrounding property located in the McAuley Place TIF District. This necessitates EDC and City Council approval to Assign the McAuley Place TIF CEA which is permitted under the existing City Council approved CEA per Section 7.3.

III. BACKGROUND

The City Council approved the McAuley Place TIF District on May 16, 2009. The terms of this TIF District include returning sixty (60) percent of the new property taxes to the Motherhouse Project developer for a period of thirty (30) years and the remaining forty (40) percent will be placed in the City's General Fund. It is noted that this property is tax exempt because it is owned by St. Joseph Covenant and Hospital. Also, it is noted that the TIF District approval date started the TIF District term, but it was not activated at that time because the planned redevelopment project investment did not occur. With the Project now preparing to move forward under different corporate entities, assignment of the approved McAuley Place TIF District CEA is needed. A summary of the affordable senior housing original development program (2009) compared with the latest development program (2016) is similar as follows:

Original Project (2009)

- 45 to 50 apartments in the renovated Motherhouse;
- 25 to 30 apartments (new construction) in an addition to the Motherhouse; and,
- 36 residential units (new construction) located in three townhouses/cottages between the Motherhouse and Baxter Woods.

Latest Project (2016)

- 88 (including affordable) units located in the Motherhouse; and,
- 21 residential units located between the Motherhouse and Baxter Woods.

IV. INTENDED RESULT OR COUNCIL GOAL ADDRESSED

EDC and City Council approval of the Assignment to the McAuley Place TIF District CEA.

V. FINANCIAL IMPACT

There is no financial impact related to EDC and City Council approval to assign the McAuley Place TIF District CEA.

VI. STAFF ANALYSIS AND BACKGROUND THAT WILL NOT APPEAR IN THE AGENDA DESCRIPTION

Staff reviewed the request and determined that the requested McAuley Place TIF District CEA is allowed under the City Council approved CEA.

VII. RECOMMENDATION

Staff recommends approval to assign the McAuley Place TIF District CEA.

VIII. LIST ATTACHMENTS

- Consent to Assignment of Credit Enhancement Agreement
- Assignment and Assumption of Credit Enhancement Agreement

Prepared by: Greg Mitchell

Date: October 21, 2016

Consent to Assignment of Credit Enhancement Agreement

Whereas, on May 16, 2009, the City Council of the City of Portland approved The McAuley Place Municipal Development and Tax Increment Financing District Development Program, which created a tax increment financing district with respect to property located at 605 Stevens Avenue, Portland, Maine and, following approval of the Development Program by the Maine Department of Economic and Community Development, a Credit Enhancement Agreement, dated May, 2009, (the "Agreement") was entered between the City of Portland and McAuley Place at Baxter Woods Retirement Community, Inc., its successors and assigns (hereinafter "McAuley Place");

Whereas, Section 7.3 of the Agreement provides that McAuley Place shall have the right to transfer and assign to any person or entity all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as McAuley Place may, in its sole discretion, deem appropriate and said right shall not be unreasonably withheld by the City; and

Whereas, St. Joseph Covenant and Hospital has agreed to sell all of the property in the TIF District to Sea Coast at Baxter Woods Associates, LLC, a Maine limited liability company ("Sea Coast"), and Sea Coast intends to sell a portion of such property to Motherhouse Associates, LP, a Maine limited partnership ("Motherhouse Associates"); and

Whereas, Sea Coast has submitted to the Economic Development Department of the City documentation of final project sources and uses demonstrating continued need for the level of TIF financing provided in the Agreement;

Now, therefor, the undersigned agree as follows:

1. The City hereby consents to the assignment of the Agreement by McAuley Place to Sea Coast, its successors and assigns, and to the assignment by Sea Coast to Motherhouse Associates of a portion of the tax increment revenues under the Agreement as set forth in the Credit Enhancement Partial Assignment Agreement attached hereto as Exhibit A.

2. Sea Coast assumes and agrees to perform all obligations of McAuley Place under the Agreement with respect to the property that it will own and Motherhouse Associates assumes and agrees to perform all obligations of McAuley Place under the Agreement with respect the property that it will own.

Dated as of this ____ day of _____, 2016.

City of Portland

By: _____
Its

Sea Coast at Baxter Woods Associates, LLC

By: _____
Its

Motherhouse Associates, LP

By: _____
Its

EXHIBIT A

CREDIT ENHANCEMENT PARTIAL ASSIGNMENT AGREEMENT (Motherhouse Share)

This Credit Enhancement Partial Assignment Agreement (Motherhouse Share), dated as of _____, 2016, between Sea Coast at Baxter Woods Associates, LLC, a Maine limited liability company, with a mailing address c/o Ocean View Management Company, 20 Blueberry Lane, Falmouth, Maine (“Sea Coast”), and Motherhouse Associates, LP, a Maine limited partnership, with a mailing address c/o Developers Collaborative, 100 Commercial Street, Suite 414, Portland, Maine 04101 (hereinafter “Motherhouse”).

WITNESSETH THAT

WHEREAS, the City of Portland (the “City”) has designated the McAuley Place Municipal Development District and Tax Increment Financing District (the “District”) pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, and adopted a development program and financial plan, as amended for the District on March 16, 2009 (the “Development Program”), and

WHEREAS, pursuant to the Development Program, the City entered the Credit Enhancement Agreement, as defined herein, and Sea Coast desires to assign, allocate, and provide for payment to Motherhouse of a portion of the payments to be made by the City pursuant to the Credit Enhancement Agreement and all rights under the Credit Enhancement Agreement that pertain to the Motherhouse Property as defined herein being acquired by Motherhouse on this date;

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

ARTICLE I: DEFINITIONS

Section 1.1 Definitions. The terms defined in this Article I or herein above shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

“Credit Enhancement Agreement” means the Credit Enhancement Agreement dated as of May, 2009, between the City of Portland, Maine and McAuley Place at Baxter Woods Retirement Community, Inc. (and assigned by McAuley Place at Baxter Woods Retirement Community, Inc. to Sea Coast by Assignment, dated _____, 2016), all relating to the District.

“Current Assessed Value” means, for each Fiscal Year that the District remains in effect, the net assessed value (after deducting all exemptions, including homestead exemptions and veterans exemptions) of property, including the Motherhouse Property and the Sea Coast Property, as applicable hereunder, as certified by the municipal assessor of the City as of April 1st prior to such Fiscal Year.

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

“Increased Assessed Value” means, for any Fiscal Year, the assessed valuation amount by which the Current Assessed Value of the District for such Fiscal Year exceeds \$0 (the Original Assessed Value of the District).

“Increased Assessed Value (Motherhouse Share)” means, for each Fiscal Year during the term of this Agreement, (i) the then Current Assessed Value of the Motherhouse Property, minus (ii) \$0 (the Original Assessed Value).

“Motherhouse Property” means the portion of the real estate located in the TIF District described in the deed of even date from Sea Coast to Motherhouse and recorded in the Cumberland County Registry of Deeds that is located in the District, which property consists of Unit #1 (the "Unit") of 605 Stevens Avenue Condominium created under the Declaration of Condominium, dated _____, 2016 and recorded in the Cumberland County Registry of Deeds, Book ___, Page _____, which unit consists of most of four-story Motherhouse or convent building that was designed in the Italian Renaissance style and constructed in 1908-1909 but excluding the portions thereof described as Common Elements or Limited Common Elements in such Declaration of Condominium and also excluding the portions thereof shown as Unit 2 (the 3 story Smith House wing) and Unit 3 (the Chapel located in the Motherhouse building). The Motherhouse Property has an assessed value, as of April 1, 2016, of \$0.

“Original Assessed Value” means the original assessed value of the District, which amount is \$0, which was the assessed value of the District as of March 31, 2008 (April 1, 2007) and as of March 31, 2017 (April 1, 2016).

“Property Taxes” means any and all ad valorem property taxes levied, charged or assessed against real property by the City.

“Sea Coast Property” means all of the real property located in the TIF District other than the Motherhouse Property. Accordingly, the Sea Coast Property consists of Unit 2 (the 3 story Smith House wing) and Unit 3 (the Chapel located in the Motherhouse building) of 605 Stevens Avenue Condominium created under the Declaration of Condominium, dated _____, 2016 and recorded in the Cumberland County Registry of Deeds, Book ___, Page _____, and the land located in the TIF District that is not part of said Condominium, said land being located between the Motherhouse and Baxter Woods. The Sea Coast Property has an assessed value, as of April 1, 2016, of \$0.

“Tax Increment” means all Property Taxes assessed by the City, in excess of any state, county or special district tax, upon the Increased Assessed Value of all real property in the District that is not exempt from taxation.

“Tax Increment Revenues (McAuley Place Share)” means that percentage of the Tax Increment Revenues (McAuley Place Share), as defined in the Credit Enhancement Agreement. Such percentages are equal to 60% of the Tax Increment relating to all of the property in the TIF District for each Fiscal Year for the period from July 1, 2017 through June 30, 2039.

“Tax Increment Revenues (Sea Coast Share)” means, computed separately for each Fiscal Year during the term of this Agreement, an amount equal to 60% of the Tax Increment for such Fiscal Year computed solely with respect to the Sea Coast Property located in the TIF District.

