

1. 7-19-2017 Final Agenda And Public Material

Documents:

[7-19-2017 FINAL AGENDA AND PUBLIC MATERIAL.PDF](#)



ECONOMIC DEVELOPMENT COMMITTEE

DATE: July 19, 2017 (Wednesday)
TIME: 5:30 – 7:30 p.m.
LOCATION: Room 24
Portland City Hall

A G E N D A

1. **Review and accept Minutes of previous meeting held on June 6, 2017.**
2. **Review, discuss, and provide staff direction and public comment related to city staff recommendations to sell City-owned Bayside former Public Works properties.**
 - a) See enclosed memo from Greg Mitchell.
3. **Executive Sessions: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session for staff to receive guidance to proceed with real estate negotiations for the following:**
 - a) Possible sale of City-owned Bayside former Public Works properties
See enclosed confidential memo from Greg Mitchell.
 - b) Possible 94 Free Street commercial lease and Spring Street Parking Garage Revenue Sharing Agreement. Verbal update provided at meeting.
 - c) Possible sale of portion of City-owned Thames Street property. Verbal update provided at meeting.

Next Committee Meeting: July 25, 2017

Councilor David Brenerman, Chair

Minutes
Economic Development Committee
June 6, 2017

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, June 6, 2017 at 5:30 p.m. in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor David Brenerman and member Councilor Spencer Thibodeau; Committee member Councilor Pious Ali could not be present. Also present from the City Council was Councilor Nicholas Mavodones (arriving as noted herein) and Mayor Ethan Strimling. Present from the City staff were Public Facilities Manager Kathy Alves, Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Special Assistant to the Mayor Jason Shedlock.

Item #1: Review and accept Minutes of previous meeting held on May 23, 2017.

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

Item #2: Review and vote to recommend to the City Council proposed Purchase and Sale Agreement for sale of a small strip of unneeded City-owned Franklin Street right-of-way to an abutter.

Under direction of this Committee, Mr. Mitchell said that staff has negotiated the proposed Purchase and Sale Agreement with NewHeight Group for \$12,000, the only bidder on this strip of land, which Request for Bids was issued to the direct two abutters. The EDC is familiar with this item, as it has taken it up on March 7, March 29, and May 23rd. This strip has deed restrictions for its use as an access to lot 28-C-18. NewHeight would continue to provide access to lot 28-C-18 by moving the access to under their proposed development. With this strip

added to abutting property NewHeight has under contract to purchase, it can face its proposed residential development on Franklin Street. Mr. Mitchell noted that the property is being sold as is, and NewHeight would be responsible for survey work and providing the City with environmental indemnity.

Chair Brenerman asked if there was any public comment.

Steven Scharf of Salem Street said the City should move forward with this sale.

There being no further public comment, the public comment session was closed.

Councilor Thibodeau said that he would like to go into executive session to discuss property negotiations, and Chair Brenerman noted that this can be done with the other executive sessions at the end of the Agenda.

Item #3: Continue discussions regarding Mayor Strimling's proposed Amendments to Portland Tax Increment Financing Policy to include responsible contracting Requirements. No public comment will be taken.

Mayor Strimling appreciated the Committee's questions raised when it first took up this item. He went through his Memo in the packet with 19 questions raised and responses (copy attached). He noted that this was not intended to stop all TIFs, but to ensure the greatest public good is achieved when spending public monies. He noted that there is precedence for this in the CommTel TIF approved by the Council 10/1/2001 for jobs. It was noted that CommTel TIF representatives had contacted the City that CommTel was not moving forward with the project and was down-sizing, and, therefore, staff did not send it to MDECD for final approval; therefore, this TIF was never activated.

Councilor Thibodeau asked if there were similar requirements in other past Credit Enhancement Agreements (CEAs), and Mr. Mitchell indicated he would need to go through all

the past CEAs. He also noted that since he has been with the City, as of 12/2008, there have been no such requirements in the CEAs.

Mayor Strimling said that he looked forward to receiving all past CEAs from the Economic Development Department. He also noted that the Portland Development Corporation's (PDC) Business Assistance Program (BAP) for Job Creation has a jobs requirement as well, 1 full-time job created for every \$10,000 in grant funds provided for a low to moderate income Portland citizen. This is a CDBG funded program and is tied to Federal regulations.

(Councilor Nicholas Mavodones joined the meeting at this time.)

Mayor Strimling then noted that the proposed amendments are for the TIF Policy only and not for other City projects/developments, as directed by the Council Order for this Committee to review proposed TIF Policy Amendments.

Regarding having a Registered Apprentice Program defined, the Mayor reviewed the definition as provided by MDOL and the USDOL, the latter noting that not all Registered Apprenticeship Programs are union-based.

Mayor Strimling said that Affordable Housing (AH) TIFs being exempt is not necessary because they already have to meet Davis-Bacon or state prevailing wage rates. He did note, however, that AH TIFs would have issues with the clawback provision.

Regarding the 2.5% bonus provision, Mayor Strimling said that it was intended to encourage companies to go above and beyond the requirements, noting that San Francisco has a 1% bonus rate on public projects, but not on TIFs. Councilor Thibodeau said that he would need further guidance on how to do this here.

Regarding the proposed clawback, Mayor Strimling said it would be tied to CEA reimbursement, adding that the CommTel CEA also had such provisions.

Regarding the company meeting the hiring and wage expectations and what information will be made public, Mayor Strimling said that City staff has been contacted and he will provide additional information when available.

Regarding better definition of “in good faith” and what principles would be used for a Councilor to rescind a TIF, Mayor Strimling cited Baltimore’s Local Hire Law, noting that rather rescind a TIF, to tie reimbursements to the CEA. Again these proposed TIF Policy Amendments are just for those TIF projects with CEAs.

To determine the financial impact on a company to meet these requirements, Mayor Strimling noted that each business is different, and that each business would have to decide if a TIF CEA makes financial sense for it.

The question of how many Maine companies either have an apprenticeship program or are connected to one, Mayor Strimling said that MDOL has indicated about 60 companies (not including affiliated organizations) have a registered apprenticeship program.

Regarding subcontractors that have worked on past TIF projects and would they have met these requirements, Mayor Strimling said that he has contacted City staff and will provide additional information when available.

Regarding contractors and do they have their own workforce, or do they “hire up” for each job, Mayor Strimling indicated both.

Regarding “prevailing wage” requirement helping to prevent companies from misclassifying employees, Mayor Strimling said that this requirement would safeguard workers from being misclassified by enabling the City to examine certified payroll.

Councilor Mavodones questioned certifying payroll and asked how this would be done by the City, i.e., new software required. Mayor Strimling suggested that the CDBG program staff has experience with this, noting, on average, the City does one TIF CEA a year so it should be manageable.

Mayor Strimling then noted his memo also includes definitions for “Portland resident”, noting that Boston’s definition seems most appropriate for Portland; and the definition for “minorities” would come from the City’s Equal Employment Opportunity Program.

The Mayor closed by noting that requiring “prevailing wage” does not discourage new hires.

Chair Brenerman noted that the BAP program has its job requirements because it uses Federal Funds, and Mr. Mitchell agreed. He also noted that the BAP added its own regulation to hire a Portland resident; that is not a Federal requirement.

Councilor Thibodeau asked the Mayor if he will be revising his initial proposed amendments, and the Mayor indicated he would be with this Committee’s guidance.

Chair Brenerman said that he did not know of any other TIFs that had the kind of requirements that CommTel had, noting that the UNUM TIF did not.

Chair Brenerman said that the next part of this discussion includes Q&A with a panel which includes: Julie Chase with SMCC (workforce training); John Gallagher, MSHA Director (AH); Denis Landry, Landry French Construction – Member of ABC of Maine and AGC (Contractor); and Jennifer McKenna, Local 716 (Labor/Union). Introductions were then made.

Mr. Gallagher indicated that the proposed clawback provision is important to MSHA, as it would impact the project, not the developer. Mr. Gallagher also noted that affordable housing projects requesting MSHA financing get additional points – from 0 to 6 additional points - when

the projects have evidence that an AHTIF is involved, as it shows willingness of a municipality to buy into the project. The loss of AHTIF would be detrimental to affordable housing projects. Over last several years, the majority of affordable housing projects coming to MSHA had an AHTIF component. Regarding wage and apprentice programs, he noted concern about issues with recordkeeping, particularly smaller contractors and projects.

Mr. Landry noted that the CommTel TIF job requirement was for CommTel, not for the construction jobs. He noted that the proposed amendments would affect a group of contractors, and also noted, that with regard to prevailing wages, most contractors already pay that. Reporting amendments will add costs to projects; employees and hours worked are always moving targets.

Mr. Landry discussed the challenges of the amendments for the Registered Apprentice Program and referred to Attachment 8 of the Mayor's packet which listed those with such programs (approximately 60 on the list). If you take out non-construction entities, you are left with about 6. Mr. Landry then discussed filtering out this requirement to sub-contractors, noting that when you bid on a construction project, you are not considering how, or the source of funds, you are going to be paid for the project. These amendments would provide logistical issues for all those involved.

Ms. McKenna spoke in favor of the apprenticeship program regulation, saying that it turns a non-skilled worker into a skilled one, and it is also about mentoring. Registered apprenticeship programs are a way to train Maine people and have them stay here. They currently have 25 apprenticeship programs waiting to be approved. The programs create pathways and experience to move up.

Ms. Chase said that SMCC collaborates with employers and students to bring them together. SMCC's role is get people training, noting that the current construction training program is going through an overhaul. She also added that in this program, students have been known to not finish and be hired by a general contractors who provide further training on the job.

There was discussion on CEAs and the amendments' effect on smaller contractors, particularly costs and logistics.

There was also discussion regarding education costs and how the Maine Apprentice Council can share in the costs for education. Ms. McKenna said that those in an apprentice program are expected to learn in one year, noting that there is on the job training during the day and schooling at night. There can also be apprentice programs that can further train employees up.

Mr. Landry said that the majority of apprentice programs are through the unions. There is also a lot of training that takes place by contractors that is not Registered Apprentice training, as well as regular OSHA trainings occurring.

Ms. McKenna noted that those in Registered Apprentice training get automatic college credentialing; it is formalized and those in the program can earn a degree. She also noted that the Registered Apprentice certificates are recognized nationally.

Ms. Chase also noted that SMCC works with contractors regularly to tailor programs that fit their needs.

Councilor Thibodeau questioned how many of the now six active commercial CEAs had contractors using Registered Apprentice programs, and Ms. McKenna said that could be looked into.

Councilor Thibodeau asked about impacts of this passing, i.e., substantial increase in applications for apprentice program, also noting that if these programs are easily designed why are not smaller contracting companies doing this already.

Ms. McKenna said that the smaller contractors most likely do not know this exists.

Councilor Thibodeau expressed concern on the impacts on small contractors, and Ms. McKenna said that she can provide more information on how easy it is to participate in such a program.

Councilor Thibodeau asked about weakness in the proposed amendments, and Ms. McKenna said that although it is important to consider Portland first, perhaps there could be restrictions to go out to Greater Portland.

Councilor Thibodeau asked about the AH TIF and the point system. Mr. Gallagher said that financing from MSHA is competitive, and with an AH TIF CEA in place, the application will get more points. The more the TIF percentage capture rate, the more the points. He noted that if there are clawbacks in the TIF, MSHA would most likely award zero points.

Chair Brenerman asked if Mr. Gallagher was aware of any other community that has these proposed TIF regulations in place, and he did not know of any.

There was discussion of tracking contractor employee hours regarding the proposed amendment for 25% of work hours on the construction of TIF-assisted projects be done by a combination of Portland residents, women, minorities, and veterans. Mr. Landry noted that although there is not a mechanism for that tracking, anything can be done. Ms. McKenna said that Joan Dolan, State Director of Apprenticeship at the Dept. of Labor, may have some statistics, including the percent of that population in the apprentice programs.

Councilor Thibodeau asked Mr. Landry if there was anything in the proposed amendments that he liked, and Mr. Landry said that prevailing wage is fine, but sees more weaknesses including hiring Portland residents which can be difficult, as well as issues with the proposed apprentice program requirements.

There was discussion on monitoring prevailing wages and the logistics for contractors and the City.

Chair Brenerman asked Mr. Landry that if the TIF policy amendments passed, what would be the impact, and Mr. Landry said that he would not bid on the projects. The majority of subs are not part of the apprentice program. He also noted others would probably not bid as well. In the last year or two, Mr. Landry said that he has worked on 12 to 15 projects in Portland.

McKenna said that the Registered Apprentice Program builds people and community and noted again that it is recognized nationally.

In response to Mayor Strimling, Mr. Landry said that he has training and safety programs for employees and mentoring. The proposed TIF amendments would provide more disadvantages to bid on a project.

There was discussion on the pros and cons of the proposed apprentice TIF amendment and the state prevailing wage requirement.

Mayor Strimling suggested that perhaps there could be a Plan B for the hiring of Portland residents going out to the Greater Portland area.

Chair Brenerman thanked everyone for participating in this panel discussion, and due to time, the Committee concurred with postponing Mr. Mitchell's presentation.

Executive Session for Item #2 – Proposed Purchase and Sale Agreement for sale of a small strip of unneeded City-owned Franklin Street right-of-way to an abutter.

On motion made and seconded, the Committee voted unanimously (2-0) at 7:40 to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations. At approximately 7:47 p.m. the Committee came out of executive session.

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

On motion made and seconded, the Committee voted unanimously (2-0) to recommend to the City Council approval of the Purchase and Sale Agreement.

Item #4: Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session for staff to receive guidance to proceed with real estate negotiations for the following: – Greg Mitchell

- a) **Bayside Public Works property offers;**
 - i **See enclosed Confidential Memo.**

On motion made and seconded, the Committee voted unanimously (2-0) at 7:50 to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations. At approximately 9:10 p.m. the Committee came out of executive session.

- b) **City Thames Street property sale;**
 - i **Verbal update to be provided at meeting.**

On motion made and seconded, the Committee voted unanimously (2-0) at 9:10 to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss real estate negotiations. At approximately 9:30 p.m. the Committee came out of executive session and the meeting adjourned.

Respectfully, Lori Paulette



Office of the Mayor, Ethan K. Strimling

MEMORANDUM

To: Economic Development Committee Chair David Brenerman
Councilors Pious Ali and Spencer Thibodeau
From: Ethan K. Strimling, Mayor
Date: June 1, 2017
Re: Committee Questions: Tax Increment Financing Reform

1. Is the goal of these amendments to stop all TIFs?

No. The goal of this type of Tax Increment Financing (TIF) reform is to ensure the greatest public good is achieved when utilizing public dollars on a TIF project. These provisions will lead to better paying jobs, a more trained and diverse workforce and allow for higher accountability while at the same time providing city assistance to worthy companies. In fact, there is already precedent for Portland including benchmarks and measures when it comes to TIFs and awarding public dollars via the Portland Development Corporation.

On October 1, 2001, the Portland City Council approved a TIF for CommTel that included hiring requirements (120 jobs or a \$4M payroll), wage requirements (200% of minimum wage), and access to healthcare and retirement. Additionally, the company was required to post hiring notices locally in the Career Center in order to meet the TIF expectations. These expectations were far from stopping the company from negotiating the TIF (See the Council-approved CommTel TIF [Attachment 1] and its accompanying order [Attachment 2]).

Additionally, the city also mandates hiring practices through the public dollars we expend for small businesses through the Portland Development Corporation, utilizing the same concept contemplated by this TIF reform. The requirements of the Portland Business Assistance Program for Job Creation, as approved by the Council on August 2, 2016 (Attachment 3) include:

- "Create one (1) full-time job (at least 1,750 hours/year) for every \$10,000 of grant Funding;
- Business location of applicant fits any of the following: In a low income area of the City; Within walking distance to one or more of these areas; or, Easily accessible from these areas via public transportation;

- Net new jobs created with the help of the grant are marketed to low/moderate income Portland residents, resulting in at least 51% of these jobs going to this population. As an example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income Portland residents;
- Job(s) are created within nine (9) months of signing a grant agreement.”