“Tax Increment Revenues (Motherhouse Share)” means, computed separately for each Fiscal Year during the term of this Agreement, an amount equal to 60% of the Tax Increment for such Fiscal Year computed solely with respect to the Motherhouse Property.

“Tax Map” means the tax maps of the City of Portland attached hereto as Exhibit A.

All terms and words that are capitalized herein and not otherwise defined herein shall have the meanings set forth in the Credit Enhancement Agreement.

ARTICLE II: PAYMENT OBLIGATIONS

Section 2.1. Assignment. Sea Coast hereby assigns to Motherhouse, its successors and assigns, the Tax Increment Revenues (Motherhouse Share) and all portions of the Credit Enhancement Agreement pertaining to or arising out the Motherhouse Property. Motherhouse hereby accepts the obligations of Sea Coast as to the Motherhouse Property and agrees faithfully to perform such obligations and to bound thereby, including without limitation the obligations to pay all Property Taxes on the Motherhouse Property when due.

Sea Coast hereby covenants and agrees with Motherhouse, its successors and assigns, as follows:

- a. a true and complete copy of the Credit Enhancement Agreement with all amendments is attached hereto and that the Credit Enhancement Agreement has not been modified, changed, altered, assigned, supplemented or amended in any respect except identified herein;
- b. the Credit Enhancement Agreement is a valid and binding obligation of the City and in full force and effect on the date hereof, and the City, to its actual knowledge, has no existing defenses or offsets against the enforcement of the Credit Enhancement Agreement;
- c. no default is outstanding under the Credit Enhancement Agreement;
- d. Sea Coast shall obtain any necessary consent of the City for the partial assignment and allocation of the Tax Increment Revenues (Motherhouse Share) identified in this Agreement;
- e. Sea Coast is the sole holder of the interest of McAuley Place at Baxter Woods Retirement Community, Inc. in the Credit Enhancement Agreement;
- f. Sea Coast has not granted any lien, security interest or other encumbrance covering the Credit Enhancement Agreement;
- g. Sea Coast shall instruct the City to divide each future payment of Tax Increment Revenues under the Credit Enhancement Agreement into two checks, one to Motherhouse (or its successors or assigns) in the amount Tax Increment Revenues (Motherhouse Share) (the "Motherhouse Share"), and the remainder of the Tax Increment Revenues (McAuley Place Share) to Sea Coast (or its successors and assigns) (the "Sea Coast Share"). In the event the City fails to do so, then the party who received the other's share shall hold such share in trust and promptly remit it to the proper recipient;
- h. any future amendments of the Credit Enhancement Agreement affecting in any way the amount of the Motherhouse Share will require the consent of both Sea Coast and Motherhouse or the then respective holders of the interest of Sea Coast and Motherhouse in the Credit Enhancement Agreement; and
- i. Sea Coast and Motherhouse shall each pay, with respect to its share of the Tax Increment Revenues the 1% administrative fee due to the City of Portland under Section 3.7 of the Agreement, and the City may withhold or set off that 1% administrative fee from each payment.

Sea Coast and Motherhouse agree that the Tax Increment Revenues (Sea Coast Share) have not been assigned by Sea Coast to Motherhouse and are not subject to this Agreement, and Motherhouse shall have no rights with respect to the Tax Increment Revenues (Sea Coast Share). Sea Coast hereby agrees to faithfully perform the obligations under the Credit Enhancement Agreement and to bound thereby, including without limitation the obligations to pay or cause to be paid all real estate taxes on the non-Motherhouse Property when due.

Section 2.2. Payments. Sea Coast has notified the City that Sea Coast has assigned the Tax Increment Revenues (Motherhouse Share) to Motherhouse. The City is directed to pay the Tax Increment Revenues (Motherhouse Share) directly to Motherhouse, its successors and assigns, beginning with first half (September 2017 payment) of the Fiscal Year of the City beginning July 1, 2017 and ending June 30, 2018 and continuing with each fiscal year of the City thereafter through and including June 30, 2039.

ARTICLE III: BOOKS AND RECORDS

Section 3.1. Access to Books and Records. All books, records and documents in the possession of Sea Coast relating to the District, the Development Program, this Agreement and the Tax Increment Revenues (McAuley Place Share), the Tax Increment Revenues (Sea Coast Share) and the Tax Increment Revenues (Motherhouse Share) shall at all reasonable times be open to inspection by Motherhouse, its agents and employees.

ARTICLE IV: ASSIGNMENT AND PLEDGE OF MOTHERHOUSE' SHARE

Section 4.1. Consent to Pledge and/or Assignment. Sea Coast does hereby irrevocably consent and agree to the pledge and assignment by Motherhouse from time to time of its right, title and interest in, to and under this Agreement and in, and to the payments to be made to Motherhouse hereunder, to third parties as collateral or security for indebtedness incurred from time to time, on one or more occasions during the term hereof. Motherhouse shall give prompt written notice to the City and to Sea Coast of any pledge of or security interest granted with respect to this Agreement or any interest therein.

Section 4.2. Assignment: In addition to the rights of assignment in Sections 5.1 hereof, Motherhouse shall have the right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time as Motherhouse may, in its sole discretion, deem appropriate provided that Motherhouse shall first obtain the written consent of the City and Sea Coast of any assignment of this Agreement or any interest therein, which consents will not be unreasonably withheld.

ARTICLE V: MISCELLANEOUS

Section 5.1. Successors. The covenants, stipulations, promises and agreements set forth herein shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 5.2. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 5.3. Governing Law. The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

Section 5.4. Notices. All notices, certificates, requests, requisitions or other communications by the Sea Coast or Motherhouse pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

If to Sea Coast:	Sea Coast at Baxter Woods Associates, LLC c/o Ocean View Management Company 20 Blueberry Lane Falmouth, Maine
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If to Motherhouse: Motherhouse Associates, LP
 c/o Developers Collaborative
 100 Commercial Street, Suite 414
 Portland, Maine 04101

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

Section 5.5. Amendments. This Agreement may be amended only with the written consent of the parties hereto.

Section 5.6. Integration. This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written or oral, between Sea Coast and Motherhouse relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

IN WITNESS WHEREOF, Sea Coast at Baxter Woods Associates, LLC and Motherhouse, LP have caused this Agreement to be executed in their respective names and their respective seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

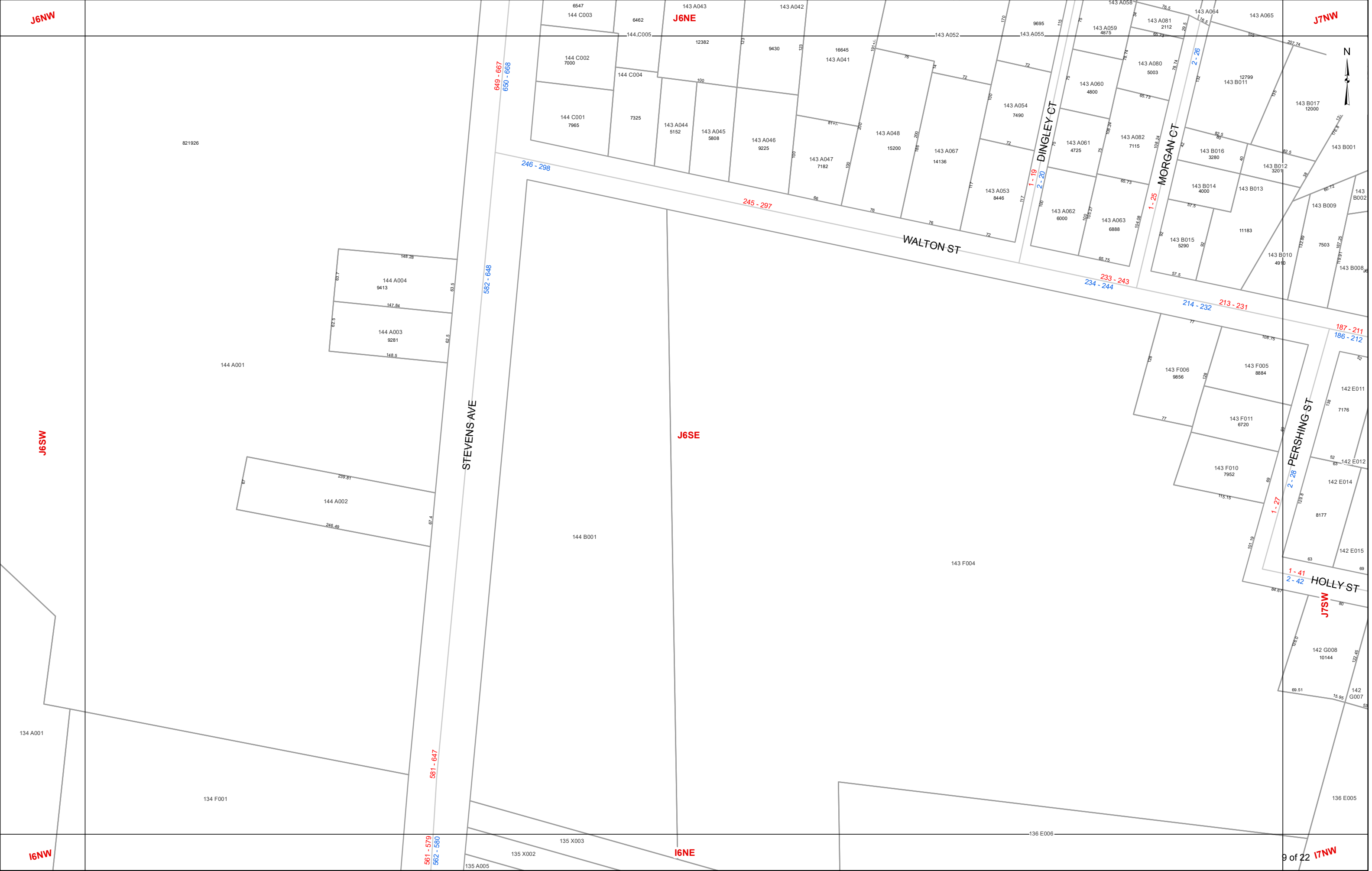
WITNESS:

Sea Coast at Baxter Woods Associates, LLC

By: _____
John B. Wasileski, its Manager

Motherhouse Associates, LP

By: _____
Kevin Bunker, Its General Partner



Assignment and Assumption of Credit Enhancement Agreement

This Assignment and Assumption of Credit Enhancement Agreement is made this ____ day of _____ 2016, by and between McAuley Place at Baxter Woods Retirement Community, Inc., a Maine nonprofit corporation (“Assignor”) and Sea Coast at Baxter Woods Associates, LLC, a Maine limited liability company (“Assignee”);

WHEREAS, Assignor is a party to the Credit Enhancement Agreement between the City of Portland (the "City") and Assignor, dated May 2009, a copy of which is attached hereto (the "Agreement");

WHEREAS, Assignor desires to assign to Assignee and Assignee desires to acquire from Assignor all of Assignor's interest in and to said Agreement and Assignee has agreed to assume all obligations of Assignor under said Agreement; and

WHEREAS, it is the intention of the parties hereto that Assignor's interest in and obligations under the Agreement be assigned to and assumed by Assignee as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor hereby sells, transfers, conveys, grants and assigns to Assignee, its successors and assigns, to the extent assignable, all right, title and interest of Assignor in and to the Agreement. Assignee hereby accepts such assignment and assumes all obligations of Assignor under the Agreement. This Assignment is granted with no representations or warranties by Assignor other than the fact that Assignor has not assigned or caused to be assigned such Agreement to any third party.

2. Miscellaneous. This Agreement shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns. Assignee acknowledges and agrees to accept all obligations of the Assignor under the Agreement and to be bound by all provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption of Credit Enhancement Agreement to be executed as a sealed instrument as of the date first above written.

Witness: ASSIGNOR: McAuley Place at Baxter Woods Retirement Community, Inc.

By: _____, its

ASSIGNEE: Sea Coast at Baxter Woods Associates,
LLC

By: _____
John B. Wasileski, Its Manager

CREDIT ENHANCEMENT AGREEMENT

This Credit Enhancement Agreement, dated as of this ____ of May, 2009, between the City of Portland, Maine, a municipal body corporate and politic and a political subdivision of the State of Maine (the "City"), and McAuley Place at Baxter Woods Retirement Community, Inc., a Maine nonprofit corporation ("McAuley Place").

WITNESSETH THAT

WHEREAS, the City designated the McAuley Place Municipal Development District and Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote at City Council Meeting held on March 16, 2009 and pursuant to the same City Council Meeting action adopted a development program and financial plan for the District (the "Development Program") and Maine Department of Economic and Community Development has reviewed and approved the District and the Development Program, and

WHEREAS, the Development Program contemplates the execution and delivery of a credit enhancement agreement between the City and McAuley Place and the City approved the execution and delivery of a credit enhancement agreement as described in the Development Program pursuant to such City Council Meeting approval, and the City and McAuley Place desire and intend that this Credit Enhancement Agreement be and constitute the Credit Enhancement Agreement contemplated by and described in the Development Program;

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

ARTICLE I: DEFINITIONS

Section 1.1. Definitions. The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

"Agreement" means this Credit Enhancement Agreement between the City and McAuley Place.

"City" means the City of Portland, Maine, a municipality duly organized and existing under the laws of the State of Maine, its successors and assigns.

"Current Assessed Value" means the assessed value of the District certified by the municipal assessor as of April 1st of each year that the District remains in effect.

"Development Program" means the Development Program for the District as adopted by the City at a City Council Meeting held on March 16, 2009.

“Development Program Fund” means the development program fund described in the Development Program.

“District” means the McAuley Place Municipal Development District and Tax Increment Financing District designated by the City pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote at its City Council Meeting held on March 16, 2009.

“Financial Plan” means the financial plan described in the Development Program.

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

“Increased Assessed Value” means the valuation amount by which the Current Assessed Value of the District exceeds the Original Assessed Value of the District. If the Current Assessed Value is equal to or less than the Original Assessed Value, there is no Increased Assessed Value.

“McAuley Place” means McAuley Place, its successors and assigns, including any assignee of its rights under this Agreement.

“Original Assessed Value” means the taxable assessed value of the District as of March 31, 2008, which amount was \$0.

“Project” means the design, planning, development, acquisition, construction, financing and installation of the Capital Program described in the Development Program.

“Project Costs” means any expenditures or monetary obligations incurred or expected to be incurred that are authorized by section 5225, subsection 1 of title 30-A of the Maine Revised Statutes and included in the Development Program.

“Project Cost Account” means McAuley Place Project Cost Account described in the Development Program.

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

“Qualified Investments” means any and all securities, obligations or accounts in which municipalities may invest their funds under applicable Maine law.

“Tax Increment” means all Property Taxes assessed by the City, in excess of any state, county or special district tax, upon the Increased Assessed Value of all real property property in the District.

“Tax Increment Revenues (McAuley Place Share)” means that percentage of the Tax Increment, for each year during the term of this Agreement, with respect to real property in the District as described in Section 3.1 of this Agreement, which revenues shall be deposited by the City in the McAuley Place Project Cost Account and paid to McAuley Place pursuant to this Agreement.

“Tax Payment Date” means the date(s) on which Property Taxes levied by the City are due and payable from owners of property located within the City.

Section 1.2. Interpretation and Construction. In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not affect its meaning, construction or effect.

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

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

ARTICLE II: MCAULEY PLACE PROJECT COST ACCOUNT OF THE DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of McAuley Place Project Cost Account of the Development Program Fund. The City hereby confirms the creation and establishment of (a) the McAuley Place Development District and Tax Increment Financing District Development Program Fund; and (b) a segregated fund within such Development Program Fund designated as the “McAuley Place Project Cost Account” (the “McAuley Place Project Cost Account”) pursuant to, and in accordance with the terms and conditions of the Development Program. The Development Program Fund shall consist of the McAuley

Place Project Cost Account as described in the Development Program. The City's Share of the Tax Increment Revenues as described in the Development Program is not subject to this Agreement.

Prior to the commencement of construction, McAuley Place shall submit to the Economic Development Division of the City, for review and final approval, documentation of final project sources and uses demonstrating continued need for the level of TIF financing provided herein.

Section 2.2. Deposits into McAuley Place Project Cost Account. The City shall deposit into the McAuley Place Project Cost Account contemporaneously with each payment of Property Tax during the term of the District an amount equal to that portion thereof constituting the Tax Increment Revenues (McAuley Place Share) for the period or year to which the payment relates and shall allocate the amount so deposited to fund fully and pay the payments due to McAuley Place under Article III of this Agreement.

Section 2.3. Use of Monies in McAuley Place Project Cost Account of the Development Program Fund. Monies deposited in the McAuley Place Project Cost Account shall be used and applied exclusively to fund the City's payment obligation described in Article III hereof.

Section 2.4. Monies Held in Trust. All monies required to be deposited with or paid into the McAuley Place Project Cost Account to fund payments of the McAuley Place under the provisions hereof and the provisions of the Development Program shall be held by the City in trust, for the benefit of the McAuley Place.

Section 2.5. Investments. The monies in the McAuley Place Project Cost Account shall be invested and reinvested in Qualified Investments as determined by the City. The City shall have discretion regarding the investment of such monies, provided such monies are invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the City shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of such account. The City shall have the sole and exclusive right to designate the investments to be sold and to otherwise direct the sale or conversion to cash of investments made with monies in the McAuley Place Project Cost Account.

Section 2.6. Liens. The City shall not hypothecate or grant or create any liens, security interests, encumbrances, or other interests of any nature whatsoever, with respect to the McAuley Place Project Cost Account or any funds therein, other than the interest granted to the McAuley Place hereunder in and to the amounts on deposit therein.