2. Why are the requirements in the proposal not inclusive of all city projects?

The referral from the Council directed the Committee to focus on the “City of Portland’s Tax Increment Financing (TIF) policy.” While I would support a policy encompassing all publicly funded projects, this council order specifically directed us to review TIFs and did not include a provision for broadening the review. Obviously, if the Committee wishes to extend their scope, that is their prerogative.

3. Can we get some clarity on how “Apprenticeship Program” is defined?

According to the Maine Department of Labor, a Registered Apprenticeship Program (the standard we require in this proposed policy) is, “Formal, nationally-recognized, occupational training provided primarily through structured on-the-job learning and supplemented with formal courses in theory, academics and technology. The on-the-job learning component is provided by the employer and follows specific occupational skill standards. Required courses may be taken at a community college, but in some cases may be provided directly by the sponsor or other training institutions. Apprenticeable occupations are those that require a minimum of one year, but up to five or more years of hands-on practical learning to become proficient.” See Attachment 4 for more information.

According to the US DOL in response to the question, “*Are all Registered Apprenticeships union-based?*” “A: No. Registered Apprenticeship is used widely across all industries and includes union and non-union programs. Registered apprenticeship sponsors include unions, but also employers, community colleges and universities, workforce investment boards, industry associations, and the military.” See Attachments 5 and 6 for greater detail.

4. How do you (Mayor) feel about exempting affordable housing projects?

Most affordable housing projects already have to meet Davis-Bacon (federal prevailing wage rates) or state prevailing wage, due to their public financing structure. In either case, they would meet the wage requirements of our proposed TIF Policy and would not incur increased costs. Therefore, I believe affordable housing projects should also be included.

5. Can you more fully explain the purpose of the bonus provision, whether other cities have something similar and where the 2.5% comes from?

Other cities have bonus provisions in their public contract hiring requirements, in order to encourage companies to go above and beyond the minimum of their hiring expectations. The purpose of this provision is the same. San Francisco's bonus rate is 1%. The amendment before the committee suggests 2.5% in order to provide an additional incentive so more local people can be hired and disadvantaged communities brought out of poverty.

6. What will be the impact on financing if the clawback is included?

Upon discussions with Corporation Counsel, rather than include a clawback provision, a more viable path might be to tie the reimbursements via the Credit Enhancement Agreement (CEA) to the satisfying of the requirements as outlined in the TIF Policy. If that is the case, financing would not be impacted as a company would still be able to use the CEA as collateral for a loan.

An example of this form of "penalty" is the language used in the aforementioned CommTel TIF approved by the Council in 2001 (Attachment 1). The language in that CEA stated, "Beginning on January 1, 2004, if in any year of the Credit Enhancement Agreement Company fails to maintain 120 such jobs and fails to maintain the payroll level described above, \$3,000 per job shortfall will be deducted from the TIF allocation to Company in the year of such shortfall, not to exceed 10% of the TIF allocation in the year of the shortfall. The job shortfall penalty will be imposed in the following year."

7. In reviewing whether a company met the hiring and wage expectations, what of their information will be made public, if anything?

We have contacted city staff for assistance with this answer. Additional information will be provided to the Committee when available.

8. Can we better define "in good faith" and what principles would be used for a Councilor to rescind a TIF?

Various jurisdictions define this term differently. For example, Baltimore's Local Hire Law states, "Good Faith Effort is defined as a set of activities conducted by the contractor/vendor or other person which demonstrate multiple types of outreach efforts have been made to City residents including, but not limited to: ads in local papers, paid local

job boards, information to local educational and workforce organizations, as well as an objective review and rating of resumes of city residents.”

As noted in Question #7, upon discussions with Corporation Counsel, rather than rescind a TIF, a more viable path would be to tie the reimbursements via the Credit Enhancement Agreement (CEA) to the satisfying of the requirements as outlined in the TIF Policy.

9. Can we clarify “TIF-assisted project” and fully flesh out what is or is not included?

A “TIF-assisted project” would include those projects that engage in a CEA with the City.

10. What will be the financial impact on businesses that have to meet these requirements?

Every business is obviously different and many already must pay prevailing wages on public projects, as Davis-Bacon rules apply. That said, even for those companies that do not, they will only need to meet the requirements outlined in the revised TIF Policy if they choose to seek a CEA. As with every financial decision a company makes, if they are seeking financial assistance from the city to engage in a new or expanded project they will need to make the determination if the long-term tax benefits (often lasting for decades) are worth meeting the community benefit standards outlined in the agreement. Similarly, the Council will have to determine if the community benefits are worth spending the public money.

Additionally, as the Maine State Building Trades state: “Requiring workers to be paid the generally-accepted prevailing wages should not impact a company who is already compensating their workers fairly. Unfortunately, we know that although most companies do the right thing, there are some who underpay and undertrain their workers, thus tilting the scales towards businesses that cut corners. Setting requirements for wages and training for every company involved in the construction phase of a TIF will level the playing field and remove those unfair advantages. Further, properly compensating and training workers will increase safety, efficiency and job longevity; thus mitigating the longer-term costs of compensation for injuries, re-visting work completed and retraining new workers to replace those who leave the workforce.” See Attachment 6 for more detail.

11. Can we get a copy of 26 MRSA §1306?

See Attachment 7.

12. How many Maine companies either have an apprenticeship program or are connected to one?

According to the Maine Department of Labor, about 60 companies (not including affiliated organizations) in Maine have a registered apprenticeship program. Additionally, the Home Builders and Remodelers Association have recently been certified and the Associated General Contractors of Maine is on the verge of being certified, totaling more than 250 additional affiliated organizations with an apprenticeship program. For more, see Attachment 6. For a complete 2016 list of Active Sponsors from the Maine Department of Labor, see Attachment 8.

13. Do we know how many subcontractors that worked on past TIF projects would have met these requirements?

We have contacted city staff for assistance with this answer. Additional information will be provided to the Committee when available.

14. Do contractors come with their own workforce, or do they “hire up” for each job?

Both. Depending on the size and duration of the job, contractors both bring their own workers, and/or also hire local workers in order to reach and maintain the appropriate staff capacity.

15. Does the “prevailing wage” requirement help prevent companies from misclassifying employees?

The implementation of this policy would safeguard workers from misclassification by enabling the city to examine certified payroll, as can currently be accomplished on projects supported with federal funds. See Attachment 6 for more detail.

16. What is the purpose of an Apprenticeship program? Safety? Skilled Workforce?

According to the Maine State Building Trades: “For apprentices, some benefits include: improved skills, on-the-job training, incremental wage increases, career advancement and credentialing, opportunity for college credits. Businesses benefit from apprentices by ensuring: customized and systematic training, increased productivity and knowledge transfer, enhanced worker retention, an emphasis on safety training, a stable and predictable pipeline of trained workers, and utilizing the ability to conduct objective

readiness assessments for their workforce. The community benefits from apprenticeship programs by: gaining a skilled and productive workforce, establishing a pool of talent to meet the community's workforce demands, and providing a pathway to the middle class and lessening the burden on an already-taxed social services system." See Attachment 6 for additional information.

17. How do you define "Portland resident?"

Various jurisdictions define residency in different ways. Three such examples are:

San Francisco Mandatory Local Hiring Ordinance: "A resident is defined as an individual who is domiciled within the City seven days prior to commencing work on the project."

Seattle Priority Hire Ordinance: "Resident means a person who provides evidence to the satisfaction of the Director demonstrating that the person lives at a particular address."

Boston's Residents Jobs Policy: "Any person for whom the principal place where that person normally eats and sleeps and maintains his or her normal personal and household effects is within the city limits of the City."

In speaking with Corporation Counsel and from an administrative standpoint, Boston's simple definition might be the most viable option for Portland.

18. How do we define "minorities?"

Corporation Counsel suggested we use the definitions under the Equal Employment Opportunity Program (EEO). According to the EEO, the term "minority" describes:

- *"American Indian or Alaskan Native.* A person having origins in any of the original peoples of North America, and who maintain their culture through a tribe or community.
- *Asian or Pacific Islander.* A person having origins in any of the original people of the Far East, Southeast Asia, India, or the Pacific Islands. These areas include, for example, China, India, Korea, the Philippine Islands, and Samoa.
- *Black (except Hispanic).* A person having origins in any of the black racial groups of Africa.
- *Hispanic.* A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race."

19. Does requiring “prevailing wage” discourage new hires?

No. Hiring new employees and the incorporation of apprenticeship programs has an additional benefit for companies above and beyond training the next generation of their workforce. Apprentices or workers in training do not automatically earn the prevailing wage upon hire. While each program is different, most times, these employees would earn a percentage of the prevailing wage (i.e. 50% in year one, 60% in year two). So rather than discourage new hires, this system would benefit the company by allowing them to compensate a new employee according to their skill level while at the same time building capacity and expertise for the future.

Further, according to the Maine State Building Trades: “Rather than discouraging new hires, setting fair wages will establish a floor for compensation that will prevent abuses and encourage tradespeople to enter and remain in their field of work... Companies required to adhere to minimum standards in wages and safety will be more likely to encourage quality hires by employing and investing in workers for the long term.” See Attachment 6 for more detail.

THIS CREDIT ENHANCEMENT AGREEMENT dated as of _____, 2001, between the City of Portland, Maine (the "City"), a municipal body corporate and politic and a political subdivision of the State of Maine, and Community Services Communications, Inc. d/b/a CommTel, a corporation duly organized and existing under the laws of the State of Maine, with a place of business in Winthrop, Maine (the "Company", as further specified herein).

WITNESSETH THAT

WHEREAS, the City designated the CommTel 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, by action of the Portland City Council on _____ (the "Vote"), and pursuant to the same Vote adopted a development program and financial plan for the District (the "Development Program"); and

WHEREAS, upon submission of an application to DECD, the City expects DECD to review and approve the District and the Development Program; and

WHEREAS, the City designated the District, adopted the Development Program and entered into this Agreement in order to induce the Company to build the Project by enabling the City to contribute toward the capital cost of the Project the amounts contemplated by the Development Program and this Agreement; and

WHEREAS, in connection with the Development Program, and as contemplated thereby, the City and the Company have agreed to execute and deliver this Agreement; and

WHEREAS, the City and the Company desire and intend that this 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. All other capitalized terms not otherwise defined herein shall have the meaning given such terms in the Development Program.

"Account" shall mean the Company TIF Account, also known as the CommTel Development Program Account.

"Act" means Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

"Affiliate" means, with respect to any specified entity, any other entity in which the specified entity has a more 50% ownership interest or of which the specified entity controls more than 50% of the voting power.

"Agreement" shall mean this Credit Enhancement Agreement dated as of the date set forth above between the City and the Company, as such may be amended by the parties from time to time.

"Captured Assessed Value" means the annual percentage of Increased Assessed Value retained in the District in each tax year during the term of the District, as specified in Section 3.1 hereof.

"City" shall have the meaning given such term in the recitals hereto.

"City Tax Increment Revenues" means in each year this Agreement is in effect, an amount of money equal to the percentage of Retained Tax Increment Revenues allocated to the City at the time and according to the schedule specified in Section 3.1 hereof.

"Company" shall have the meaning given such term in the first paragraph hereto, and shall also mean and include any assignee, successor, or Affiliate thereof.

"Company TIF Account" means the account described in the Financial Plan section of the Development Program and established and maintained pursuant to the Development Program and Article II hereof.

"Company Tax Increment Revenues" means in each year this Agreement is in effect an amount of money equal to the percentage of Retained Tax Increment Revenues allocated to the Company at the times and according to the schedule specified in Section 3.1 hereof.

"Current Assessed Value" means the then current assessed value of the Property located within the District to be determined by the City's Assessor as of April 1 of each year that this Agreement remains in effect.

"DECD" means the State of Maine Department of Economic and Community Development.

"Development Program" means the development program and financial plan for the District adopted by the City as described in the document entitled "Proposal to Create a Tax Increment Financing District" presented to the City on behalf of the Company, a copy of which is attached hereto as Appendix A.

"District" shall have the meaning given such term in the recitals hereto.

"Financial Plan" means the financial plan described in the "Financial Plan" section of the Development Program.

"Increased Assessed Value" 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 Original Assessed Value in any year, there is no Increased Assessed Value in that year.

"Original Assessed Value" means \$2,463,950, the assessed value of the District as of March 31, 2001.

"Project" means the design, construction and equipping of a enterprise-class IP data Center in the District, which improvements include renovations of and additions to existing buildings, and the acquisition and installation of equipment and other personal property therein, all as more particularly described in Sections II(A) and IV(A) of the Development Program.

"Project Cost Account" means the account in the Development Program Fund described in Section 2.01 of the Development Program and established and maintained pursuant to the Development Program and Article II hereof.

"Project Costs" means all costs incurred by the Company on the Project within the meaning set forth in 30-A M.R.S.A. § 5252(8), as amended.

"Property" means all real or personal property, including but not limited to the Project, now or hereafter located within the District, whether or not the Company owns such Property or is otherwise liable for property taxes imposed and assessed thereon by the City, but excluding any personal property (other than any such property included in the Original Assessed Value or other property in replacement thereof) located at 39 Forest Avenue that is owned by or taxed to the tenants of the Company located there at (currently Maine Medical Center, James Daigle Photography and Channel 2 and 4 Public Access Television).

"Property Taxes" means any and all ad valorem property taxes in excess of any county, state or special district taxes levied, charged or assessed against the Property by the City or on its behalf and actually paid to the City.

"Qualified Investments" shall mean any and all securities, obligations or accounts in which municipalities may invest their funds under applicable Maine law, and which are of the same type and tenor as the investments in which the City invests its own funds.

"Retained Tax Increment Revenues" means that portion of Property Taxes assessed by the City on the Captured Assessed Value.

"Tax Payment Date" means the later of the date(s) on which Property Taxes assessed by the City with respect to the Property are due or are paid, or if any such day is not a business day, the next succeeding business day.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

- a. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this Agreement.
- b. Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.
- c. Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.
- d. Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.
- e. All 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 or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof except as expressly provided in Section 3.4.

ARTICLE II

DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

The City hereby confirms the creation and establishment of a segregated account in the name of the City designated as the "CommTel Development Program Account" pursuant to, and in accordance with the terms and conditions of, the Development Program.

Section 2.2. Deposits into Account.

There shall be deposited into the Account contemporaneously with each payment of property tax by the Company an amount equal to that portion of the property tax payment constituting Company Tax Increment Revenues for the period to which the payment relates. Any and all revenues, if any, resulting from investment of monies on deposit shall be retained by the City and withdrawn from the Account contemporaneously with payment to the Company.

Section 2.3. Use of Monies in Account.

Monies deposited in the Account shall be used and applied exclusively to fund the City's payment obligation described in Article III hereof.

Section 2.4. Use of Monies in City TIF Account.

Monies deposited into the City TIF Account and all earnings thereunder will be dedicated to efforts of City's economic development department, as designated by City Council annually in the municipal budget in accordance with Chapter 207 of Title 30-A.

Section 2.5. Monies Held in Trust.

All monies required to be paid into the Account under the provisions hereof and the provisions of the Development Program, other than investment earnings thereon shall be held by the City, in trust, for the benefit of the Company.

Section 2.6. Investments.

Any monies in the 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 Account.

Section 2.7. Tax Payments.

The Company shall pay when due all Property Taxes assessed by the City unless contested by the Company by appropriate proceedings pursuant to Maine law. No payments shall be made by the City under this Agreement at any time any such taxes or amounts are due and unpaid.

**ARTICLE III
PAYMENT OBLIGATIONS**

Section 3.1. Captured Assessed Value; Retained Tax Increment.

Annually, the following percentages of Increased Assessed Value shall be retained as Captured Assessed Value and the Tax Increment on such Captured Assessed Value shall be retained as Retained Tax Increment which Retained Tax Increment shall be deposited when received by the City into the Company TIF Account and the City TIF Account pursuant to the following allocation percentages, in accordance with the provisions of Section 2.2 of this Agreement and the priorities established by 30-A M.R.S.A. §5254(3)(B), each year starting with the 2002-2003 fiscal year of the City and continuing for each of the next 14 fiscal years of the City, ending with the 2016-2017 fiscal year, all as indicated on Table No. 1 below.

TABLE NO. 1

A	B	C	D	E
Year No.	Fiscal Year	% of Increased Assessed Value Retained as Captured Assessed Value	Allocation of Retained Tax Increment	
			% to Company	% to City
1	2002-2003	100%	50%	50%
2	2003-2004	100%	75%	25%
3	2004-2005	100%	80%	20%
4	2005-2006	100%	85%	15%
5	2006-2007	100%	85%	15%
6	2007-2008	100%	80%	20%
7	2008-2009	100%	75%	25%
8	2009-2010	100%	75%	25%
9	2010-2011	100%	75%	25%
10	2011-2012	100%	50%	50%
11	2012-2013	100%	10%	90%
12	2013-2014	100%	10%	90%
13	2014-2015	100%	10%	90%
14	2015-2016	100%	5%	95%
15	2016-2017	100%	5%	95%

Section 3.2. Completion of Development Program.

Prior to receiving the first payment under this Agreement, the Company shall have substantially completed, or shall provide evidence reasonably satisfactory to the City of the Company's ability to substantially complete, the first two planned phases of the Project.

Section 3.3. Revaluation.

If, at any time during the life of the District, the assessed value of the District increases by reason of a revaluation, the percentage of Retained Tax Increment paid into the Company TIF Account shall be adjusted so that the retained tax increment revenues attributable to such revaluation, after giving due consideration to any change in the tax rate resulting from such revaluation, is eliminated from the calculation of retained tax increment revenues, it being the intention of the parties that any such revaluation shall not result in the increase in the amount of taxes to be deposited into the Company TIF Account.

Section 3.4. Credit Enhancement Payments.

Subject to Section 3.2, within thirty (30) days following the end of each Fiscal Year, the City shall pay to the Company all Retained Tax Increment Revenues then on deposit in the Account. The obligation of the City to make such payment shall be limited obligation payable solely out of monies on deposit in the 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.

Section 3.5. Failure to Make Payment.

In the event the City should fail to, or be unable to, make any of the payments to the Company required under the foregoing provisions of this Article III, the item or installment so unpaid shall continue as a limited obligation of the City, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. The Company 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 establish and maintain the Account and to deposit Company Tax Increment Revenues to the Account and its obligation to make required payment to the Company.

Section 3.6. Manner of Payments.

The payments provided for in this Article III shall be paid in immediately available funds directly to the Company in the manner provided hereinabove for its own use and benefit. Notwithstanding the above, no payments shall be made unless used to satisfy debt service on indebtedness incurred to finance qualified "Project Costs" as that term is defined under Chapter 207 of Title 30-A of the Maine Revised Statutes and as described as part of the Project in the Development Program or used to pay directly, or to reimburse the Company for payment of such Project Costs. The City shall make required payments in response to requests for payment submitted by the Company setting forth the amount of the payment and containing a certification in the form attached hereto as Exhibit B.

Section 3.7. Obligations Unconditional.

Except as otherwise expressly provided in this Agreement, the obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Company. Notwithstanding the above, the City reserves the right to terminate this Agreement upon receipt of an opinion from legal counsel to the City or a final judgment by a court of competent jurisdiction to the effect that the Agreement or Development Program adopted in connection herewith or any payment made thereunder is or would be illegal or invalid. In such event, the termination shall relate back to the original date of the Agreement which shall be deemed void ab initio, and neither party shall have any obligations or liability hereunder, under the Development Program or in respect of any of the transactions contemplated thereby, and shall be left in whatever positions, financial or otherwise, they may be in as of the date of termination. Such termination shall not, however, affect the Company's obligation to defend and indemnify the City, which obligation shall survive any such termination.

Section 3.8. Limited Obligation.

The City's obligations of payment hereunder shall be limited obligations of the City payable solely from Retained Tax Increment Revenues and any earnings thereon, pledged therefor under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation on the part of the City or a charge against or pledge of the faith and

credit or taxing power of the City, but shall be payable solely from the Retained Tax Increment Revenues received by the City, and any earnings thereon. This Agreement shall not directly or indirectly or contingently obligate the City to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the City's obligation to assess property taxes upon the Project and the pledge of the Retained Tax Increment Revenues established under this Agreement.

Section 3.9. Administrative Fee.

The Company shall pay to the City an annual administrative fee to the City equal to 1% of the Retained Tax Increment (net of any penalties) paid by the City to the Company. Such payment shall be made contemporaneously with the payment by the City to the Company.

ARTICLE IV COVENANTS OF THE COMPANY

Section 4.1. Employment.

Company either will assure:

that 120 new permanent full-time jobs (not including executive positions) will be created in the City of Portland from September 25, 2000 to and as of January 1, 2004, provided that all such jobs created prior to the date of the Credit Enhancement Agreement shall be jobs which are required as a result of services proposed to be provided at Company's facilities at 380 Cumberland Avenue and 39 Forest Avenue, and at least 85% of those permanent full-time jobs will offer (1) regular hourly wages equal to or greater than the greater of 200% of the then-current Maine minimum wage or a wage that exceeds the average per capita income in Cumberland County; (2) provides access to group health insurance; and (3) provides access to an ERISA-qualified retirement program;

OR for such of the new permanent full-time jobs (not including executive positions) created in the City of Portland from September 25, 2000 to and as of January 1, 2004, provided that all such jobs created prior to the date of the Credit Enhancement Agreement shall be jobs which are required as a result of services proposed to be provided at Company's facilities at 380 Cumberland Avenue and 39 Forest Avenue jobs, and that at least 85% of those permanent full-time jobs will offer (1) regular hourly wages equal to or greater than the greater of 200% of the then-current Maine minimum wage or a wage that exceeds the average per capita income in Cumberland County; (2) provides access to group health insurance; and (3) provides access to an ERISA-qualified retirement program, for those qualified jobs Company shall pay an annual payroll of at least \$4,000,000 excluding bonuses, the compensation of the three highest compensated Company executives, and benefits paid by Company for parking, health insurance and retirement programs.

Beginning on January 1, 2004, if in any year of the Credit Enhancement Agreement Company fails to maintain 120 such jobs and fails to maintain the payroll level described above, \$3,000 per job shortfall will be deducted from the TIF allocation to Company in the year of such shortfall, not to exceed 10% of the TIF allocation in the year of the shortfall. The job shortfall penalty will be imposed in the following year.

Section 4.2. Technology Services.

The Company will provide services to the City as may be reasonably requested by the City from time to time, such services being data storage and other services as provided by the Company generally. Such services will be provided at the Company's normal charge provided, however, that, commencing in calendar year 2004, the City shall receive an annual credit against such charges in an amount equal to the lesser of (a) ten percent (10%) of the Company Tax Increment Revenues paid to the Company for the next preceding fiscal year of the City or (b) \$40,000, and provided further that such credit shall not, in the aggregate, exceed a total of \$480,000 over the term of this Agreement.

Section 4.3. Utilization of Career Center.

The Director of Human Recourses of Company, or his or her appointee, shall work with a representative of the CareerCenter to maximize the use and value of CareerCenter services. Such use shall include Company posting all job openings related to the Project except executive positions with CareerCenter and consulting with the designated CareerCenter representative on at least a quarterly basis annually. Company shall receive from the CareerCenter annually within thirty days of the anniversary date of the Credit Enhancement Agreement a written indication that Company has complied with the foregoing requirements and shall forward such written indication to the City within ten days of receipt. Said report shall be verified with the CareerCenter by City. **[If City finds on the basis of such report that Company has failed to comply with the foregoing requirements, the City Council may impose a penalty of up to \$15,000 of the reimbursement amount for that fiscal year to be deducted from the following fiscal year's reimbursement to company.]** [Company needs to discuss with City.] This provision shall expire on the fifth anniversary of the Credit Enhancement Agreement.

ARTICLE V PLEDGE AND SECURITY INTEREST

Section 5.1. Pledge of Company TIF Account.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Company 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 the Company the Company TIF Account and all sums of money and other securities and investments therein.

Section 5.2. Further Instruments.

The City and the Company shall, 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 agreements shall pledge the credit of the City.

Section 5.3. Liens.

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

Section 5.4. 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 Account shall at all reasonable times be open to inspection by the Company, its agents and employees.

ARTICLE VI DEFAULTS AND REMEDIES

Section 6.1. 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 Company when the same shall become due and payable;
- b. Any failure by the City to make deposits into the Company TIF Account as and when due;

c. Other than as provided in paragraph (a) and (b) above, any failure by the City or the Company to observe and perform in all material respects any respective covenant, condition, agreement or provision contained herein on the part of the City or the Company respectively to be observed or performed, including any failure of the Company to use payments made under this Agreement as required in Section 3.6 of this Agreement or to perform the covenants under Article IV of this Agreement, which failure is not cured within thirty (30) days following written notice thereof; provided, however, that this subsection (c) shall not be construed to include the Company's failure to pay Property Taxes on the Property in the District for any reason as an Event of Default hereunder; and

d. If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises shall appoint a conservator or receiver or liquidator for the City, or if any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings for the winding up or liquidation of the City's affairs shall have been entered against the City or if 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 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 6.2. Remedies on Default.

Whenever any Event of Default described in Section 6.1 hereof shall have occurred and be continuing, the nondefaulting party may take any one or more of the following remedial steps following any applicable cure period:

a. The nondefaulting party may take whatever action at law or at equity as may appear necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements, or covenants of the nondefaulting party under this Agreement and any documents, instruments, and agreements contemplated hereby or to enforce any rights or remedies available hereunder; and

b. In addition, in the event of a default under Section 6.1(c) relating to Section 3.6 or Article IV, the City may suspend further payments until such default is cured. If there is any dispute as to either party's performance of any of its obligations under this Agreement, such dispute may, by agreement of the parties, be submitted to non-binding mediation and, following such mediation or in the absence of any such agreement to submit the dispute to mediation, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. Payments by the City will not be suspended prior to a final determination in such proceeding in favor of the City. [Issue of 3rd party payments to be discussed with City.]

Section 6.3. Remedies Cumulative.

No remedy herein conferred upon or reserved by 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 the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default or to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the 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 parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

Section 6.4. Enforcement Rights.

The City and the Company agree that each party hereto shall have the right to initiate a legal proceeding to enforce the specific performance of this Agreement, it being understood and agreed that this Agreement is a material inducement to the Company continuing its pursuit of the Project. The parties agree that in the event of any dispute or disagreement hereunder the Company and the City shall continue to make payment of all amounts due hereunder in the manner and at the times specified herein until final resolution of such dispute, whether by mutual agreement or final decision of a court, arbitrator or other dispute resolution mechanism.

ARTICLE VII EFFECTIVE DATE, TERM AND TERMINATION

Section 7.1. 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 and shall expire on the later of the end of the 2016-2017 fiscal year of the City or upon the performance of all obligations on the part of the City and the Company hereunder, unless sooner terminated under Section 3.2 or 3.7 hereof.

Section 7.2. Cancellation and Expiration of Term.

At the termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the City and the Company 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 VIII ASSIGNMENT AND PLEDGE OF COMPANY'S INTEREST

Section 8.1. Consent to Pledge, Collateral Assignment Or Grant of a Security Interest.

The City hereby acknowledges that the Company may pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on the Company to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of all the

Company's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Company hereunder, to third parties as collateral or security for indebtedness related to the Project, on one or more occasions during the term hereof. The City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective pledgee or assignee, including without limitation recognition of the 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 pledgee or assignee the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to the pledgee or assignee such rights and/or remedies as it may deem necessary for the establishing, perfection and protection of its interest herein.

Section 8.2. No Assignment.

Except as provided in Section 8.1, this Agreement and the obligations of the City hereunder are personal to the Company and may not be assigned or transferred by the Company or Tenant without the consent of the City which consent may be withheld for any reason or for no reason.

**ARTICLE IX
MISCELLANEOUS**

Section 9.1. Successors.

In the event the City or the Company are dissolved, merged into or consolidated with another entity, or undergo any form of corporate reorganization, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 9.2. Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Company any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and the Company; provided, however, that if the payment obligations of the City to the Company hereunder are held by a final and binding proceeding to be illegal or invalid, this Agreement shall terminate. In such event all obligations of the parties shall terminate, and no party shall have any further liability to the other hereunder.

Section 9.3. Severability.

Except as otherwise provided herein, 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 9.4. No Personal Liability.

(a) No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither the members of the City Council of the City, or any official, officer, agent, servant or employee of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation or agreement of the Company contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future director, member, officer, agent, servant or employee of the Company in his or her individual capacity and neither the directors, members, officers, agents, servants or employees of the Company shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 9.5. Counterparts.

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

Section 9.6. Governing Law.

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

Section 9.7. Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Company 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, or, for any notice of an Event of Default, by registered or certified mail, return receipt requested, addressed as follows:

If to the City:

City of Portland
389 Congress Street
Portland, ME 04101
Attn: City Attorney

If to the Company:

Community Services Communication, Inc.
39 Forest Avenue
Portland, ME 04101
Attn: William L. Ralph, CFO

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

Section 9.8. Amendments.

Neither this Agreement nor the Development Program may be amended without the express written consent of all of the parties hereto, which consent shall not be unreasonably withheld. Provided, however, the parties agree to amend this Agreement in order to fulfill such reasonable requirement that a lender may require in connection with financing of the Project. This Agreement may only be amended in compliance with the provisions of 30-A M.R.S.A. §5251 et seq., as amended.

Section 9.9. 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 abatement, or setoffs; provided, it is understood that the City's payment obligations are to be satisfied solely from Retained Tax Increment Revenues actually paid in by the Company and received by the City, and earnings thereon and provided further that the City may offset the administrative fee described in Section 3.9 hereof.

Section 9.10. Integration.

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

Section 9.11. Project Responsibility.

The Company and the City agree, and the City hereby acknowledges that the Company shall have no obligation to go forward with the Project referred to herein or in the Development Program. Such Project is subject to final approval by the Company.

Section 9.12. Indemnification.

a. The Company agrees to defend, indemnify and hold harmless the City, its officers, agents and employees from any and all claims and expenses, including its attorney fees, arising out of or associated with the City's approval of the District and its preparation of and participation in this Agreement, including expenses arising from any default hereunder by the Company but excluding any such claims or expenses as may relate to actions or proceedings resulting from a default hereunder by the City. This indemnification obligation shall survive termination of this Agreement or a finding that this Agreement is void or invalid.

b. The City agrees to defend, indemnify and hold harmless the Company, its officers, agents and employees from any and all claims and expenses, including its attorney fees, arising out of or associated with any default hereunder by the City. This indemnification

obligation shall survive termination of this Agreement or a finding that this Agreement is void or invalid.

Section 9.13. Waiver of Recapture if Agreement Found Void.

In the event this Credit Enhancement Agreement is found void "ab initio" by a Court of law with final jurisdiction over this Agreement City agrees to waive its rights to recapture all TIF proceeds paid to Company pursuant to this Agreement.

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

WITNESS

CITY OF PORTLAND, MAINE

By: _____
Its City Manager

COMMUNITY SERVICES
COMMUNICATIONS, INC.
d/b/a CommTel

By: _____
Its Authorized Officer

EXHIBIT B

Request for Payment

The undersigned does hereby request payment in the amount of \$_____ from the CommTel Development Program Fund and does hereby certify that the amount requested will be used to pay Project costs as that term is defined in Chapter 207 of Title 30-A of the Maine Revised Statutes, as follows: (indicate applicable provisions)

- Debt service on indebtedness incurred to finance project costs contemplated by the Development Program ("Project Costs"), in the amount of \$_____; and/or
- Direct payment of Project Costs in the amount of \$_____; and/or
- Reimbursement to the undersigned for Project Costs previously incurred, in the amount of \$_____.

There are attached hereto invoices showing the incurring by the undersigned of Project Costs in the amount of \$_____. None of these invoices has been the subject of a previous request for payment from the Development Program Fund.