ARTICLE III: PAYMENT OBLIGATIONS

Section 3.1. Credit Enhancement Payments. The term of this Agreement shall commence on July 1, 2009 and shall end on June 30, 2039. The City agrees to pay to McAuley Place within 30 days following each Tax Payment Date or the date payment of

Property Tax is actually received by the City with respect to real property in the District, whichever is later, payments equal to the Tax Increment Revenues (McAuley Place Share), as hereafter defined, for each Fiscal Year of the City beginning with the first Fiscal Year of the City after the designation and approval of the District by the Maine Department of Economic and Community Development, being the Fiscal Year beginning July 1, 2009 and ending June 30, 2010 and continuing with each Fiscal Year of the City thereafter through and including the Fiscal Year ending June 30, 2039. The Tax Increment Revenues (McAuley Place Share) for each Fiscal Year during the term of this Agreement shall mean 60% of the entire Tax Increment for each Fiscal Year for the period from July 1, 2009 through June 30, 2039, all determined with respect to all real property located in the District. Such percentages for each year for the "Tax Increment Revenues (McAuley Place Share) are based on the fact that no property taxes are currently assessed in the District and thus the Original Assessed Value is equal to zero, due to the fact that the property in the District is currently exempt from taxation; if the City determines to ascribe any amount in excess of zero to the Original Assessed Value, the percentage of the Tax Increment Revenues (McAuley Place Share) set forth in this Section 3.1 for each year shall be increased to an amount so that the Tax Increment Revenues (McAuley Place Share) for each year is equal to 60% of the sum of the Increased Assessed Value plus the Original Assessed Value. The City shall make all such payments of the Tax Increment Revenues (McAuley Place Share) to the McAuley Place, its successors and assigns. The City shall retain up to 1% of the Tax Increment Revenues (McAuley Place Share) to pay administrative costs of the City relating to this Development Program.

The obligation of the City to make such payments shall be a limited obligation payable solely from that portion of the Tax Increment Revenues (McAuley Place Share) payable to McAuley Place hereunder, and any earnings thereon, whether or not actually deposited into the McAuley Place Project Cost Account, and shall not constitute a general debt or obligation on the part of the City or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine or any political subdivision thereof. The Tax Increment Revenues (McAuley Place Share) is computed based on the total Tax Increment of the District; thus the amount to be paid by the City to McAuley Place hereunder for any year shall be equal to the Tax Increment Revenues (McAuley Place Share) percentage set forth above of the total Tax Increment of the District for such year, which total Tax Increment amount includes any portion of the Tax Increment that is not retained or captured in the District.

Section 3.2. Tax Payments. McAuley Place shall pay when due all real property taxes assessed by the City on property owned by McAuley Place unless contested by the Company by appropriate proceedings pursuant to Maine law. No payments shall be made by the City under this Agreement unless McAuley Place has paid in full all real property taxes assessed by the City on McAuley place property when due.

Section 3.3. Failure to Make Payment. In the event the City should fail to, or be unable to, make any of the payments required under Section 3.1 hereof, the item or installment so unpaid shall continue from year-to-year, as a limited obligation of the City,

under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid and the City agrees to pay the same with interest thereon at the rate equal to the rate payable to the City by property tax payers on delinquent property taxes, as adjusted annually, but only from Tax Increment Revenues (McAuley Place Share) paid to the City by McAuley Place from time to time, and any earnings thereon, whether or not deposited into the McAuley Place Project Cost Account of the Development Program Fund. Payments shall be applied first against accrued interest and then against principal. McAuley Place shall have the right to initiate and maintain an action to specifically enforce the City's obligations hereunder, including without limitation, the City's obligation to deposit all Tax Increment Revenues (McAuley Place Share) to the McAuley Place Project Cost Account and its obligation to make payments to McAuley Place.

Section 3.4. Manner of Payments. The payments provided for in this Article III shall be paid in available funds directly to McAuley Place in the manner provided hereinabove for its own use and benefit.

Section 3.5. Obligations Unconditional. The obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against McAuley Place. The City shall not suspend or discontinue any such payment or terminate this Agreement for any cause, including without limitation, any acts or circumstances that may constitute failure of consideration or frustration of purpose or any damage to or destruction of the Project or any change in the tax or other laws of the United States, the State of Maine or any political subdivision of either thereof, or any failure of McAuley Place to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement or the Development Program.

Section 3.6. Limited Obligation. The City's obligations of payment hereunder shall be limited obligations of the City payable solely from monies on deposit in the McAuley Place Project Cost Account, and any earnings thereon, pledged therefore under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of the Tax Increment Revenues (McAuley Place Share) payable to McAuley Place hereunder, and any earnings thereon, whether or not actually deposited into the McAuley Place Project Cost Account. This Agreement shall not directly or indirectly or contingently obligate the City, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation or to levy or to make any appropriation for their payment, excepting the City's obligation to levy Property Taxes upon the property in the District and the pledge of the Tax Increment Revenues (McAuley Place Share), and earnings thereon, established under this Agreement.

Section 3.7. Administrative Fee. McAuley Place shall pay to the City an annual administrative fee equal to 1% of the Tax Increment Revenues (McAuley Place Share).

Such payment shall be deducted pursuant to Section 3.1 of this Agreement contemporaneously with the payment by the City to McAuley Place.

ARTICLE IV: PLEDGE AND SECURITY INTEREST

Section 4.1. Pledge of McAuley Place Project Cost Account. In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to McAuley Place by the City, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the City's covenants and agreements contained herein, the City does hereby grant a security interest in, and pledge to McAuley Place, the McAuley Place Project Cost Account to the extent of McAuley Place rights under this Agreement to receive funds from the McAuley Place Project Cost Account and all sums of money and other securities and investments now or hereafter therein.

Section 4.2. Perfection of Interest. The City authorizes McAuley Place to file and, if necessary, shall cooperate with the McAuley Place in causing appropriate financing statements and continuation statements naming McAuley Place as pledgee of all amounts from time to time on deposit in the McAuley Place Project Cost Account to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder. To the extent deemed necessary by McAuley Place, the City will at such time and from time to time as requested by McAuley Place establish the McAuley Place Project Cost Account as a segregated fund under the control of an escrow agent, trustee or other fiduciary so as to perfect McAuley Place interest therein.

Section 4.3. Further Instruments. The City shall, upon the reasonable request of McAuley Place, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City.

Section 4.4. No Disposition of McAuley Place Project Cost Account. Except as permitted hereunder, the City shall not sell, lease, pledge, grant a security interest in, assign or otherwise dispose, encumber or hypothecate any interest in the McAuley Place Project Cost Account and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part hereof not permitted hereby.

Section 4.5. Access to Books and Records. All books, records and documents in the possession of the City relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into the McAuley Place Project Cost Account shall at all reasonable times be open to inspection by McAuley Place, its agents, lenders, designees and employees.

ARTICLE V: DEFAULTS AND REMEDIES

Section 5.1. Events of Default. Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

(a) any failure by the City to pay any amounts due to McAuley Place when the same shall become due and payable and any failure by the City to make deposits into the Development Program Fund or the McAuley Place Project Cost Account as and when due;

(b) any failure by the City or McAuley Place to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the City or McAuley Place to be observed or performed, provided, however, that failure of McAuley Place to pay Property Taxes when due shall not constitute an event of default hereunder; or

(c) if a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the City’s affairs shall have been entered against the City or the City shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the City or of or relating to all or substantially all of its property, including without limitation, the filing of a voluntary petition in bankruptcy by the City or the failure by the City to have a petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the City.

Section 5.2. Remedies on Default. Whenever any Event of Default referred to in Section 5.1 hereof shall have occurred and be continuing, the non-defaulting party may take any one or more of the following remedial steps: (a) the non-defaulting party may take whatever action at law or at equity as may appear necessary or desirable to collect any amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the non-defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder; and (b) McAuley Place shall also have the right to exercise any rights and remedies available to a secured party under the laws of the State of Maine. Neither party has the right to terminate this Agreement.

Section 5.3. Remedies Cumulative. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to insist upon the strict performance of any of the covenants

and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the City with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Event of Default be continued or repeated.

Section 5.4. Agreement to Pay Attorneys' Fees and Expenses. Notwithstanding the application of any other provision hereof, in the event any party should default under any of the provisions of this Agreement and the non-defaulting party shall require and employ attorneys or incur other expenses or costs for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the City or McAuley Place herein contained, the defaulting party shall, on demand thereof pay to the non-defaulting party the reasonable attorneys fees, costs and expenses so incurred by the non-defaulting party.

ARTICLE VI: EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term. This Agreement shall become effective upon its execution and delivery by the parties hereto and shall remain in full force from the date hereof for the entire term of this Agreement and shall expire upon the payment of all amounts due to McAuley Place hereunder and the performance of all obligations on the part of the City and McAuley Place hereunder.

Section 6.2. Cancellation and Expiration of Term. At the termination or other expiration of this Agreement and following full payment of all amounts due and owing to McAuley Place hereunder or provision for payment thereof and of all other fees and charges having been made in accordance with the provisions to this Agreement, the City and McAuley Place shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII: ASSIGNMENT AND PLEDGE OF MCAULEY PLACE INTEREST

Section 7.1. Consent to Pledge and/or Assignment. The City hereby acknowledges that it is the intent of McAuley Place to pledge and assign and to grant security interests in and to this Agreement and the amounts payable to McAuley Place hereunder and McAuley Place right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on McAuley Place to make such assignment or pledge or to grant such security interests. Recognizing this intention, the City does hereby consent and agree to the grant of such security interests and to pledge and assignment of all of McAuley Place (or the pledge and assignment by any one McAuley Place of its) right, title and interest in, to and under this Agreement and in, and to the payments to be made to McAuley Place hereunder, to third

parties as collateral or security for indebtedness and other obligations or otherwise, on one or more occasions during the term hereof.