**COMMUNITY SERVICES
COMMUNICATIONS, INC.**

Date: _____

By: _____
Its

CommTel TIF Financial Summary

Attachment D

TIF Allocation Table

Tax Year	Increased Real Prop	Increased Pers. Prop.	Total Increase	Mil Rate	Incremental Tax Real Estate	Incremental Tax Pers. Prop.	Total Incremental Tax	Original Value Tax
FY03	\$ 5,825,700	\$ 5,582,353	\$ 11,408,053	25.00	\$ 145,643	\$ 139,559	\$ 285,201	\$ 61,599
FY04	\$ 6,623,000	\$ 10,084,922	\$ 16,707,922	25.50	\$ 168,887	\$ 257,166	\$ 426,052	\$ 62,831
FY05	\$ 6,623,000	\$ 15,471,914	\$ 22,094,914	26.01	\$ 172,264	\$ 402,424	\$ 574,689	\$ 64,087
FY06	\$ 6,623,000	\$ 20,214,033	\$ 26,837,033	26.53	\$ 175,710	\$ 536,282	\$ 711,992	\$ 65,369
FY07	\$ 6,623,000	\$ 17,775,455	\$ 24,398,455	27.06	\$ 179,224	\$ 481,018	\$ 660,242	\$ 66,676
FY08	\$ 6,623,000	\$ 16,203,418	\$ 22,826,418	27.60	\$ 182,808	\$ 447,247	\$ 630,055	\$ 68,010
FY09	\$ 9,623,000	\$ 15,074,652	\$ 24,697,652	28.15	\$ 270,927	\$ 424,413	\$ 695,339	\$ 69,370
FY10	\$ 9,623,000	\$ 14,544,652	\$ 24,167,652	28.72	\$ 276,345	\$ 417,681	\$ 694,026	\$ 70,758
FY11	\$ 9,623,000	\$ 14,169,652	\$ 23,792,652	29.29	\$ 281,872	\$ 415,050	\$ 696,922	\$ 72,173
FY12	\$ 9,623,000	\$ 14,084,652	\$ 23,707,652	29.88	\$ 287,509	\$ 420,812	\$ 708,321	\$ 73,616
FY13	\$ 9,623,000	\$ 14,034,652	\$ 23,657,652	30.47	\$ 293,260	\$ 427,704	\$ 720,964	\$ 75,089
FY14	\$ 9,623,000	\$ 14,034,652	\$ 23,657,652	31.08	\$ 299,125	\$ 436,258	\$ 735,383	\$ 76,590
FY15	\$ 9,623,000	\$ 14,034,652	\$ 23,657,652	31.71	\$ 305,107	\$ 444,983	\$ 750,091	\$ 78,122
FY16	\$ 9,623,000	\$ 14,034,652	\$ 23,657,652	32.34	\$ 311,209	\$ 453,883	\$ 765,092	\$ 79,685
FY17	\$ 9,623,000	\$ 14,034,652	\$ 23,657,652	32.99	\$ 317,434	\$ 462,961	\$ 780,394	\$ 81,278
Average			\$ 22,595,111		\$ 3,667,322	\$ 6,167,441	\$ 9,834,763	\$ 1,065,253

Credit Enhancement Revenue Allocation

	TIF % Alloc.	CommTel	Portland
FY03	50%	\$ 142,601	\$ 142,601
FY04	75%	\$ 319,539	\$ 106,513
FY05	80%	\$ 459,751	\$ 114,938
FY06	85%	\$ 605,193	\$ 106,799
FY07	85%	\$ 561,206	\$ 99,036
FY08	80%	\$ 504,044	\$ 126,011
FY09	75%	\$ 521,504	\$ 173,835
FY10	75%	\$ 520,519	\$ 173,506
FY11	75%	\$ 522,692	\$ 174,231
FY12	50%	\$ 354,160	\$ 354,160
FY13	10%	\$ 72,096	\$ 648,867
FY14	10%	\$ 73,538	\$ 661,845
FY15	10%	\$ 75,009	\$ 675,082
FY16	5%	\$ 38,255	\$ 726,838
FY17	5%	\$ 39,020	\$ 741,375
	48.90%	\$ 4,809,127	\$ 5,025,635

Total Financial Benefits			
	CommTel		Portland
TIF	\$ 4,809,127	\$ 5,025,635	
Original Value Tax	\$ -	\$ 1,065,253	
Service Value	\$ -	\$ 480,000	
Shelter Value	\$ -	\$ 3,261,685	Eliminates as a cost to the City (see below)
TOTALS	\$ 4,809,127	\$ 9,832,573	

Shelter Value Analysis

Education Shelter	\$ 2,475,875	Avoids reduction by this amount
Revenue Sharing Shelter	\$ 590,307	Avoids reduction by this amount
County Tax Shelter	\$ 195,503	Avoids increase tax in this amount
	\$ 3,261,685	Total from all shelters

8/30/01

City of Portland, Maine
IN THE CITY COUNCIL

**ORDER DESIGNATING COMMTEL MUNICIPAL
DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT
AND ADOPTING THE COMMTEL DEVELOPMENT PROGRAM
AND MUNICIPAL DEVELOPMENT PROGRAM FOR THE DISTRICT**

WHEREAS, the City of Portland is authorized pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the City as a Municipal Development District and Tax Increment Financing District and to adopt a Development Program for such District; and

WHEREAS, there is a need for industrial, retail and commercial development in the City of Portland; and

WHEREAS, Community Services Communications, Inc. d/b/a CommTel intends to construct certain improvements within the proposed Municipal Development District and Tax Increment Financing District (the "District"); and

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

WHEREAS, the project will help to provide continued employment for the citizens of Portland and the surrounding region; improve and broaden the tax base in the City of Portland and improve the economy of the City of Portland and the State of Maine; and

WHEREAS, there is a need to encourage the development, expansion and improvement of commercial, retail and light manufacturing facilities within the City through the establishment of Municipal Development Districts and Tax Increment Financing Districts in accordance with the provisions of Chapter 207 of Title 30-A; and

WHEREAS, the City has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5253, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the CommTel Development District and Tax Increment Financing District and adopt Development Programs for such District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development, approving the designation of the

District and the adoption of the CommTel Development Program and Municipal Development Program for the District;

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

Section 1. The City hereby finds and determines that:

- (a) At least 25%, by area, of the real property within the District, as hereinafter designated, is acreage in need of rehabilitation, redevelopment or conservation as defined in 30-A M.R.S.A. § 5253; and
- (b) The total area of the District does not exceed 2% of the total acreage of the City, and the total area of all development districts within the City (including the District) does not exceed 5% of the total acreage of the City; and
- (c) The aggregate value of equalized taxable property of the District as of April 1, 2001 does not exceed 5% of the total value of equalized taxable property within the City as of April 1, 2001; and
- (d) The aggregate value of indebtedness financed by the proceeds from tax increment financing districts within Cumberland County, including the proposed District, does not exceed \$50 million adjusted by a factor equal to the percentage change in the United States Bureau of Labor Statistics Consumer Price Index, United States City average, from January 1, 1996 to the date of calculation; and
- (e) The City expects that the acquisition, construction and installment of all real and personal property improvements, buildings, structures, fixtures and equipment within the district contemplated by the Development Program will be completed in accordance with State law; and
- (f) The designation of the District and pursuit of the CommTel Development Program and Municipal Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

Section 2. Pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates the CommTel Development and Tax Increment Financing District, as more particularly set forth in the document entitled "COMMTTEL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT AND DEVELOPMENT PROGRAM" presented to the City Council in the form attached hereto and the CommTel Development Program and the related Municipal Development Program are hereby incorporated by reference into this resolution as the Development Programs for the District (the "Development Programs").

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5254, the City hereby adopts the statement of the percentage of Assessed Value to be retained by the City set forth as Exhibit A in the CommTel TIF application for purposes of said Section 5254.

Section 4. The City Manager be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Programs for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. §5253(1)(F).

Section 5. The City Manager be, and hereby is, authorized to execute and deliver a credit enhancement agreement substantially in the form described in the CommTel Development Program and attached as Attachment C to a memorandum dated August 30, 2001 from Councilor Jay Hibbard.

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

Portland Business Assistance Program for Job Creation

Program Description

The City of Portland's Business Assistance Program for Job Creation provides grants up to \$20,000 to new and expanding Portland businesses for the creation of net new, permanent full-time jobs for low/moderate income Portland residents.

Program Objectives

- Job creation for low/moderate income Portlanders;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit;
- Enhance the health and vitality of the Portland economy.

Program Requirements

- Create one (1) full-time job (at least 1,750 hours/year*) for every \$10,000 of grant funding;
- Business location of applicant fits any of the following: In a low income area of the City; Within walking distance to one or more of these areas; or, Easily accessible from these areas via public transportation;
- Net new jobs created with the help of the grant are marketed to low/moderate income** Portland residents, resulting in at least 51% of these jobs going to this population. As an example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income Portland residents;
- Job(s) are created within nine (9) months of signing a grant agreement.

Financing Terms

- Maximum grant: \$20,000 per business.
- Required Private Match: Equal to or greater than grant amount.
- Private Match Sources: Private investment match includes at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Commercial Loan Program, if conventional financing is not available. For existing businesses, the 50% equity can include private investment made within the past 12 months.

Application Review Preferences:

Preference is given to applications that include one or more of the following components (listed in no particular order):

- Job training: Teaching meaningful skill(s) to new hires;
- Private match exceeds the grant amount requested;

- Number of net new jobs exceeds one (1) per \$10,000 of grant funding;
- Quality jobs are created offering wages that meet or exceed the minimum wage approved by the Portland City Council.

Eligible Funding Activities

- Equipment and machinery ;
- Permanent working capital, (e.g., inventory, furniture and fixtures, relocation expense);
- Working capital expenses (e.g., rent, utilities, salaries, insurance);
- Up to \$1,000 for business consulting services (e.g., accounting, marketing, software training, legal assistance);
- Leasehold improvements, renovation, reconstruction, or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons. (Construction projects must comply with Davis Bacon federal labor standards.)

Ineligible Activities

- Refinance existing debt;
- Down payment for other financing;
- Use of grant funds for activities, (e.g., purchases of equipment and supplies), commenced or completed prior to program funding approval and prior to signing a grant agreement.

Basic Program Qualifications

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City, and property must be free of all City liens and encumbrances.

Application and Approval Process

The City's Economic Development Department is responsible for administration of the Business Assistance Program for Job Creation, with guidance from the Housing and Community Development Division. Eligible applications are reviewed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review. The PDC has final decision-making authority in approving applicants for grant awards.

Reporting and Tracking (after grant approval)

Jobs: Jobs must be created within nine (9) months of signing a grant agreement after being approved for a grant. Grant recipients will be required to provide quarterly reports until all hires are made, and then for one year beyond that.

- Property: The City will retain an interest in property improved or equipment purchased (worth \$5,000 or more) with grant funds for up to five (5) years. If such property improvements or equipment are transferred, or otherwise disposed of within the five (5)

year period from the date the improvements are completed or equipment is purchased, respectively, the City may require partial repayment (on a pro rata basis) of the grant funds.

Program Actions if Grantee Business is Unable to Meet Job(s) Requirements

Nine (9) months from the date of signing the grant agreement, if a grantee business has been unable to create the required number of jobs, the PDC Board, at its discretion, may require that the grantee return all grant funds that it has drawn down. In the case of a grantee business that has been unable to retain the required job(s) for one year from the time the job(s) was initially created, the PDC Board, at its discretion, may require the partial repayment (on a pro-rata basis) of grant funds.

Alternatively, should the PDC Board determine, in its judgement, that the grantee has made a good faith effort to create the required number of jobs within nine (9) months of signing the grant agreement or to retain the job(s) one year from the time the job(s) was created:

A) The Board may approve the use of any of the following options it deems most appropriate:

- Allow the creation of two part-time jobs for low/moderate income Portland residents in place of one full-time job to meet the job creation requirement per \$10,000 in grant funds. A part-time job is defined as working at least 875 hours per year but less than 1,750 per year;***
- Qualify the business as a microenterprise if the business owner meets HUD's low/moderate income threshold (80% of median HH income) and the business has five or fewer employees.**** This qualification would not require the creation of jobs, other than the job that was created for the low/moderate income business owner.
- Waive the Portland residency requirement for the full-time job that was created or will be created.

And,

B) The Board will make a determination whether to release the balance of the approved grant funds to the grantee.

NOTE: These actions are retroactive and may be applied to any BAP grantee business that has not yet met its job requirements, per these guidelines.

Definitions

*Definition of a full-time job, per the Maine Department of Economic and Community Development;

**For the purposes of this Program, low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. A chart showing qualified income levels can be found on the City's website at the following link:

<http://www.portlandmaine.gov/DocumentCenter/Home/View/8939>

***Definition of a part-time job, per the Maine Department of Economic and Community Development;

****Two part definition of a microenterprise, per the U.S. Department of Housing and Urban Development.

Maine Apprenticeship Program

FAQs for Apprentices



What Is Registered Apprenticeship?

It is formal, nationally-recognized, occupational training provided primarily through structured on-the-job learning and supplemented with formal courses in theory, academics and technology. The on-the-job learning component is provided by the employer and follows specific occupational skill standards. Required courses may be taken at a community college, but in some cases may be provided directly by the sponsor or other training institutions. Apprenticeshipable occupations are those that require a minimum of one year, but up to five or more years of hands-on practical learning to become proficient.

Can Anyone Become An Apprentice?

Anyone the employer/sponsor wants to hire and train can become an apprentice providing the following criteria is met:

- An employment and training agreement between apprentice and sponsor is put in place
- The employer/sponsor is registered with the Maine Apprenticeship Program
- The apprentice is registered with the Maine Apprenticeship Program

Applying for an apprenticeship is the same as applying for a job. Sponsors are seeking individuals who are committed to learning the full spectrum of skills both on and off the job. Some apprentices will be expected to take required courses on their own time and to pay part of the course costs. The employer/sponsor agrees to provide wage increases as apprentices complete required courses and gain skill proficiency through on-the-job learning.

In Addition Apprentices Must:

- Be at least 16 years old (18 years old for certain occupations and/or employers).
- Have attained a High School Diploma or GED.
- Be physically and intellectually capable of performing the work and successfully completing required courses.

What Is Expected of An Apprentice?

Apprentices are expected to work full time, efficiently learn the complete range of skills outlined in their schedule of work experience, complete required courses with a grade of C or better, and effectively apply the knowledge learned.

How Do I Find Out About Apprenticeship Openings?

We ask employer/sponsors to list their apprenticeship openings on the Maine Job Bank. You can register for the Maine Job Bank online at no cost at www.mainecareercenter.com. Some sponsors list apprenticeship openings on their own websites and most union sponsors hold recruitment orientations throughout the year at their training centers. In some cases, apprentices are recruited through the Maine CareerCenters. In most cases, applicants are required to take aptitude assessments and may be required to successfully complete pre-training to meet the entry-level requirements.

Can I Get a List of Companies That Sponsor Apprenticeship?

More than 250 employers sponsor apprenticeship but not all of them have openings; therefore, we do not provide individual sponsor names unless they are actively recruiting new apprentices and have requested that we do so.

What Are The Benefits of Apprenticeship?

- Lets you to earn a competitive wage while learning occupational skills.
- Results in a national, industry-recognized skill certificate and, in some cases, an Associate's degree.
- Pays up to 50 percent of the cost of tuition for required related-instruction courses.
- Guarantees incremental wage increases as you gain skill proficiency and complete required courses.
- Lets you apply classroom learning (academic, technical and theoretical) to actual job situations.

How Can I Get an Employer to Sponsor Me As an Apprentice?

Sponsors invest considerable time and money in training apprentices. They seek individuals with genuine occupational interests and aptitudes, who are committed to learning new skills on-the-job and through formal classes, and who are reliable, responsible, self-directed workers.



United States DEPARTMENT OF LABOR

<https://www.dol.gov/featured/apprenticeship/faqs>

(accessed 5.31.17)

Frequently Asked Questions

Q: What are Registered Apprenticeships?

A: Registered Apprenticeships are innovative work-based learning and post-secondary earn-and-learn models that meet national standards for registration with the U.S. Department of Labor (or federally recognized State Apprenticeship Agencies).

Q: Is a Registered Apprenticeship a Job?