Section 7.2. Pledge, Assignment or Security Interest. The City hereby consents to the pledge, assignment or granting of a security interest by McAuley Place (or the pledge and assignment by McAuley Place) of its right, title and interest in, to and under this Agreement. The City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective secured party, pledgee or assignee, including without limitation, recognition of the secured party, pledgee or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such secured party, pledgee or assignee the position of such secured party, assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to the secured party, pledgee or assignee such rights and/or remedies as it may deem necessary for the establishing, perfection and protection of its interest herein.

Section 7.3. Assignment. McAuley Place also shall have the right to transfer and assign to any person or entity all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as McAuley Place may, in its sole discretion, deem appropriate and said right shall not be unreasonably withheld by the City.

ARTICLE VIII: MISCELLANEOUS

Section 8.1. Successors. The covenants, stipulations, promises and agreements set forth herein shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 8.2. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 8.3. No Personal Liability of Officials of the City. No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his individual capacity and neither the members of the City Council of the City nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.5. Governing Law. The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

Section 8.6. Notices. All notices, certificates, requests, requisitions or other communications by the City or McAuley Place pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when hand delivered or mailed by first class mail, postage prepaid, addressed as follows:

If to the City: City Manager
 City of Portland
 389 Congress Street
 Portland, ME 04101

If to McAuley Place: McAuley Place at Baxter Woods Retirement Community,
Inc.

c/o Sea Coast Management Company
30 Governor's Way, Suite 100
Topsham, ME 04086

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

Section 8.7. Amendments. This Agreement may be amended only with the concurring written consent of the parties hereto.

Section 8.8. Net Agreement. This Agreement shall be deemed and construed to be a "net agreement," and the City shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without any abatement, deductions or setoffs.

Section 8.9. Benefit of Assignees or Pledgees. The City agrees that this Agreement is executed in part to induce secured parties, assignees or pledgees to provide financing for the Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such secured parties, assignee or pledgee from time to time of McAuley Place right, title and interest herein.

Section 8.10. Valuation Agreement. The Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates, estimated amounts of the Increased Assessed Value and the Tax Increment, estimated amounts of the Tax Increment Revenues (McAuley Place Share), estimated development costs and other estimates. The City and McAuley Place hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program shall in no way (a) prejudice the rights of any party to be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise with respect to

McAuley Place property for purposes of ad valorem property taxation or any tax abatement proceeding or (b) modify or change in any way the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

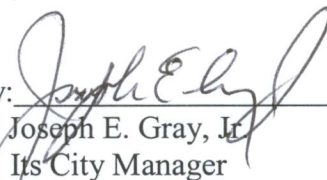
Section 8.11. Integration. This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and McAuley Place relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

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

WITNESS

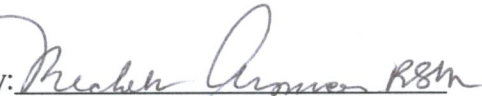


City of Portland

By: 
Joseph E. Gray, Jr.
Its City Manager

**McAuley Place at Baxter Woods
Retirement Community, Inc.**



By: 
Sr. Michele Aronica, RSM
Its President



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Economic Development Committee

FROM: Gregory A. Mitchell, Economic Development Director

DATE: October 20, 2016

SUBJECT: Communication Item for October 25, 2016 Committee Meeting –
FYE2016 Tax Increment Financing Annual Report

I. SUMMARY OF ISSUE

City Tax Increment Financing (TIF) Policy adopted by the City Council on February 4, 2013, requires the preparation and presentation of an annual TIF district activity report. The FYE2016 TIF Annual Report represents the fourth year of reporting.

Highlights of this year's Report notes City Council TIF actions during FY2016. This includes the Council's Housing and Community Development Committee, at the end FY2015, reviewed and recommended to the Council approval of the 17 Carleton Avenue Affordable Housing TIF and Credit Enhancement Agreement (CEA). The City Council reviewed and approved this TIF and CEA at its August 3, 2015 meeting.

This year's Report also has a table showing the past four years to see trends, as well as an Appendix which lists all the current TIFs and the activity numbers associated with them.

II. REASON FOR SUBMISSION

It is being submitted to the Committee for discussion and to forward to the City Council as a communication.

III. INTENDED RESULT

The intended result is for the entire City Council to keep up-to-date on TIF Districts.

IV. FINANCIAL IMPACT

There is no financial impact with this item.

V. STAFF ANALYSIS AND RECOMMENDATION

Staff recommends the Committee vote to forward the Report to the City Council as a communication.



Tax Increment Financing

Fiscal Year End (FYE) 2016 Annual Report
(July 1, 2015 through June 30, 2016)

Prepared by the Economic Development Department

(Report prepared 10/2016)

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1. **Introduction**

On February 4, 2013, the City Council adopted revised City Tax Increment Financing (TIF) Policy (Item A in Appendix) in support of investment in municipal economic development programs and infrastructure investment. Revised City Policy favors area-wide TIF Districts to support investment in public infrastructure and economic development programs versus individual site TIF Districts for private project financing needs.

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. 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 telecommunications lines underground.

“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 2016, the OAV would be the assessed value of the property on March 31, 2016. All taxes from the OAV go into the City's General Fund for any City use.

“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. **Tax Increment Financing Overview and Value**

Tax Increment Financing (TIF) is the most flexible economic development program available to municipalities. Associated with private sector or affordable housing investment, TIFs are flexible municipal financing tools to fund the following types of activities to support 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 two property tax components associated with TIF Districts include:

- **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.
- **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.

4. **TIF District Approval Process**

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

- Economic Development Committee recommendation for approval to the City Council;
- City Council approval; and,
- State of Maine Department of Economic Development Department approval for commercial TIF districts or Maine State Housing Authority approval for affordable housing TIF Districts.

5. **City Council Actions During FY2016**

City Council actions taken during FY2016 include:

- (a) The Council's Housing and Community Development Committee, at the end FY2015, reviewed and recommended to the Council approval of the 17 Carleton Avenue Affordable Housing TIF and Credit Enhancement Agreement. The City Council's review and approval occurred during FY2016 at its August 3, 2015 meeting.
- (b) It is noted that during FY2016, the Council's Economic Development Committee reviewed and recommended to the City Council creating a TIF District and associated Credit Enhancement Agreement for ImmuCell. The City Council's review and approval occurred during FY2017 at its September 19, 2016 meeting.

6. Statutory Limits for TIF Districts

There are two State statutory limitations which include:

- **Acreage:** No single TIF 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 TIF 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 TIF Districts, including Affordable Housing TIF Districts, as of FYE2016, Portland has the ability to include 471 additional acres in TIF Districts.
- **Value:**
 - **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 (FY16 aggregate value: \$7,996,350,000), or in the case of Portland, 5% is \$399,817,500. Based upon active TIF Districts as of FYE2016, Portland has the ability to include an additional \$266.5 Million of property value in TIF Districts.
 - **Affordable Housing TIF Districts:** The OAV of all Affordable Housing TIF Districts cannot be more than 5% of the total aggregate value (FY16 aggregate value: \$7,996,350,000), or in the case of Portland, 5% is \$399,817,500. Based upon active Affordable Housing Districts as of FYE2016, Portland has the ability to include an additional \$398 Million of property value in Affordable Housing TIF Districts.

It is noted that the amount of acreage and value to include in TIF Districts fluctuates as TIF districts are created, 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 and Omnibus TIF, the latter created in FY15 and activated in FY16.

7. **Tax Sheltering Benefits**

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

- State Education Aid is reduced,
- State Municipal Revenue Sharing is reduced, and
- 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 just over \$715,000 for FYE2016, which is approximately \$600,000 less than FY2015 due largely to the UNUM TIF expiring in FY2015 with the City not capturing \$61 Million of increased assessed value in FY2016, and the City capturing a smaller percentage of the increased assessed value for the Bayside TIF – from 83% in FY15 to 55% in FY16. It is also noted that the total sheltering value decreased by \$73 Million from FYE2015 to FYE2016, or \$160 Million in FYE2015 and \$87 Million in FYE16. Again, this was largely due to the UNUM TIF District’s expiration in FY2015, and a decrease in the captured value percentage from the Bayside TIF District. The captured value percentage for area TIFs is adjusted yearly based on City use of TIF funds needed for public infrastructure projects, as well as debt service for payment of the Bayside HUD loan and for Ocean Gateway associated debt expenses.

8. **TIF Districts in Portland**

A listing of all approved TIF Districts is provided as Item B in the Report Appendix. This listing includes four expired TIF Districts – Auto Europe, Shipyard Brewery, Nichols Portland, and UNUM. This listing 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 of the above TIF Districts, 100% of their property tax revenue reverts to the City’s General Fund.

Also, this listing provides the following information for each TIF District:

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

Item C in the Appendix provides a map showing the location for each active TIF District.

A listing 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 FYE2016, the City has eight, single site active TIF Districts with associated CEAs, namely:

- Holt Hall
- Riverwalk/Ocean Gateway
- PowerPay/Portland Public Market
- Baxter Library
- Avesta/Pearl Place Affordable Housing TIF
- 409 Cumberland Avenue Affordable Housing TIF
- 134 Washington Avenue Affordable Housing TIF
- 17 Carleton Street 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
 - Bayside Student Housing CEA
- Waterfront (Appendix D and E)
 - Waterfront Maine CEA

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

- Downtown TOD TIF

The City retains a portion of the TIF funds for 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, which is not yet active. Activation of this TIF CEA will occur when the Increased Assessed Value is at least \$5 Million.

Non-Active Approved TIF District

In FY09, the City Council approved a TIF District that is expected to be activated with the McAuley Place senior housing project.

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.

9. TIF District Financial Overview for FYE2016, including FY2013, FY2014, and FY15

See below for financial comparison of FYE2016, 2015, FYE2014, and FY2013 for then active TIF Districts:

	FYE2013	FYE2014	FYE2015	FYE2016
City General Fund-Taxes from OAV	\$5.8 Million	\$6.1 Million	\$6.3 Million	\$22.8 Million
City General Fund-Taxes from Non-Captured Value	\$1.1 Million	\$341,000	\$720,000	\$2.4 Million
Total TIF Taxes From Captured Value	\$2.7 Million	\$3.5 Million	\$3.2 Million	\$1.8 Million
- TIF Taxes to CEAs	\$1.9 Million	\$2.0 Million	\$2.0 Million	\$1 Million
- TIF Taxes to Public Infrastructure/Arts	\$.8 Million	\$1.5 Million	\$1.2 Million	\$.8 Million
Total Tax Sheltering Value	\$143 Million	\$180 Million	\$160 Million	\$87 Million
Estimated Annual Average Tax Sheltering Savings	\$1.3 Million	\$1.6 Million	\$1.3 Million	\$.7 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 FYE 2013 through FYE2015, this is based on increases in tax rates. FYE2016's higher increase is due to the Downtown TOD TIF Activation, where the OAV is just under \$1 Billion, and associated taxes with that OAV at \$20 Million (which also includes the property values previously in the Arts District and associated \$5 Million in taxes). 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/Economic Development Department staff salaries/debt service. 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 set at 12% for the first year (FY2016) and then set at 22% for years 2 through 30. The increase in this table for FYE2016, is due to capturing 12% from the Downtown TOD TIF and having the remaining non-captured 88% go into the General Fund. Non-captured increased assessed value taxes flow into the General Fund.

Total TIF Taxes From Captured Value – 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/arts.

Total Tax Sheltering Value – This number represents the total percentage of the increased assessed of value (IAV) all TIF Districts that has been captured. This value decreased from FYE2015, which was largely due to the UNUM TIF District’s expiration in FY2015, and a decrease in the captured value percentage from the Bayside TIF District. The captured value percentage for area TIFs is adjusted yearly based on City use of TIF funds needed for public infrastructure projects, as well as debt service for payment of the Bayside HUD loan and for Ocean Gateway associated debt expenses.

Estimated Tax Sheltering Savings – As noted earlier in Section 7, this number decreased by \$.7 Million from FYE2015. This is, again, due to the UNUM TIF District expiring, and a smaller percentage of IAV captured from the Bayside TIF.

Appendix D is a spreadsheet showing the FYE 2016 TIF Districts funding allocation and individual CEA annual payments.

10. Strategies and Recommendations to Optimize use of TIF Districts

- ***Future public infrastructure investment.*** Align the City’s future Capital Improvement Program investments, including utility and transportation investment; and,
- ***Future Growth Areas.*** Decide where the City wants to direct investment by location and type (i.e. commercial and affordable housing).

PORTLAND TIF POLICY

February 4, 2013

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.

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.

PURPOSE

The primary purposes of the TIF Policy include:

1. To support Portland Economic Development and Housing Plans and Policies;
2. To stimulate expansion of the City’s commercial and industrial tax base;
3. To stimulate new affordable and market rate housing investment;
4. To retain and create quality employment;
5. To support Portland’s Capital Improvement Plan; and,
6. To establish standards upon which the City Council will authorize TIF.

GENERAL PRINCIPLES

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.

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:

- o Affordable housing projects off peninsula;
- o India Street Neighborhood;
- o Franklin Street Corridor from I-295 to Commercial Street;
- o Riverside Street commercial and industrial zoned areas;
- o Forest Avenue corridor from I-295 to Woodfords Corner;
- o Washington Avenue corridor from Congress Street to I-295;
- o Re-examine the boundary of Bayside TIF District;
- o Examine establishing a Downtown TIF district in place of the Arts TIF District;
- o Portland Technology Park ;
- o Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- o West Commercial Street vacant property;
- o Libbytown;
- o St. Johns Street Valley;
- o 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 three existing area wide TIF Districts, i.e., Bayside, Arts, and Waterfront TIF Districts.

NOTE 2: As of this Amended TIF Policy date, there also exists one Transit Oriented Development (TOD) District, namely the Thompson Point 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.

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.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms. 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.

TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Economic Development Department handles all TIF inquires and processes requests for TIF. An applicant must submit a letter to the Economic Development Department outlining the proposed project, including TIF project financial information, along with a plan outlining the number of jobs associated with the proposed project.

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. Annual Report to City Council.

The 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 FYE2016 (June 30, 2016)

This provides an overview of tax increment financing districts (TIF's) approved by the City of Portland.

Please note that the City approved fifteen TIF's, with three of these TIFs having separate Credit Enhancement Agreements (CEA) for various projects included in the respective TIF Districts. These three TIF Districts are the Bayside TIF, Waterfront TIF, and Creative Portland Development and Arts TIF District. The separate CEAs are detailed in the listing below.

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: 50% to Recipient; 50% to City General Fund

Location: Newbury Street

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

3. Auto Europe (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. Bramhall/Holt Hall (Economic Development TIF)

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. UNUM (Economic Development TIF) (**Expired FYE15**)

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. Waterfront TIF (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

Percentage: 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place property tax revenue in the City General Fund.

Location: Selected waterfront properties.

This is a municipal TIF to be used for waterfront projects.

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

Duration: 20-year term (FY12 through FY31)

Percentage: 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. **Bayside TIF** (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, and administrative and staff costs for the Economic Development Department. 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)

Percentage: 100% to return, to Developer, to an annual maximum cap of \$355,000 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)

Duration: 10 year term (FY08 through FY18)

Percentage: 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. **Riverwalk/Ocean Gateway** (Economic Development TIF)

Duration: 12 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. **Avesta/Pearl Place** (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.

10. **Creative Portland Development and Arts** (Economic Development TIF)

NOTE: *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)

Duration: 9-year term (FY11 through FY19)

Percentage: Lesser of annual 65% to return to Developer or amount necessary to service project debt. Adjustments to annual payment if project refinancing occurs.

Location: 621 Congress Street

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 will add \$2.5 Million in new municipal assessed commercial valuation and generate an average of \$16,000 annually, in funds, to support the Creative Economy TIF Program or

the City's General Fund as directed by the City Council. The reuse of this building will accommodate the relocation of the VIA Group, bringing its 64 employees to this upper area of downtown Portland.

11. McAuley Place (Economic Development TIF)

Duration: 30 year term (FY10 through FY29)

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) located in three townhouse/cottages adjacent to the Convent.

12. PowerPay/Portland Public Market (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. Thompson's Point Development Company, Inc. (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 proposed mixed-use development that will transform a blighted and grossly underutilized 30-acre parcel located along Interstate 295 into a highly visible gateway destination event center that is expected to generate significant economic activity within the District and throughout Portland. The Company plans to redevelop 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. The Village at Oceangate, LLC (Bay House) (Economic Development TIF)

This TIF was terminated 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. Fore India Middle, LLC (former Jordan's Meat Site) (Economic Development TIF)

This TIF was terminated 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)

Percentage: 50% to Developer; 50% to City Housing Affordable Housing Revolving Loan Fund

Location: 409 Cumberland Avenue

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 30; 88% to General Fund Year One; 78% to General Fund Years Two through Thirty.

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, and administrative and staff costs for the Economic Development Department.