A: Yes, Apprentices start working from day one with incremental wage increases as they become more proficient. The average starting wage for an apprentice is approximately \$15.00 per hour.

Q: How is Registered Apprenticeship different from other types of work-based training?

A: Registered Apprenticeship training is distinguished from other types of workplace training by several factors: (1) participants who are newly hired (or already employed) earn wages from employers during training; (2) programs must meet national standards for registration with the U.S. Department of Labor (or federally-recognized State Apprenticeship Agencies); (3) programs provide on-the-job learning and job-related technical instruction; (4) on-the-job learning is conducted in the work setting under the direction of one or more of the employer's personnel; and 5) training results in an industry-recognized credential.

Q: How much money can an apprentice earn?

A: Apprentices earn competitive wages, a paycheck from day one and incremental raises as skill levels increase. The average wage for a fully proficient worker who completed an apprenticeship translates to approximately \$50,000 annually. Apprentices who complete their program earn approximately \$300,000 more over their career than non-apprenticeship participants¹.

Q: Are all Registered Apprenticeships union-based?

A: No. Registered Apprenticeship is used widely across all industries and includes union and non-union programs. Registered apprenticeship sponsors include unions, but also employers, community colleges and universities, workforce investment boards, industry associations, and the military.

Q: Do you earn college credit while participating in a Registered Apprenticeship program?

A: Today, most Registered Apprenticeship opportunities include on-the-job training, and classroom instruction provided by apprenticeship training centers, technical schools, community colleges, and

even distance learning. Often Registered Apprenticeship sponsors work directly with community colleges that ultimately provide college credit for apprentice.

Q: What do I receive upon completion of a Registered Apprenticeship program?

A: After completion of an apprenticeship program, the apprentice earns a nationally recognized credential from the Department of Labor that is portable and stackable. Additionally, an apprentice, along with earning a paycheck throughout the apprenticeship, is also elevated to journeyworker status that leads to increased pay and upward career opportunities.

Q: How does a Registered Apprenticeship program benefit the sponsor (employer, Labor Management Organization, or Industry Association)?

A: First and foremost, Apprenticeship sponsors develop highly skilled employees. Once established, Apprenticeship programs also reduce turnover rates, increase productivity, lower the cost of recruitment, and increase safety in the workplace/job site.

Q: How do I qualify for a Registered Apprenticeship program?

A: Registered Apprenticeship program sponsors identify the minimum qualifications to apply for a program. The eligible starting age can be no less than 16 years of age; however, individuals must usually be 18 to be an apprentice in hazardous occupations. Program sponsors also identify additional minimum qualifications to apply, (e.g., education, ability to physically perform the essential functions of the occupation, proof of age.) All applicants are required to meet the minimum qualifications.

Q: Who oversees or “runs” the Registered Apprenticeship system?

A: The U.S Department of Labor’s Office of Apprenticeship, works in conjunction with State Apprenticeship Agencies to administer the program nationally. These agencies are responsible for registering apprenticeship programs that meet federal and state standards; protecting the safety and welfare of apprentices; issuing nationally recognized and portable Certificates of Completion of Apprenticeship to apprentices; promoting the development of new programs through marketing and technical assistance; assuring that all programs provide high quality training; and assuring that all programs produce skilled and competent workers. In addition, a wide variety of stakeholders exist, including state organizations, industry associations, educational organizations (both secondary and post-secondary), workforce development organizations, economic development organizations, community-based organizations, and others. These stakeholders have a substantial interest in its success of Registered Apprenticeship.

Q: What occupations can I train for through Registered Apprenticeship?

A: The Registered Apprenticeship program offers access to 1,000 career areas, including the following top occupations: **Able Seaman, Carpenter, Chef, Child Care Development Specialist, Construction Craft Laborer, Dental Assistant, Electrician, Elevator Constructor, Fire Medic, Law Enforcement Agent**

Over-the-Road Truck Driver, and Pipefitter.

Q: How long are Registered Apprenticeship programs?

A: The length of an apprenticeship program depends on the complexity of the occupation and the type of program (Time-based, Competency-based, or Hybrid). Apprenticeship programs range from one (1) year to six (6) years, but the majority of programs are four years in length. During the program, the apprentice receives both structured, on-the-job training (OJT) and job-related education. For each year of the apprenticeship, the apprentice will receive normally 2,000 hours of on-the-job training and a recommended minimum of 144 hours of related classroom instruction.

Q: Who are typical Registered Apprenticeship Partners?

A: Through a proven system of public-private partnerships, Registered Apprenticeship partners with a wide range of organizations including, (but not limited to): Businesses, employer and industry associations, Labor-Management organizations, State and local workforce development agencies, Workforce Investment Boards, Two- and four-year colleges that offer associate and bachelor's degrees in conjunction with a Certificate of Completion of Apprenticeship, U.S. Military, Community Based Organizations and economic development organizations.

Q: Where can I find technical assistance resources to help me develop and registered my apprenticeship program with US DOL?

A: DOL maintains a number of web-based resources available at <http://www.dol.gov/apprenticeship>. Here you can find our newest technical assistance products including our Quick Start Toolkit, which provides helpful steps and resources to start and register an apprenticeship program as well as our Federal Resources Playbook, which provides information on using the other Federal funds and resources to support your registered apprenticeship program.

For more on Registered Apprenticeship, please visit us online at www.dol.gov/apprenticeship

Also, to find out what's happening throughout the Registered Apprenticeship system, please visit <https://21stcenturyapprenticeship.workforce3one.org/page/home>

Contact us: Phone: **202-693-2796** / E-mail at oa.administrator@dol.gov

¹ Mathematica Apprenticeship Earnings Study 2012

² Washington State Workforce Board 2008 Evaluation of Apprenticeship



MAINE STATE BUILDING & CONSTRUCTION TRADES COUNCIL

Mechanics Hall | 519 Congress Street | Portland, ME 04101 | (207)621-6728

Mainebuildingtrades.org

City of Portland
Economic Development Committee
389 Congress St.
Portland, ME 04101

RE: Tax Incentive Policy Changes

Dear Members of the Economic Development Committee:

During the Committee's first review of Mayor Strimling's proposal to update the City's TIF policy, the Committee presented the Mayor with a number of questions. In hopes of furthering this discussion, the Maine State Building and Construction Trades Council (MSBCTC) offers the following information responsive to a few of the questions. Although the MSBCTC can not speak to the Mayor's individual objectives for this policy change, we believe that the tax incentive programs used in Portland and across the State of Maine such as Tax Increment Financing and Credit Enhancement Agreements, generally recognized as "TIF" incentives, are valuable economic development tools for communities and developers alike. We also recognize, however, that the policies shaping TIF implementation have been largely unchanged for decades, and are ripe for asking whether the community can receive a greater net public good from these programs than we do now. The proposal before the Committee does just that, by continuing to make public resources available to support new development projects, but also by ensuring those new developments leave a legacy of economic opportunity for the tradespeople who ensure projects are properly built in the first place.

Question 3: Can we get some clarity on how "Apprenticeship Program" is defined?

The first question MSBCTC wants to comment upon is how "Apprenticeship Programs" should be defined. MSBCTC affiliates define "Apprenticeship" as the Registered Apprenticeship System. Registered Apprenticeship programs are written plans designed to move an apprentice from a low or no skill entry-level position to full occupational proficiency. These programs must meet parameters established under the National Apprenticeship Act designed to protect the welfare of the apprentice. The Act and its promulgating regulations are administered by the U.S. Department of Labor's Office of Apprenticeship or a State Apprenticeship Agency approved by the Secretary of Labor to serve the federal purposes. A Registered Apprenticeship program is

sponsored by an individual business or an employer association. Although the Registered Apprenticeship Program may be partnered with a labor organization through a collective bargaining agreement, these programs are not exclusive to labor, and are available to (and offered by) hundreds of non-labor companies across the US.

Registered Apprenticeship Programs are structured to balance the needs of employers seeking to build a qualified workforce, with the opportunity for workers to get high-skilled, high-paying jobs. The structure establishes a clear path for workers to build skills in a safe work environment, and prevents workers from being exploited. In the long run, this structure supports the development and sustainability of a stable and experienced workforce that is equipped to handle future development projects. In this regard, the Registered Apprenticeship system effectively meets the needs of employers and workers and developers alike.

Question 10: What will be the financial impact on businesses that have to meet these requirements?

It is the position of the MSBCTC that there would be little to no financial impact upon businesses. First and foremost, a business “having to meet these requirements” would be doing so under their individual incentive agreement with the City of Portland. A company seeking financial assistance from the City to engage in a new project can decide for itself whether the costs of hiring a contractor who would commit to adhering to these modest standards is going to be outweighed by the financial benefit to the developer receiving a tax reduction. MSBTC highly doubts that this requirement is going to tilt the scales against moving forward with a development.

Construction projects have to incur the cost of hiring workers. Requiring that those workers are paid the generally-accepted prevailing wages should not impact general contractors unless they are going out of their way to hire untrained and unskilled workers, or otherwise shortchanging the individual workers and subcontractors when it comes time to pay their bills.¹ General contractors that cut corners still charge the developer the same amount to build a project at the end of the day, but pocket the money. The unfortunate by-product of this system, however, is that society loses by laborers who leave the industry after being abused, under-trained, and under-paid. This cycle continues to drive up the long-term costs for projects to maintain projects that are not built by skilled workers in the first place; to compensate for injuries and lost time that are preventable through proper training; and to support and re-train workers who leave the labor force.

¹ We’ve attached the current prevailing wage rates for Cumberland County. Prevailing wages are set by a committee every year with data obtained from actual local work sites. Please note, the prevailing wages for various trades are not astronomical, nor are they unreasonable. Paying this wage, and offering modest training programs do not unreasonably burden costs.

Question 12: How many Maine contractors either have an apprenticeship program, or are connected to one?

The Maine Department of Labor-monitored Apprenticeship Office had 60 Sponsor Companies/Organizations in 2016. Of note, union apprenticeships only count as 1 sponsor, so this number is significantly higher. In 2016, there were 1220 Registered Apprentices, including 230 women, 57 Minorities, and 213 veterans). These numbers did not include Portsmouth Naval Shipyard in Kittery, with 800+ apprentices in 2016.

Question 15: Does the “Prevailing Wage” requirement help prevent companies from misclassifying employees.

This question highlights another benefit of this proposal. A 2006 study by the General Accounting Office (GAO) noted that employers can skim 30 percent of their payroll costs by simply misclassifying workers as independent contractors. Nationwide the loss of revenue is \$4.7 billion. The construction industry is one of the worst abusers of misclassification – 22 percent of construction company employees are misclassified as independent contractors. Although various taxing authorities and Labor-regulators have become more aware of this problem in the recent years, implementing this policy will further safeguard workers from potential abuses of misclassification, and will not unfairly penalize workers and companies who commit to working above-board by paying prevailing wages while also committing to training and safety.

Question 16: What is the purpose of an Apprenticeship Program? Safety? Skilled Workforce?

Yes, and more.

For apprentices, benefits include:

- **Improved skills and competencies** that meet the specific needs of the employer
- **Incremental wage increases** as their skills improve
- **On-the-job training** and occupation focused education
- **Career advancement**
- **Industry issued, nationally recognized credentials**
- **Articulation agreements** between certain apprenticeship training programs and 2- and 4-year colleges that create opportunities for college credit and future degrees

For employers, benefits include:

- **Customized training** that results in highly skilled employees trained to industry/employer specifications
- **Increased productivity and knowledge transfer** due to on-the-job learning from an assigned mentor combined with related technical instruction
- **Enhanced retention** 87 percent of program completers in 2011 were still employed nine months after completing their apprenticeship

- **Emphasis on safety training** that may reduce workers' compensation costs
- **A stable and predictable pipeline** for the development of qualified workers
- **Recognition** of the training program
- **A systematic approach to training** that ensures that employees are trained and certified to produce at the highest skill levels required for that occupation
- **The ability to conduct a ready assessment** of where the employer and employee are in terms of the continuous improvement process

For the public, generally, benefits include:

- Promoting a skilled workforce
- Establishing a stable pool of talent capable of meeting fluctuating demands
- Workers who are paid reasonable wages, and who remain employed pay state and local taxes, contribute to efforts in their community, and are far less likely to require governmental assistance.

Question 19: Does requiring “prevailing wage” discourage new hires?

The need for skilled workers is tied to the existence of building projects, generally. As long as there are projects to build, there will be a need for skilled workers to build them. These highly skilled workers will always need to be hired, and the market will always ultimately inform the “prevailing wage” for workers in each classification.

Requiring those hiring for a project to pay the prevailing wage will not discourage new hires as long as the work exists. It will instead set a floor for compensation that will prevent abuses and encourage tradespeople to enter and remain in the field. Construction is labor intensive, and will always require people to fill various roles. For example, as long as cranes are used in construction, a company needing a crane operator will always need to ensure it has a crane operator. If prevailing wages are one parameter that hiring companies are encouraged to meet, they will.

As opposed to “discouraging new hires,” the more likely scenario is that companies required to adhere to minimum standards in wages and safety will be more likely to “encourage quality hires” by hiring and investing in workers for the long term rather than relying on transient or undocumented workers to fulfill their labor needs. As referenced in response 12, 60 organizations are already moving in the direction of affording minimum standards to new employees. Without increasing costs to them, the proposal before the Council will send a strong message that firms embracing apprenticeship, training, and supporting livable wages will not be disadvantaged by firms taking shortcuts on the backs of workers.

Conclusion

We appreciate the City's commitment to working through this issue. We look forward to working with the Committee, the Mayor, and the Council as this very important discussion moves forward.

/s/John Napolitano
John Napolitano
President, MSBCTC

Maine Revised Statutes

Title 26: LABOR AND INDUSTRY

Chapter 15: PREFERENCE TO MAINE WORKS AND CONTRACTORS

§1306. Fair minimum rate of wages and benefits; determination

The public authority shall, before advertising for bids for a public contract, ascertain from the Director of the Bureau of Labor Standards the fair minimum rate of wages and benefits to be paid by the successful bidder to the laborers, workers or mechanics employed in the performance of the contract. A schedule of minimum wages and benefits must be attached to and made a part of the specifications for the construction and must be included in the bidding documents. The "fair minimum rate of wages and benefits," for the intent and purposes of sections 1304 to 1313, is the prevailing wage and benefits paid in the locality in like construction. The director or a delegated member of that bureau shall assemble the data as to wages paid by contractors employing 5 or more construction workers in the State during the 2nd and 3rd week of September of each year. From these data, the fair minimum wage and benefits for the following calendar year must be determined by the director. Minimum wages and benefits may not be established for any trade or occupation if fewer than 10 workers are employed in such a trade or occupation in the State in the 2nd and 3rd week of September. [1997, c. 757, §5 (AMD).]

The minimum wage and benefits must be established and filed as requested by the public authority within 30 days after such a request is received by the director. No minimum wage may be determined until January 1, 1968 and does not apply to the construction of public works then underway. When fair minimum wage and benefit rates are included and made a part of any contract, the rate must remain unchanged during the time the contract is in effect. [1997, c. 757, §5 (AMD).]

SECTION HISTORY

1965, c. 406, §2 (NEW). 1967, c. 403, (RPR). 1971, c. 620, §13 (AMD). 1975, c. 59, §3 (AMD). RR 1995, c. 2, §66 (COR). 1997, c. 757, §5 (AMD).

The Revisor's Office cannot provide legal advice or interpretation of Maine law to the public.

If you need legal advice, please consult a qualified attorney.

Office of the Revisor of Statutes (mailto:webmaster_ros@legislature.maine.gov) • 7 State House Station • State House
Room 108 • Augusta, Maine 04333-0007

Page composed on 12/22/2016 01:56:59.

Active Sponsors 2016

Advantage Funeral Services	Portland
Aroostook Medical Center	Presque Isle
Autumn Green Funeral Home	Alfred
Bath Iron Works	Bath
Black Management Company	Springvale
Blaicklock Carpentry	Woolwich
Blais and Hay Funeral Home	Westbrook
Boston Ocular Prosthetics, Inc.	Jackson
Bragdon-Kelly Funeral Home	Ellsworth
Brookings Smith Funeral Home	Bangor
Central Maine Motors Auto Group	Waterville
Central Maine Meats	Gardiner
Cianbro	Pittsfield
Clover Manor, Inc.	Auburn
Dennet-Craig and Pate Funeral Home	Saco
Eastern Fire Protection Services Company	Bangor
Everett J Prescott, Inc.	Gardiner
Finishing Trades Institute of Roslindale	Roslindale, MA
Gallant Funeral Home	Waterville
Hairbuilders	North Vassalboro
Hall Funeral Home	Waldoboro
Hobbs Funeral Home	South Portland

Hope Memorial Chapel	Biddeford
IBEW 1253, Augusta Electrical JATC	Fairfield
IBEW 567, Portland Electrical JATC	Lewiston
Interstate Electrical Services, Inc.	Westbrook
Irving Woodlands LLC	Fort Kent
Jones, Rich & Hutchins Funeral Home	Portland
Ken L. Electric, Inc.	St. Agatha
Knowlton, Hewins and Roberts Funeral Home	Augusta
Kennebec Valley Community Action Program	Waterville
Kiley and Foley Funeral Service	Brewer
Knowlton, Hewins & Roberts Funeral Home	Augusta
Lamson Funeral Home	Millinocket
Lawry Brothers Funeral Home	Fairfield
Lincoln County Healthcare	Boothbay Harbor
Maine General Medical Center	Augusta
Massachusetts and Northern New England Laborer's District Council	Hopkinton, MA
McIntire-McCooey Funeral Home	South Berwick
Mid State Machine Products	Winslow
Northern New England Carpenters	Hopkinton, MA
Northern New England District Carpenters	Augusta
OHI	Hermon
Panolam Industries International, Inc.	Auburn
Patten Tool and Engineering	Kittery
Penobscot Bay Healthcare	Rockport

Plumbers and Pipefitters UA Local 716	Augusta
Portsmouth Naval Shipyard	Kittery
Pratt and Whitney dba United Technologies	North Berwick
Saint Mary's Healthcare System	Lewiston
SEABEE Electric	Scarborough
Sheet Metal Workers Local 17	Lewiston
Shorey Nichols Funeral Home	Pittsfield
STDC, Inc. (Dan & Scott's Cremation & Funeral Services)	Farmington
Thomas Moser Cabinetmakers	Auburn
Plumbers and Pipefitters UA716	Augusta
Veilleux Funeral Home	Waterville
Wayne J. Griffin Electric, Inc.	Holliston, MA
Winthrop Water District	Winthrop



Gregory A. Mitchell
Director, Economic Development Department

MEMORANDUM

To: Economic Development Committee
From: Greg Mitchell
Date: July 13, 2017
Subject: City Staff Recommendations – Bayside Property Sales

This memorandum will provide staff recommendations and rationale to sell Bayside Public Works properties.

Brief History

It has been the long-term goal to sell these properties per the guidance in “A New Vision for Bayside” issued April, 2000. To support these property sales, the city council approved the acquisition of property along Canco Road which has been and continues to be redeveloped to support the relocation of Public Works operations from Bayside.

An overview of the Public Works properties by parcel number and address and their status per the attached map includes:

Parcel 1 (55 Portland Street). Property is used as an office and is completely occupied. Relocation dependent upon acquiring additional property in addition to the city Canco Road property. I note that the property line for this property will be adjusted to be directly behind the parking spaces located at the rear of the building. Property sale timing needs to be coordinated to allow enough time for the city to acquire and relocate city employees housed at 55 Portland Street.

Parcel 2 (44 Hanover Street). Property is used for heavy machinery repairs and is completely occupied. There is adequate property to accommodate this use at the city Canco Road property. Property sale needs to be coordinated to allow enough time to construct a building addition to relocate existing uses.

Parcel 3 (56 Parris Street). Property is used as a surface parking lot to support 55 Portland and 44 Hanover Street employees. Property sale needs to be coordinated with the sale of 55 Portland Street.

Parcel 4 (82 Hanover Street). Property is vacant and available for sale.

Parcel 5 (65 Hanover Street). Property is vacant and available for sale.

Parcel 6 (178 Kennebec Street). Property is vacant and available for sale. Recent property title research indicates that the city will need to work with the Maine Department of Transportation (MDOT) to extinguish a deed restriction which prohibits residential development on this parcel. I note that the city secured both Pan Am and MDOT's approval to extinguish these type of deed

restrictions on other former rail corridor property (acquired by the city from MDOT) related to the Midtown Project. The documentations associated with this past approval was intended to include this property, but it is not clearly indicated to the satisfaction of legal counsel. Staff expects MDOT will approve this request.

Staff Recommendations, Rationale and City Financial Needs

It is noted that, with the assistance of Boulos brokers, a number of quality proposals were received from qualified developers and business owners which made it very difficult to select the finalists.

Recommendations include:

Parcel 1 (Ford Reiche). Redevelop the existing office building for future office use.

Parcel 2 (Pachios family). Redevelop the existing industrial building for future commercial incubator uses.

Parcel 3 (Jack Soley). New construction for upwards of 20 residential units for affordable housing ownership.

Parcel 4 (Tom Watson). Redevelop the existing building to relocate Port Property Management from Grant Street, create additional commercial suites for lease, and stimulate upwards of 23 residential units on Grant Street.

Parcel 5 (Rory Strunk). Redevelop existing building for mixed use to retain O’Maine Studios in Portland and create great synergy with Portland’s food culture to draw international attention.

Parcel 6 (Ross Furman). New construction of upwards of 50 residential units with ground floor commercial use. It is noted that Ross Furman owns the rest of the city block and has plans to redevelop it in the future.

Rationale includes:

- Ready-to-go Projects. Developers selected have presented projects which are ready to move forward contingent upon city approvals and project financing;
- Site Activation. The city goal is to activate development on all sites versus surface parking; and
- Housing. Three housing projects with upwards of 93 residential units, addressing a range of city affordable housing needs, are recommended to include new housing construction on Parcels #3 & #6 and housing investment on Grant Street related to Parcel 4.
- Project Diversity. There will be six different developers, large and small, for the six parcels. These six developers would provide great diversity in project development including office, retail, maker/light industrial, owner-occupied commercial buildings, low income housing, market rate housing, affordable condominium housing, micro-units, multi-bedroom units, new construction, adaptive reuse of historic properties, and publicly engaging businesses.

Staff feels that the selected partners provide the best-balanced return to the city in terms of proposed uses, neighborhood use mix and property sale prices.

While there were proposals that potentially provided more housing, staff has concerns about the economic viability of those proposals and their ability to produce housing in a timely fashion, as is needed in the current market. In addition, I note that not all of the Bayside parcels are suitable for residential use due to a history of city industrial use, past commercial uses (which include a dry cleaner) and the expected site clean-up costs. All properties will be sold in a “Where As and As Is” condition with environmental indemnification. However, the city is working with the Maine Department of Environmental Protection (MDEP) to conduct Phase 2 environmental site assessments at MDEP expense.

City Financial Needs include:

Please see attached memo from the city’s Finance Director dated October 27, 2016 explaining city council approved financial appropriation actions to support the relocation of Public Works operations from Bayside to Canco Road in a two-phased approach.

Summary

Staff will publicly present our recommendations, at the July 19th EDC meeting, for public input and EDC discussion and direction. No vote of the EDC is requested at this time. Following EDC direction, working with the Boulos brokers, staff will proceed with negotiations with the chosen finalists. If staff is not successful with reaching agreement with the chosen finalists, staff will contact the other developers which publicly presented proposals to determine their continued interest in these parcels.



Parcel Map



1

55 Portland Street

2

44 Hanover Street

3

56 Parris Street

4

82 Hanover Street

5

65 Hanover Street

6

178 Kennebec Street



Contents

- 1 Pachios Family
- 2 Tom Watson & Company
- 3 Mohammed Nasir Shir
- 4 Jack Soley
- 5 Barrett Made
- 6 Rory Strunk
- 7 Thomas Toye III
- 8 Ross Furman
- 9 West Bayside Development Group

**Harold C. Pachios
One City Center
P.O. Box 9546
Portland, ME 04112**

June 22, 2017

Mr. Vince Ciampi
Mr. Nate Stevens
CBRE | The Boulos Company
One Canal Plaza
Portland ME 04101

RE: West Bayside Properties Proposal Overview

Dear Vince and Nate,

Thank you for your email on June 7th asking us to revise our May 16th offer. Enclosed with this letter, please find our group's revised offer to purchase certain parcels of the City of Portland Public Works' properties known as the West Bayside Properties in the CBRE | The Boulos Company's offering. To provide the City with maximum flexibility as it reviews offers, we have presented several different options:

Option A: Parcel 1, Parcel 2 and Parcel 4

Option B: Parcel 1 and Parcel 2

Option C: Parcel 2 and Parcel 4

Option D: Parcel 2

Option E: Parcel 4

**note: we are not interested in owning Parcel 1 only.*

Although we are providing the City with a range of options described above, our preference is to purchase Parcels 1, 2 and 4 together. Our vision and goal is to revitalize that area of Portland into a vibrant commercial environment, and we believe the most effective way to achieve this is by owning and operating Parcels 1, 2 and 4 together.

Specifically, at 44 Hanover Street (Parcel 2), we plan to renovate the existing structure and maximize the usable space by creating second floor mezzanines. We would create incubator-style spaces and work environments for small business owners to have a location on the peninsula that offers flex-space which could be used for maker-space, artist-space, office use, beverage making, and service-based uses, with affordable, market rents and on-site parking. There is a need for this type of space to service small businesses in Portland.

At 82 Hanover Street (Parcel 4), we would renovate the existing building for commercial uses, similar to 44 Hanover Street, and hope to create synergies with the other properties at 55 Portland and 44 Hanover, with more affordable parking options and complimentary businesses, such as restaurants, galleries and retail stores.

The uses we envision for these buildings are allowed by zoning and we plan to allow for build-to-suit commercial units to allow flexibility and better meet local business needs and demand. We have worked with Ryan Senatore Architects to create concept floor plans showing potential subdivisions, along with renderings of the exterior and preliminary concept parking plans, for both 44 Hanover and 82 Hanover Streets.

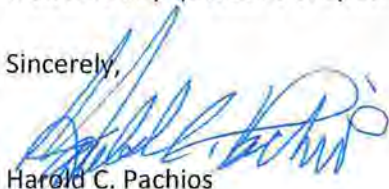
At 55 Portland Street (Parcel 1), we understand the City does not desire a long-term leaseback, but we are open to a short-term leaseback during a transition period for the Portland Public Works Department. Once vacated, we would renovate the existing building and lease the property to tenants interested in this convenient, mixed-use West Bayside neighborhood.

The objective is to attract more commercial businesses to this particular area and create more jobs and a diversity of employment options. We have already had discussions with local businesses, and have interest from a physical therapy and strength and conditioning facility, an architecture firm, and a construction services firm for office and design studio space, and we would offer built-to-suit commercial units to meet their requirements.

Our family has owned and operated commercial property in Portland, and have been closely involved in its development progress, for over 70 years. We have close personal and business connections with local and real estate expertise to complete this project. Not only do we have the financial and operational resources to acquire and develop the properties, but also to continue to operate them in a first-class manner for a long time. We are personally invested in and connected to Portland, and are extremely excited about the possibility of helping to revitalize a portion of West Bayside.

Thank you for the opportunity to provide this revised proposal. We look forward to your response and welcome any questions or specific feedback on this offer.

Sincerely,

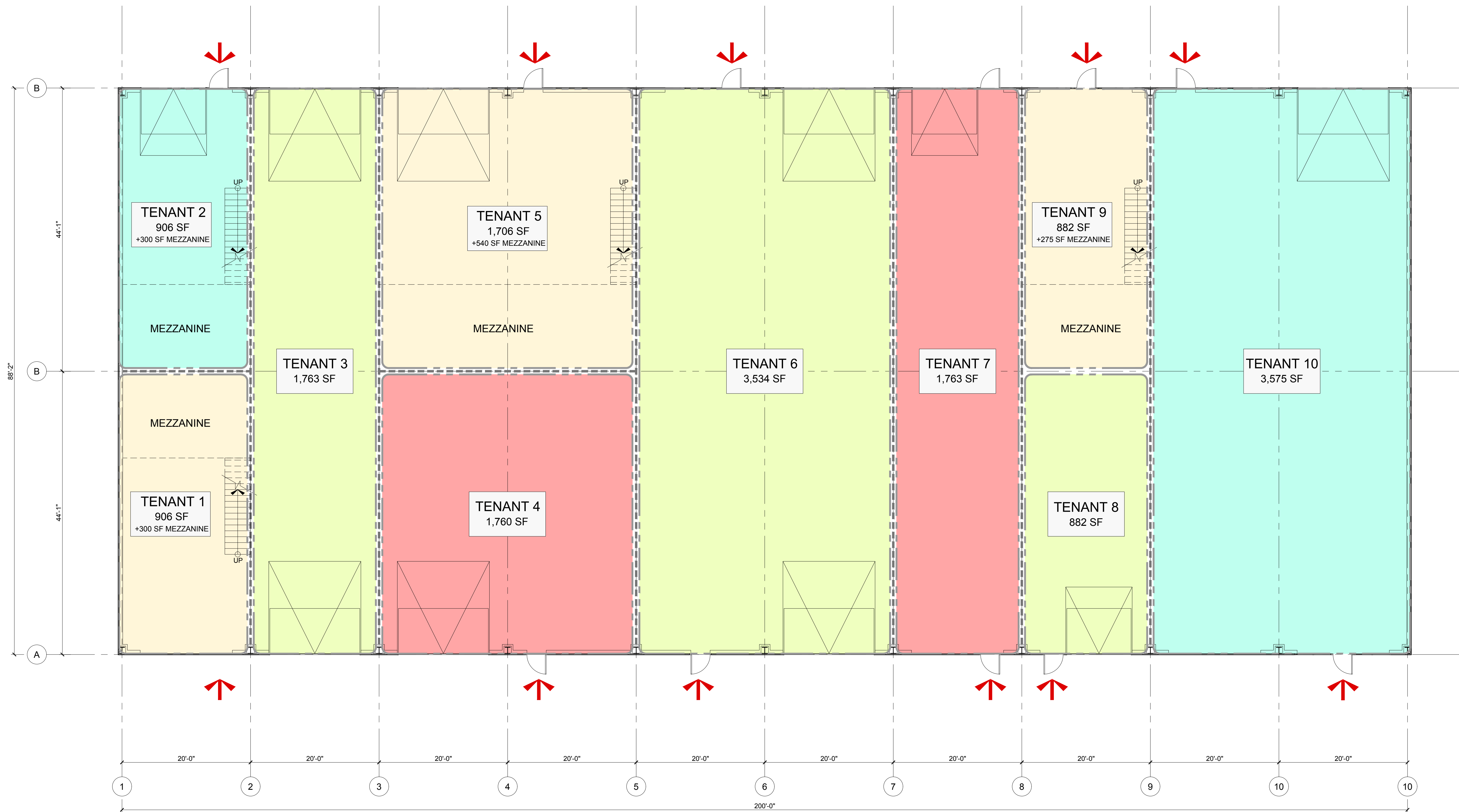


Harold C. Pachios

PROPOSED RENOVATIONS TO 44 HANOVER STREET

PORTLAND, MAINE

MAY 11, 2017



1 CONCEPT FIRST FLOOR PLAN

1/8" = 1'-0"

PROGRESS PRINT ONLY
Not for Construction

PROPOSED RENOVATIONS TO 44 HANOVER STREET
PORTLAND, MAINE

MAY 11, 2017



1 PARKING CONCEPT PLAN
1/16" = 1'-0"

PROGRESS PRINT ONLY
Not for Construction

PROPOSED RENOVATIONS TO 44 HANOVER STREET
PORTLAND, MAINE

MAY 11, 2017



1 VIEW LOOKING SOUTH ON HANOVER STREET
N.T.S.

PROGRESS PRINT ONLY
Not for Construction

PROPOSED RENOVATIONS TO 82 HANOVER STREET
PORTLAND, MAINE

JUNE 22, 2017



1 82 HANOVER STREET - PARRIS STREET ELEVATION
1/16" = 1'-0"