19. 17 Carleton Street (Affordable Housing TIF)

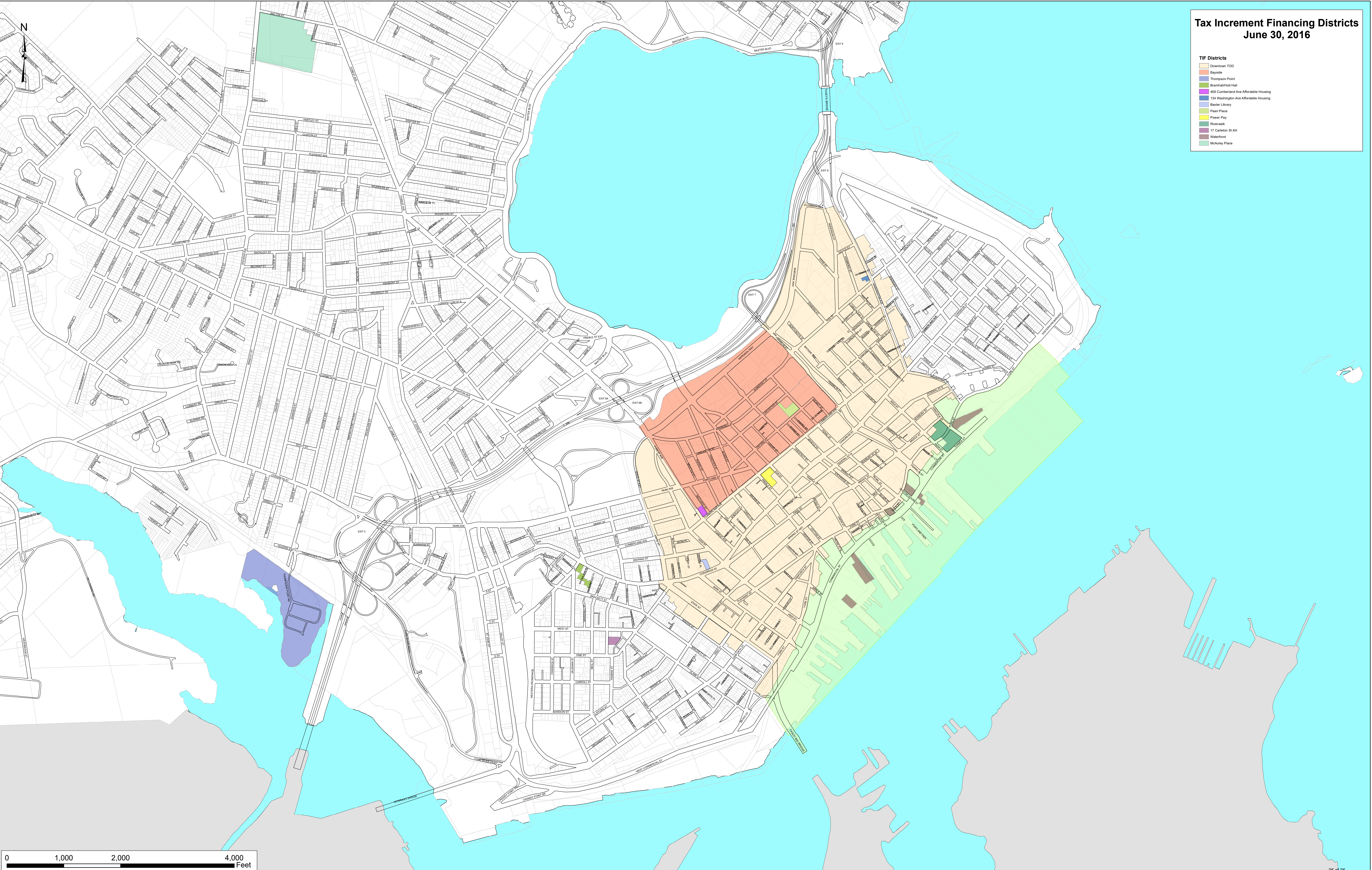
Duration: 22 year term (FY16 through FY37)

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.

Tax Increment Financing Districts
June 30, 2016

- TIF Districts**
- Downtown TOD
 - Bayside
 - Thompson Point
 - Bramhall/Holt Hall
 - 409 Cumberland Ave Affordable Housing
 - 134 Washington Ave Affordable Housing
 - Sevier Library
 - Pearl Place
 - Power Play
 - Riverwalk
 - 17 Carleton St AH
 - Waterfront
 - McAuley Place



FY16 ANNUAL REPORT TO COUNCIL

FY 16 Tax Rate:

0.02063

TIF Name	Starts/		TIF PLAN	TOTAL	ORIGINAL	Increased	PERCENT	Total Cpt.	PROCEEDS	City TIF	City General Fund
SITE Specific with CEA:	Ends-FY	TERM	YEAR	ASSESSED	ASSESSED	Assessed value	APPLIED	Value	TO OWNER	Funds	(OAV and Non-Captured Taxes from IAV))
HOLT HALL	00/19	20 YEARS	17	4,956,760	349,110	4,607,650	67%	3,070,538	63,345	0	38,913
- FY16 Taxes				102,258	7,202	95,056		63,345			
Baxter Library (f/k/a Arts)	19-Nov	9 YEARS	6	2,502,600	0	2,502,600	65%	1,626,690	33,559	0	18,070
- FY16 Taxes				51,629	0	51,629		33,559			
AVESTA	08/37	30 YEARS	9	3,576,320	646,050	2,930,270	36%	1,054,897	21,763	0	52,017
- FY16 Taxes				73,779	13,328	60,451		21,763			
OCEAN GATEWAY	07/19	13 YEARS	10	12,946,800	1,085,550	11,861,250	52%	6,215,295	128,101	0	138,991
- FY16 Taxes				267,092	22,395	244,698		128,222			
PowerPay/Ptld Pub Mkt	11/40	30 YEARS	6	6,259,500	1,862,600	4,396,900	75%	3,297,675	68,031	0	61,102
- FY16 Taxes				129,133	38,425	90,708		68,031			
McAuley/Inactive	10/29	20 YEARS	6	0	0	0	60%	0	0	0	0
Thompson's Point TOD	15/44	30 YEARS	2	5,516,870	4,970,470	546,400	25%	136,600	0	2,818	110,995
- FY16 Taxes				113,813	102,541			2,818			
409 Cumberland Ave. AH	14/35	22 YEARS	3	3,717,960	470,200	3,247,760	100%	3,247,760	33,501	33,501	9,700
- FY16 Taxes				76,702	9,700	67,001		67,001			
134 Washington Ave. AH	15/34	20 YEARS	2	184,000	155,600	28,400	50%	14,200	293	0	3,503
- FY16 Taxes				3,796	3,210	586		293			
17 Carleton St. AH	16/37	22 YEARS	1	261,600	261,600	0	0%	0	0	0	5,397
- FY16 Taxes					5,397						
Area-Wide TIFs, with CEA											
BAYSIDE	04/33	30 YEARS	13	189,680,720	122,318,180	67,362,540	55%	36,766,474	463,749	294,743	3,154,621
FY16 Taxes				3,913,113	2,523,424			758,492			
WATERFRONT	03/32	30 YEARS	14	41,426,010	7,667,340	33,758,670	69%	23,188,830	185,047	293,339	376,233
FY16 Taxes				854,619	158,177			478,386			
DOWNTOWN TOD TIF	16/45	30 YEARS	1	1,040,381,920	968,136,850	72,245,070	12%	8,669,408		178,850	21,284,229
FY16 Taxes				21,463,079	19,972,663	1,490,416		178,850			

Total Value:				1,311,149,460	1,107,923,550	203,487,510		87,288,368			
Total Taxes:				27,049,013	22,856,463	4,197,947		1,800,759	997,388	803,251	25,253,772



Economic Development Department
Gregory A. Mitchell, Director

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: October 21, 2016

SUBJECT: Updated 2016 Economic Development Committee Work Plan

This memorandum continues to remind the EDC of the 2016 EDC Work Plan as may be amended in the future.

City Permitting and Inspection System Improvements (2016 Mayor and City Council Goal)
Create a more efficient permitting process with specifics; computer tracking.

ACCOMPLISHED. After EDC discussion and recommendation, on March 21st, the City Council voted to approve the City Manager's recommendations to create a new Department to improve permitting and inspection efficiencies with new fees.

Office for New American Mainers (2016 Mayor and City Council Goal)
Create an office for new Americans to assist with job opportunities and business development

Next Steps. The EDC held a public hearing, on March 22nd, to receive community input on establishing this new office. A follow up discussion which focused upon City services to immigrants occurred at the April 5th EDC meeting. This was followed by hearing from outside organizations providing services. At the April 26th EDC meeting, the Committee heard from Catholic Charities and Coastal Enterprises. At the May 24th EDC meeting, the Committee heard from the Greater Portland Workforce Initiative, Goodwill Workforce Solutions, and Coastal Counties Workforce.

At the EDC's July 5th meeting, the Committee heard from Julie Sullivan, Senior Advisor to the City Manager, regarding a summation of what has been learned so far; best practices; and next steps which included the September 6th EDC meeting hearing from organizations and heads of the immigrant community in response to specific questions were provided to them mid-August. That meeting will help to form the Agenda for the forum to be held at USM's Hannaford Hall on Weds., October 26th, from 8:00 a.m. to 3:00 p.m.

Broadband Access (2016 Mayor and City Council Goal). High speed infrastructure; broad band.

IN PROCESS AND Next Steps. At the July 26th, 2016, meeting, staff provided a summary of a proposed Master Lease Agreement with Verizon to support small cell technology investment in Portland. The City Council approved this Master Lease on August 1, 2016.

Also, it is noted the City issued a News Release on July 19th with the topic “City Seeks Citizens to Complete Internet Services Survey” and noting “Selects SiFi Networks to explore potential citywide fiber network”. Staff continues to work with SiFi Networks to move forward with a public-private partnership.

A future City Council meeting is planned for this December to update the City Council on options to improve broadband access City wide.

Portland Ocean Terminal (2016 Mayor and City Council Goal)

Establish direction on the future of the Portland Ocean Terminal. With as much as 70,000 square feet of vacant space, the Portland Ocean Terminal on the Maine State Pier needs a plan for investment and optimized utilization. Existing uses, including City cruise ship port of call support, Portland Tugboat, and Ready Seafood, provide a solid basis for growth; however, the building’s age, condition, and lack of supporting infrastructure (parking loading, sidewalks ...) severely limit the potential reuse of the building as currently configured.