PROGRESS PRINT ONLY
Not for Construction

BAYSIDE RFP
TOM WATSON & COMPANY

UPDATED PROPOSAL FOR THE
DEVELOPMENT OF

82 HANOVER STREET
44 HANOVER STREET
56 PARRIS STREET

CITY OF PORTLAND BAYSIDE PROPERTIES
TOM WATSON LETTER OF INTENT TO PURCHASE

TABLE OF CONTENTS

1. LETTERS OF INTENT TO PURCHASE (IN SEPERATE PACKET):
 - a. 82 HANOVER STREET
 - b. 44 HANOVER STREET
 - c. 56 PARRIS STREET
2. DESCRIPTION OF INTENDED USES
3. TOM WATSON BIO
4. 82 HANOVER
 - a. STREET SCAPE-1
 - b. STREET SCAPE-2
 - c. ARCHITECT RENDERING
 - d. INTENDED FLOOR PLAN LAYOUT- FIRST FLOOR
 - e. INTENDED FLOOR PLAN LAYOUT (WITH ROOF TOP DECKS)- SECOND FLOOR
5. LANCASTER COURT- ARCHITECT RENDERING
6. 44 HANOVER
 - a. ARCHITECT RENDERING
 - b. INTENDED FLOOR PLAN LAYOUT
7. 56 PARRIS STREET
 - a. ARCHITECT RENDERING OF PROPOSED 23 UNIT APARTMENT BUILDING
 - b. INTENDED FLOOR PLAN LAYOUT (1 THRU 4)
8. 104 GRANT STREET
 - a. PICTURE OF CURRENT USE
 - b. ARCHITECT RENDERING OF 23 UNIT APARTMENT BUILDING
 - c. FLOOR LAYOUTS (FLOORS 1 THRU 4)
9. 117 LOFTS: THE SCHLOTTERBECK & FOSS BUILDING (NOW A 56 UNIT APARTMENT BLDG)
 - a. EXTERIOR PICTURES
 - b. PICTURES OF APARTMENTS AS THEY ARE TODAY

DESCRIPTION OF INTENDED USE

82 Hanover

- o Relocate Port Property Management headquarters to 82 Hanover from 104 Grant Street in Parkside
- o Bring in retailers/partners who will contribute to the community as well as the economy
- o Open spaces/commons available for public use
- o Leverage large rooftop for decks and greenspace to add comfortable density to neighborhood
- o Creates opportunity for construction of 23 units on Grant Street and eliminates an office/warehouse that sits in the middle of the Parkside residential neighborhood

44 Hanover

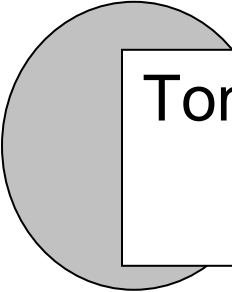
- o 16 separate spaces all with autonomous access to the street.
- o One Central Space of over 3,500SF for a public/communal user like pub, café, eatery
- o Glass OHD to promote openness, and allow for artists and artisans to combine retail display space to their work space. Promote marketplace environment
- o Affordable/accessible to the creative community at under \$1,000/month.

Lancaster Court (between 82 Hanover & 44 Hanover)

- o Commons/courtyard space open to public for public use
- o Available for outdoor recreation including farmers market and small music venue for tenants and managers to promote work/events.
 - Display and value public art and communal aesthetic enhancements
 - Cobble stone street
 - Trees/landscaping
 - Fountain/water wall

56 Parris Street

- o 23 2 BR 2 Bath units
 - Unique product to Portland
 - Create product for families (2 bathrooms) or multiple roommates (making it affordable)
 - At 23 units, 4 stories high it is scaled to the other buildings in the neighborhood



Tom Watson & Company



Thomas Watson
(207) 252-0358

June 22, 2017

Thomas Watson founded Port Property Management in 1993 with his father Jack who later sold his half of the business to Russell Pierce (Tom's brother-in-law). Tom and Russ have had a successful partnership for the last 17 years and currently employ 41 full time employees, most of whom call Portland their home.

Port Property manages over 1,300 apartments and commercial spaces in Portland and South Portland, the bulk of which are on the Portland peninsula. All of the properties are owned by Port Property related companies.

Tom graduated with a B.A. from Stanford University in 1985 and received an MBA from Boston University in 1992.

He lives in Portland with his wife Judy and their 3 children, all of whom attend Portland Public Schools.

BAYSIDE RFP
TOM WATSON & COMPANY
PROPOSAL FOR THE DEVELOPMENT OF
82 HANOVER STREET, PORTLAND MAINE

82 Hanover Street- Streetscape, #1
PORTLAND, MAINE



BAYSIDE RPF-82 Hanover Street- Street Scape, #2
PORTLAND, MAINE

JUNE 16, 2017



1 VIEW LOOKING SOUTH EAST ON PARRIS STREET
NTS

BAYSIDE RFP - 82 HANOVER STREET-Rendering
PORTLAND, MAINE

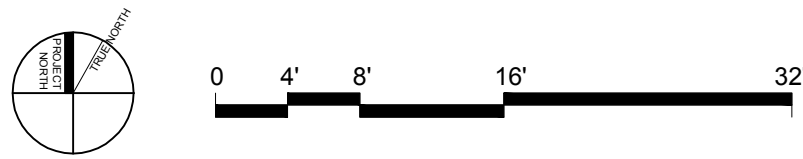
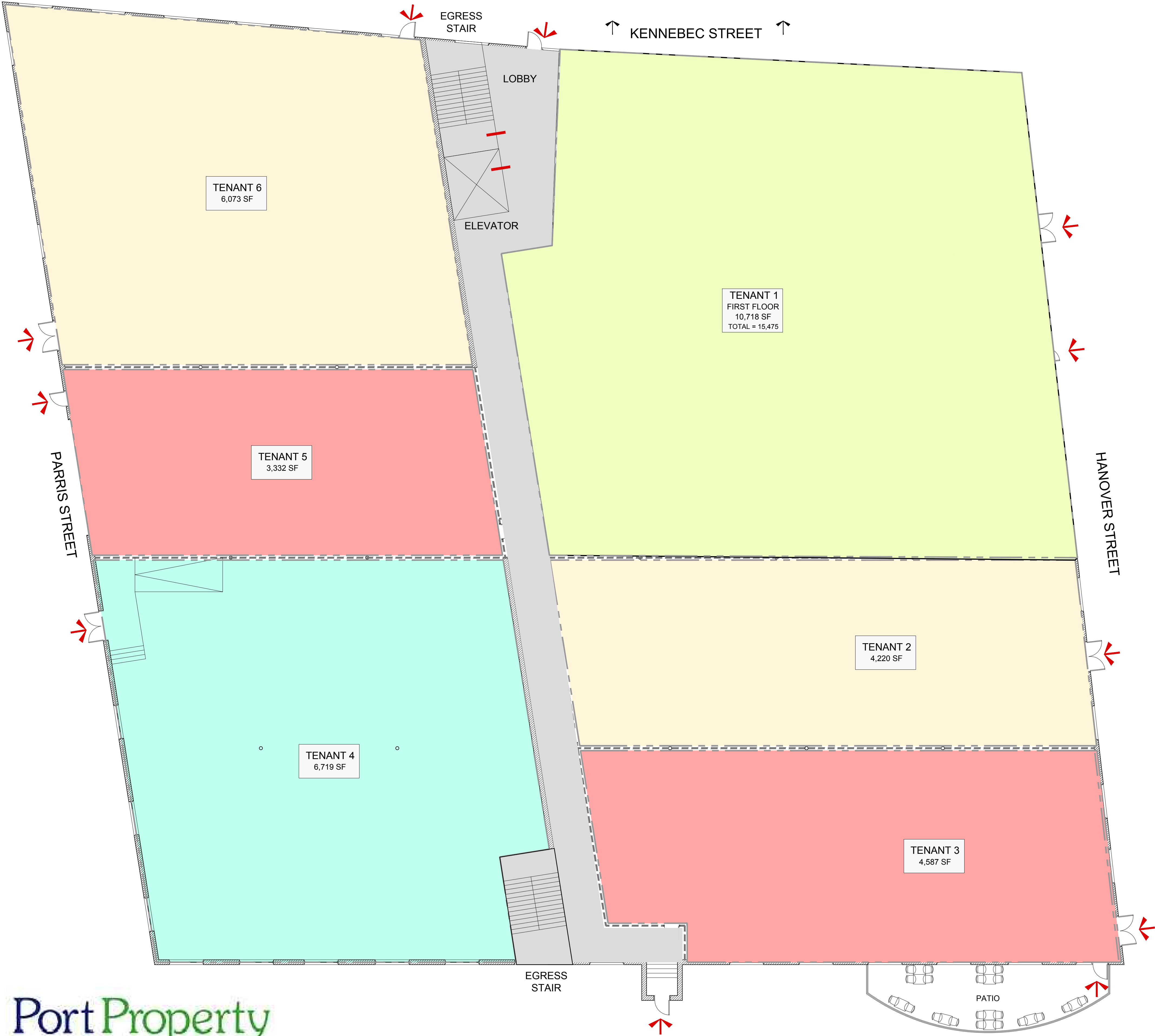
MAY 11, 2017



1 VIEW LOOKING SOUTH ON HANOVER STREET
N.T.S.

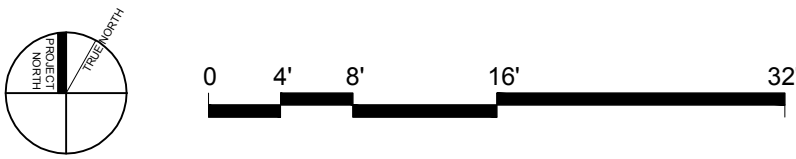
BAYSIDE RFP - 82 HANOVER STREET-First Floor
PORTLAND, MAINE

JUNE 12, 2017



BAYSIDE RFP - 82 HANOVER STREET- Second Floor
PORTLAND, MAINE

JUNE 12, 2017



BAYSIDE RFP - LANCASTER COURT
PORTLAND, MAINE

JUNE 21, 2017



1 VIEW LOOKING NORTH ON PARRIS STREET
N.T.S.

BAYSIDE RFP
TOM WATSON & COMPANY PROPOSAL FOR THE
DEVELOPMENT OF
44 HANOVER STREET, PORTLAND MAINE
A COMMUNITY OF ARTISTS, ARTISANS &
FABRICATORS

BAYSIDE RFP - 44 HANOVER ST. -Rendering
PORTLAND, MAINE

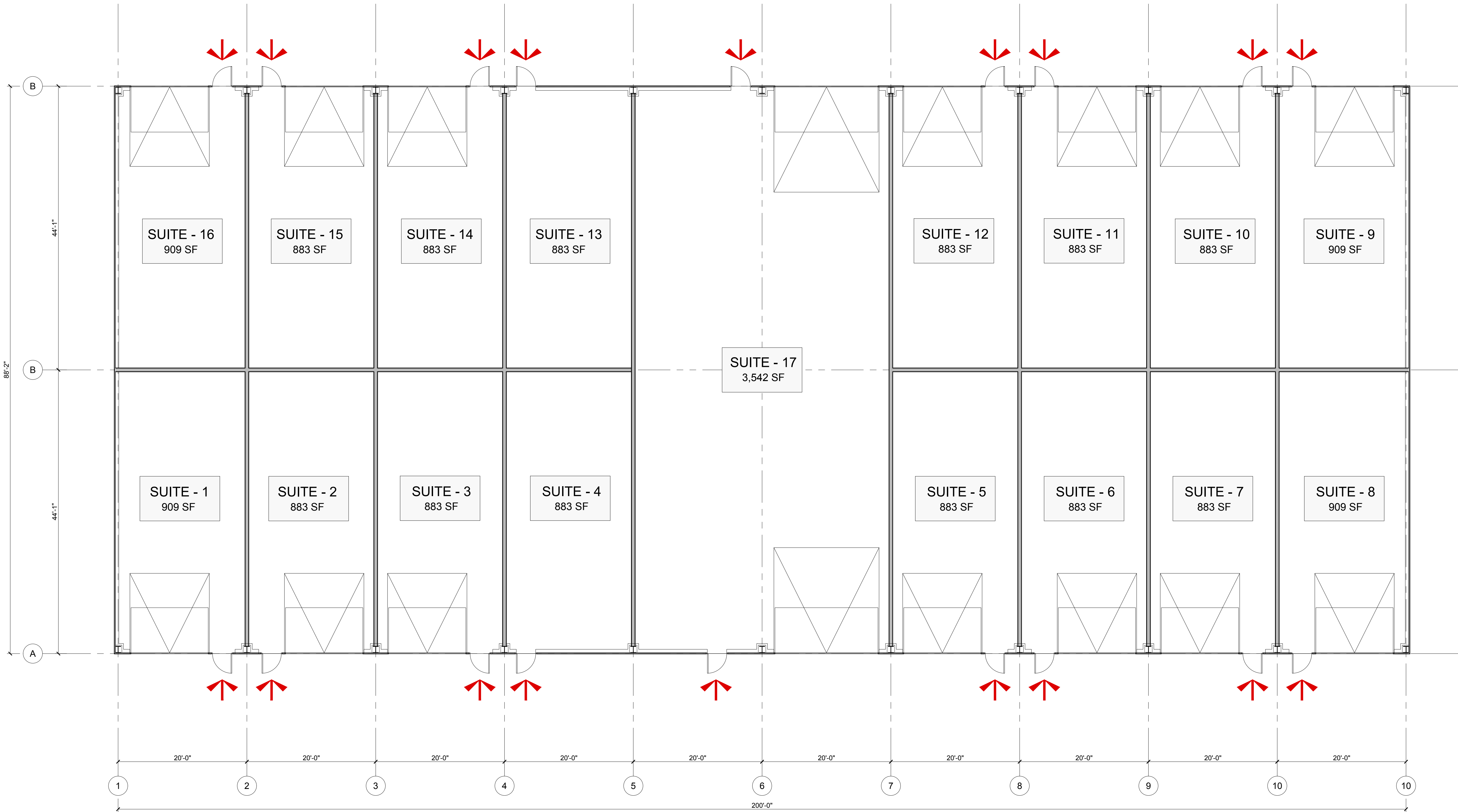
MAY 15, 2017



1 VIEW LOOKING SOUTH-EAST ON PARRIS STREET
N.T.S.

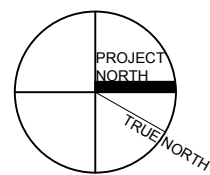
BAYSIDE RFP - 44 HANOVER ST. - Floor Plan
PORTLAND, MAINE

MAY 15, 2017



BUILDING AREA	
FIRST FLOOR AREA	
SUITE - 1	909 SF
SUITE - 2	883 SF
SUITE - 3	883 SF
SUITE - 4	883 SF
SUITE - 5	883 SF
SUITE - 6	883 SF
SUITE - 7	883 SF
SUITE - 8	909 SF
SUITE - 9	909 SF
SUITE - 10	883 SF
SUITE - 11	883 SF
SUITE - 12	883 SF
SUITE - 13	883 SF
SUITE - 14	883 SF
SUITE - 15	883 SF
SUITE - 16	909 SF
SUITE - 17	3,542 SF
BUILDING TOTAL = 17,774 SF	
NOTE: ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	

1 FIRST FLOOR CONCEPT PLAN
1/8" = 1'-0"



BAYSIDE RFP
TOM WATSON & COMPANY
PROPOSAL FOR THE DEVELOPMENT OF A 23
UNIT APARTMENT BUILDING AT
56 PARRIS STREET, PORTLAND MAINE