Next Steps. Staff provided a presentation at the April 5th Special EDC Meeting for discussion and direction. The staff presentation included a summary of past history and a recommended approach to achieve consensus on policy direction related to the Maine State Pier Portland Ocean Terminal for short-term, interim and long-term uses, including consideration of establishing an innovation center.

This was followed by the EDC committing its May 3rd solely for a tour of the Eastern Waterfront, from the Portland Company site to the Maine State Pier.

See the “Eastern Waterfront Public Infrastructure Investment” section the “Establishing New Policy Direction” for the Ocean Gateway Queuing Area for next steps.

Portland Economic Development Plan

It is staff’s position that the City Economic Development Plan, adopted by the City Council in the Fall of 2011, remains sound. However, the 2016/2017 Work Plan needs to be prepared.

ACCOMPLISHED. Greg Mitchell convened a meeting, on March 17th, with all Plan key stakeholders (Convention and Visitor Bureau; Portland Community Chamber of Commerce; Creative Portland; Portland’s Downtown; and, Portland Development Corporation) to prepare a 2016/2017 Draft ED Plan Work Plan for future EDC review and discussion. Follow up meetings were held on April 6th and May 18th with Stakeholders to review and discuss the 2016/2017 Draft ED Plan Work Plan. The recommended 2016/2017 Work Plan was presented to the EDC at its June 28th meeting, and the EDC unanimously vote to forward it to the City Council as a communication. The City Council received the Work Plan as a communication at its August 1st, 2016 meeting.

It is noted that the EDC directed staff to invite Portland Economic Development Plan stakeholders to provide brief presentations at future EDC meetings. Presentations included:

Jennifer Hutchins, Creative Portland Executive Director presented on February 11th.

Casey Gilbert, Portland Downtown Executive Director presented on February 23rd.

Barry Sheff, Portland Development Corporation President was scheduled to present at the April 5th EDC meeting; in his absence, Greg Mitchell gave the presentation.

Lynn Tillotson, with CVB, presented on April 26th.

Chris Hall, with the Portland Community Chamber, presented on May 24th.

It is also noted that the City of Portland participates in the ***Greater Portland Economic Development Corporation*** (GPEDC) which was established to support regional (Portland, South Portland, Westbrook, Scarborough, Falmouth and Cape Elizabeth) economic prosperity. The GPEDC's current focus is on an international business development program.

City Owned and Tax Acquired Property Disposition **ACCOMPLISHED Rule Amendments and Update.**

Rule Amendments. The City Council received a workshop on February 8th to present proposed amendments to receive direction from the City Council. This workshop was followed by the February 11th EDC meeting for Committee discussion and vote to recommend to the City Council. The EDC voted unanimously to recommend the City Council adopt to the proposed amendments to the Rules as modified. City Council first reading for this item was held on March 21st followed by a second reading and vote to approve recommended amendments at the April 4th City Council meeting, which occurred at the April 4th meeting.

Update. Staff reviewed and researched forty-four developed properties and contacted prior property owners. Thirty-two of the forty-four developed properties have been redeemed or ownership transferred back to prior owners with payment of all past property taxes totaling just over \$350,000. Staff is working through a process with the remaining developed properties to resolve how best to process. Also, staff is has begun to research the 46 vacant properties to determine how best to proceed.

Lastly, a RFP was issued to solicit proposals for broker and auctioneer services to assist staff with the property disposition process.

Lease of City Properties

Leasing City owned properties requires City Council approval. Policy discussion regarding the leasing of City owned properties needs to be discussed. Examples of commercial leases requiring EDC (in the form of a recommendation to the City Council) and City Council action include:

Ocean Gateway to support a new ferry operator lease. A proposed Lease with Bay Ferries was presented to the EDC at its April 26th meeting followed by a City Council approval at their May 2nd meeting. Ferry service began on June 15, 2016.

Portland Ocean Terminal tenant leases including Ready Seafood Companies. It is noted that the Portland Ocean Terminal is a separate goal in this work plan.

Spring Street Parking Garage Commercial tenant leases including the former Pirates space, and 1,172 square feet of adjacent vacant commercial space. The EDC reviewed a proposed lease for this vacant commercial space between the City and Creative Portland at its August 23rd meeting, which resulted in the EDC forwarding it to the City Council for approval. The City Council approved this lease at its meeting on September 7th.

Next Steps include presenting commercial leases to the EDC when ready.

Eastern Waterfront Public Infrastructure Investment

Investing in public infrastructure is an important municipal government responsibility to attract private sector investment. Locations which require public infrastructure planning include both implementation of existing policies and creating new policy direction for investment:

Implementing Existing Policy:

Private Development Integration. The Economic Development Department is leading a Planning, Public Works, and Parks & Recreation Departments discussion to plan road and utility extensions in Portland's Eastern Waterfront planning district facilitating planned and future development consistent with the Eastern Waterfront Master Plan (EWMP.)

Next Steps. Staff and CPB2 Developers will provide a presentation on proposed public infrastructure improvements at the July 26th EDC meeting.

Amethyst Lot Open Space Development. Implementing recommendations from the EWMP and conditions of approval from Ocean Gateway, to define program and design elements for signature waterfront open space promoting recreation and active use of the water in a park-like setting.

Next Steps. On May 16th, the City Council approved \$80,000 in funding to support a planning and public process scope for the Amethyst Lot. A presentation on the Amethyst Lot Planning effort was provided at the August 23, 2106 EDC meeting. Also, The RFP for design services generated 10 credible proposals from firms with local, national, and international experience. A review committee of City staff will convene next week and make a recommendation on firm selection within the next two weeks.

Establishing New Policy Direction:

Ocean Gateway to discuss reconfiguration of the “queuing area” located behind the fence to free up property for more diversified marine activity, support for the Portland Ocean Terminal, and expanded access to the water for commercial and public uses.

Possible new Pier development between Ocean Gateway and the Maine State Pier to support increased commercial use of the waterfront and support for the marine passenger industry.

Portland Ocean Terminal (POT). Evaluate supporting infrastructure to attract increased commercial and marine tenant use of available 25,000 +/- square feet of vacant second floor office space and 70,000 square feet of vacant ground floor marine industrial space. It is noted that this is a separate Mayor and City Council Goal and tightly aligned with potential Ocean Gateway queuing area changes contemplated below.

Next Steps. Next steps include, over the next two years (i.e., term of the Bay Ferries Lease), City staff working on funding and planning opportunities to clarify new policy direction for the queuing area, possible new pier, and more intensive use of the POT. Updates will be provided to the EDC when appropriate.

Portland Transportation Center (PTC)

In partnership with the MDOT, NNEPRA, and private sector property owners work to develop an expanded intermodal passenger station in the Thompson Point area.

Next Steps. Staff to work with the transportation agencies and private partners to establish timeline and work plan for PTC improvements. Present briefing to the EDC when appropriate.

Tax Increment Financing Districts

Annually the Economic Development Department issues a city Fiscal Year Report related to Portland TIF District activity. This report is available on the City web page at:

<http://www.portlandmaine.gov/529/Tax-Increment-Financing>

The annual updated TIF District activity report is being presented to the EDC on August 23rd, for review and recommendation to the City Council to accept it as a communication..

One recommended TIF District amendment to discuss, in 2016, is the possible geographic expansion is the Waterfront TIF District. The area to consider including in the Waterfront TIF District is East and West Commercial property expansion opportunities due to planned private sector investment projects and supporting public infrastructure needs.

Next Steps presenting any private TIF District request to the EDC for direction along with revisiting the Waterfront TIF District boundaries for possible expansion.

At the EDC meeting of June 28, 2016, the EDC reviewed and unanimously recommended to the City Council that it approve a Tax Increment Financing District and Credit Enhancement Agreement with ImmuCell Corporation to supports its expansion project at 56 Evergreen Drive. This had a first reading by the City Council, on August 1, 2016, with second reading/public hearing/ and vote of approval on September 7th, 2016.

Outdoor Seating for Food Service Establishments

Review current permitting process/ordinance and any barriers, particularly for older buildings.

Other Unanticipated Matters

One recent example includes tour operating licensing referred by the City Council. The City Council voted to amend City regulations on tour operators on March 21, 2016.

Other unanticipated matters are expected to be added to the EDC Work Plan.

Other Economic Development Items Discussed in the Mayor and City Council City Goal Setting Session include:

- Research best practices;
- Look in neighborhoods to encourage restaurants in mixed use buildings;
- Rewrite the economic development plan with stakeholders and regional view;
- Stream line process for tax exempt property;
- Set up a City mechanism to attract festivals and events;
- Incentives for business clusters;
- Look at zoning in relationship to business development (example: East Bayside);
- Bring consistency to the approval process (Planning Board and Council);

- What do we need to be prepared for a downturn in the economy;
- Work with community on workforce development; CDBG;
- Extend sidewalk for restaurants;
- Review business and industrial development off peninsula and encourage more; and
- Deal with TIF review policy; how can they result in higher wages.