BAYSIDE RFP - 56 PARRIS STREET- Rendering
PORTLAND, MAINE

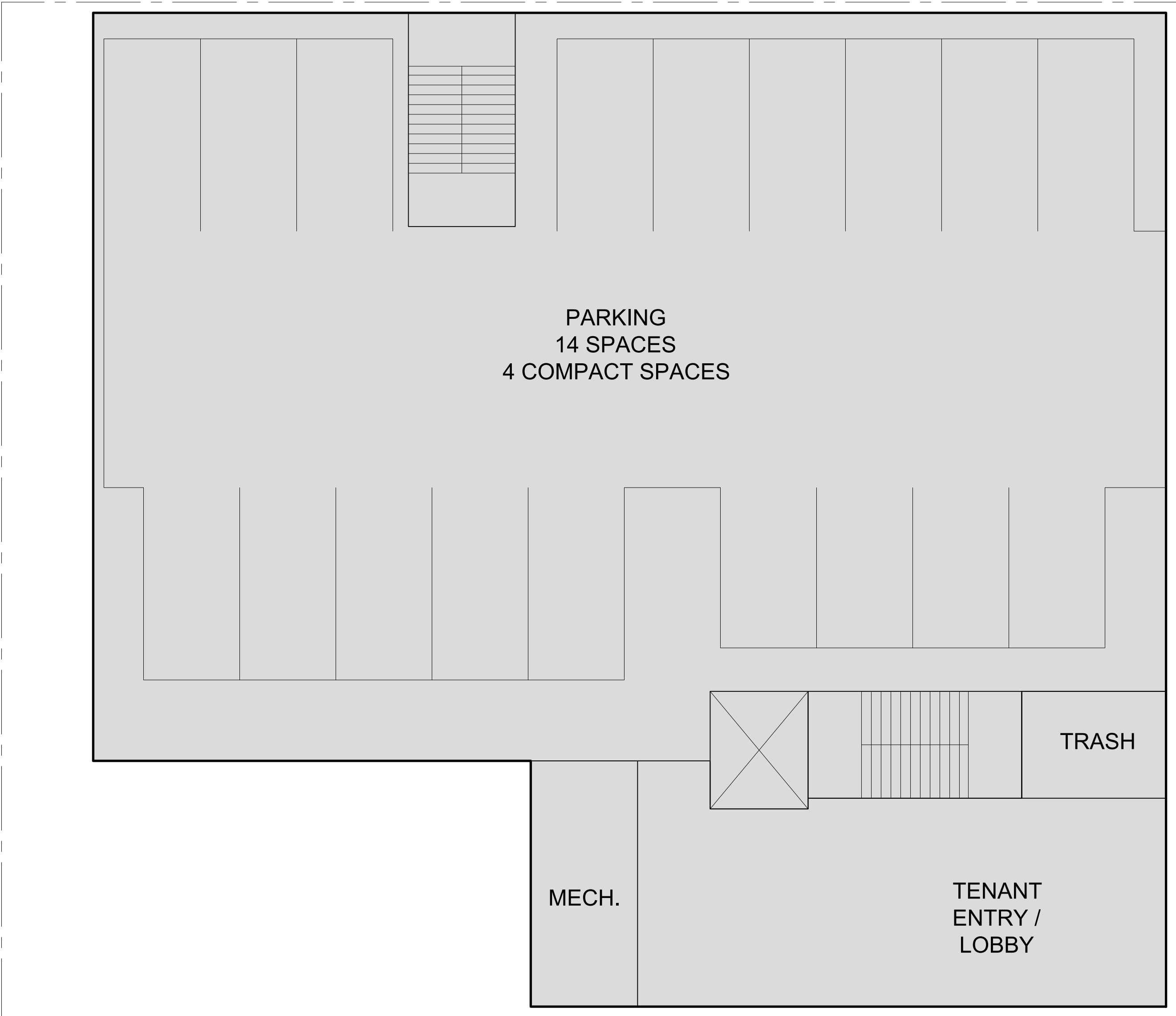
JUNE 01, 2017



1 56 PARRIS STREET - EAST ELEVATION
NTS

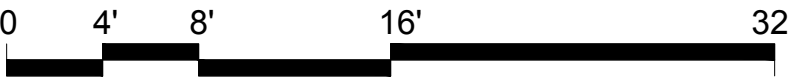
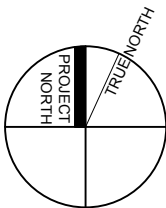
BAYSIDE RFP - 56 PARRIS STREET
PORTLAND, MAINE
1st Floor

JUNE 01, 2017



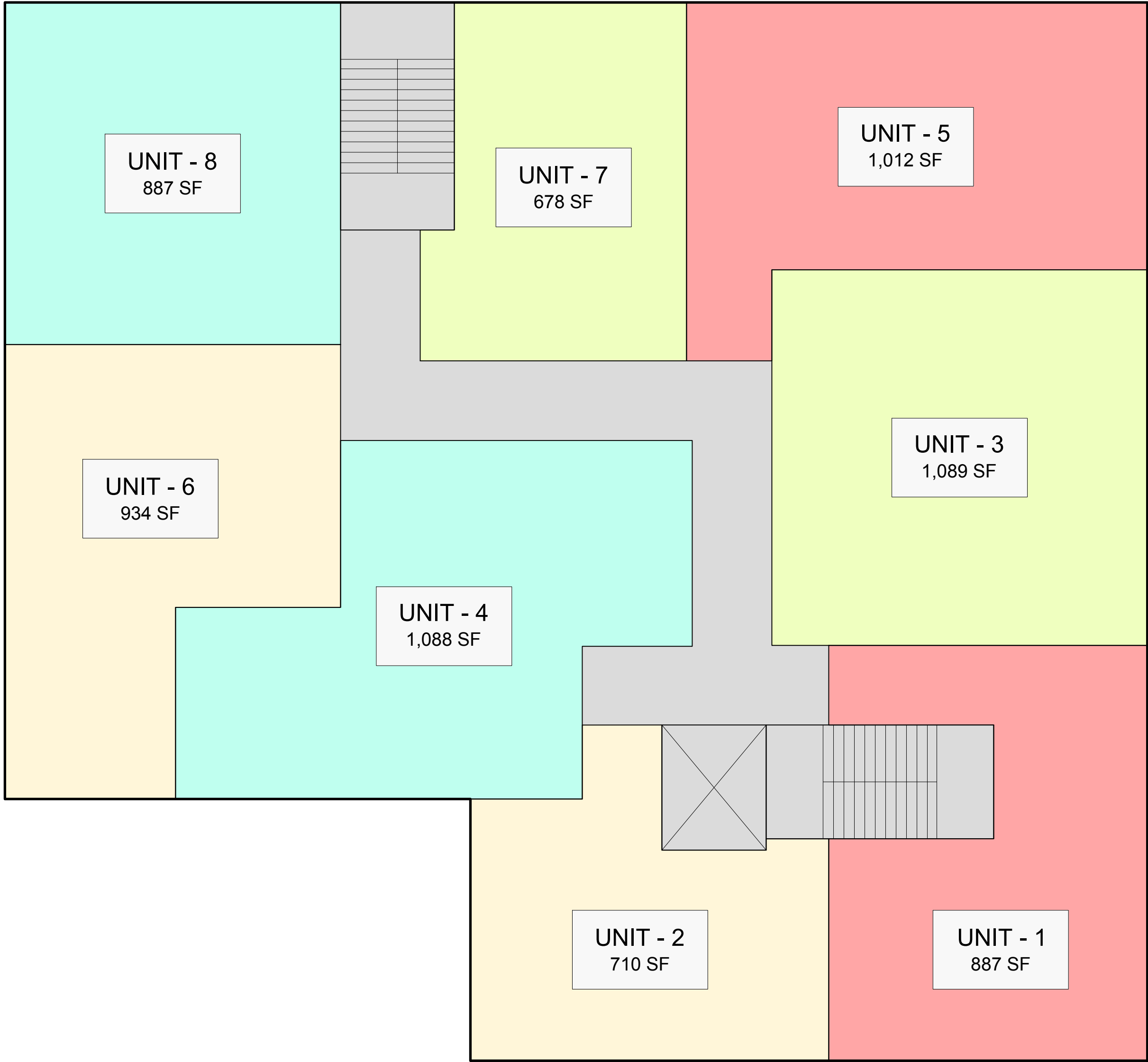
PARRIS STREET

56 PARRIS STREET	
BUILDING AREA	
FIRST FLOOR AREA	(8,398 SF)
SECOND FLOOR AREA	(8,398 SF)
UNIT - 1	887 SF
UNIT - 2	710 SF
UNIT - 3	1,089 SF
UNIT - 4	1,088 SF
UNIT - 5	1,012 SF
UNIT - 6	934 SF
UNIT - 7	678 SF
UNIT - 8	887 SF
THIRD FLOOR AREA	(8,398 SF)
UNIT - 9	887 SF
UNIT - 10	710 SF
UNIT - 11	1,089 SF
UNIT - 12	1,088 SF
UNIT - 13	1,012 SF
UNIT - 14	934 SF
UNIT - 15	678 SF
UNIT - 16	887 SF
FOURTH FLOOR AREA	(8,398 SF)
UNIT - 17	1,391 SF
UNIT - 18	1,088 SF
UNIT - 19	1,285 SF
UNIT - 20	934 SF
UNIT - 21	1,012 SF
UNIT - 22	887 SF
UNIT - 23	678 SF
BUILDING TOTAL = 33,592 SF	
NOTE: ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	

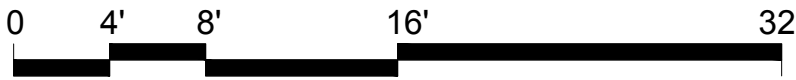
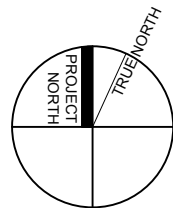


BAYSIDE RFP - 56 PARRIS STREET
PORTLAND, MAINE
2nd Floor

JUNE 01, 2017

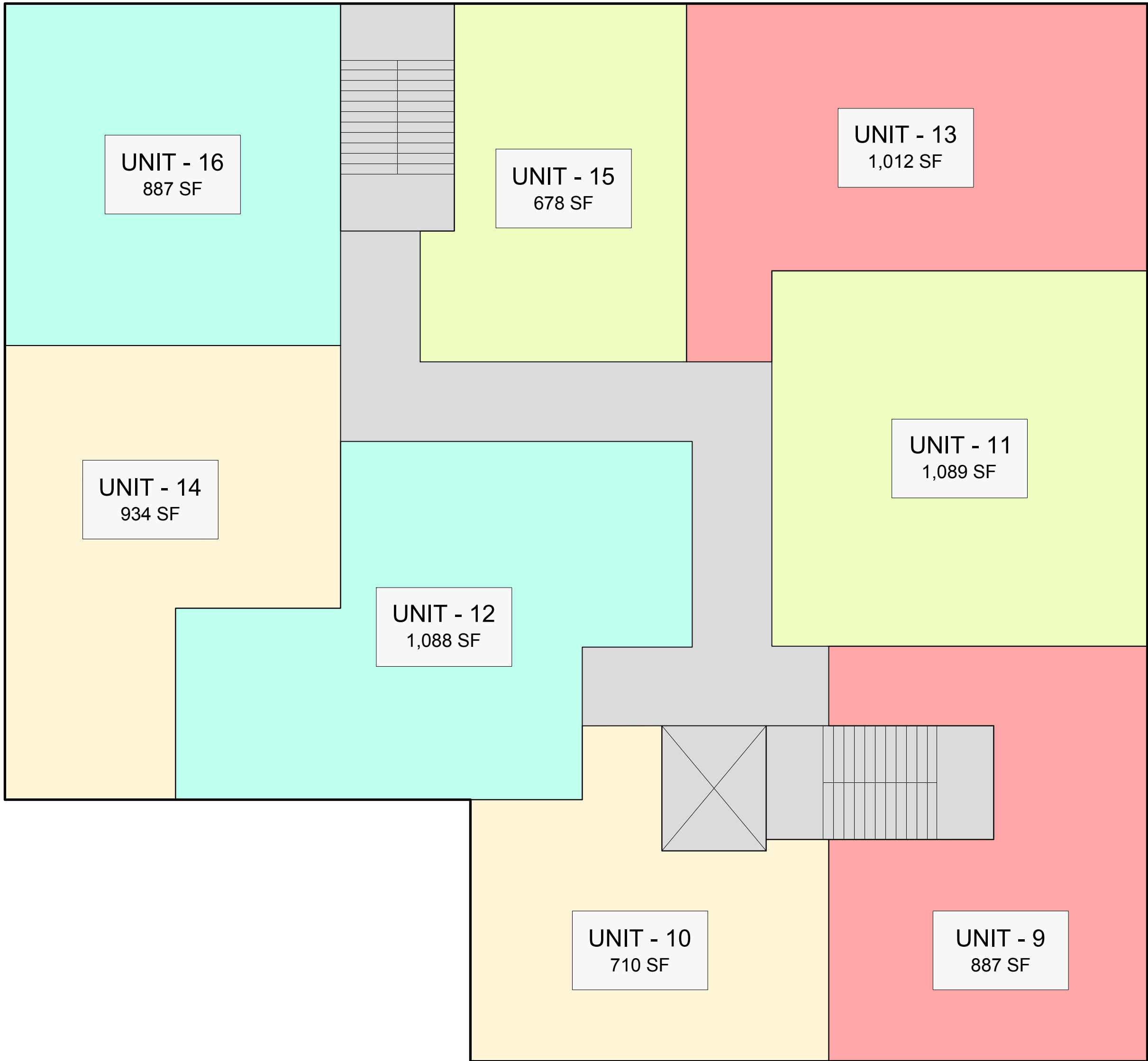


56 PARRIS STREET	
BUILDING AREA	
FIRST FLOOR AREA	(8,398 SF)
SECOND FLOOR AREA	(8,398 SF)
UNIT - 1	887 SF
UNIT - 2	710 SF
UNIT - 3	1,089 SF
UNIT - 4	1,088 SF
UNIT - 5	1,012 SF
UNIT - 6	934 SF
UNIT - 7	678 SF
UNIT - 8	887 SF
THIRD FLOOR AREA	(8,398 SF)
UNIT - 9	887 SF
UNIT - 10	710 SF
UNIT - 11	1,089 SF
UNIT - 12	1,088 SF
UNIT - 13	1,012 SF
UNIT - 14	934 SF
UNIT - 15	678 SF
UNIT - 16	887 SF
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UNIT - 17	1,391 SF
UNIT - 18	1,088 SF
UNIT - 19	1,285 SF
UNIT - 20	934 SF
UNIT - 21	1,012 SF
UNIT - 22	887 SF
UNIT - 23	678 SF
BUILDING TOTAL =	33,592 SF
NOTE:	
ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	



BAYSIDE RFP - 56 PARRIS STREET
PORTLAND, MAINE
3rd Floor

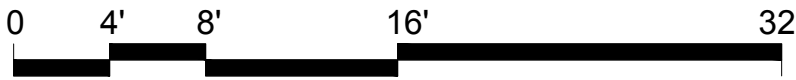
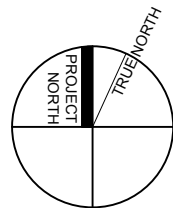
JUNE 01, 2017



56 PARRIS STREET	
BUILDING AREA	
FIRST FLOOR AREA	(8,398 SF)
SECOND FLOOR AREA	(8,398 SF)
UNIT - 1	887 SF
UNIT - 2	710 SF
UNIT - 3	1,089 SF
UNIT - 4	1,088 SF
UNIT - 5	1,012 SF
UNIT - 6	934 SF
UNIT - 7	678 SF
UNIT - 8	887 SF
THIRD FLOOR AREA	(8,398 SF)
UNIT - 9	887 SF
UNIT - 10	710 SF
UNIT - 11	1,089 SF
UNIT - 12	1,088 SF
UNIT - 13	1,012 SF
UNIT - 14	934 SF
UNIT - 15	678 SF
UNIT - 16	887 SF
FOURTH FLOOR AREA	(8,398 SF)
UNIT - 17	1,391 SF
UNIT - 18	1,088 SF
UNIT - 19	1,285 SF
UNIT - 20	934 SF
UNIT - 21	1,012 SF
UNIT - 22	887 SF
UNIT - 23	678 SF
BUILDING TOTAL =	33,592 SF
NOTE:	
ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	



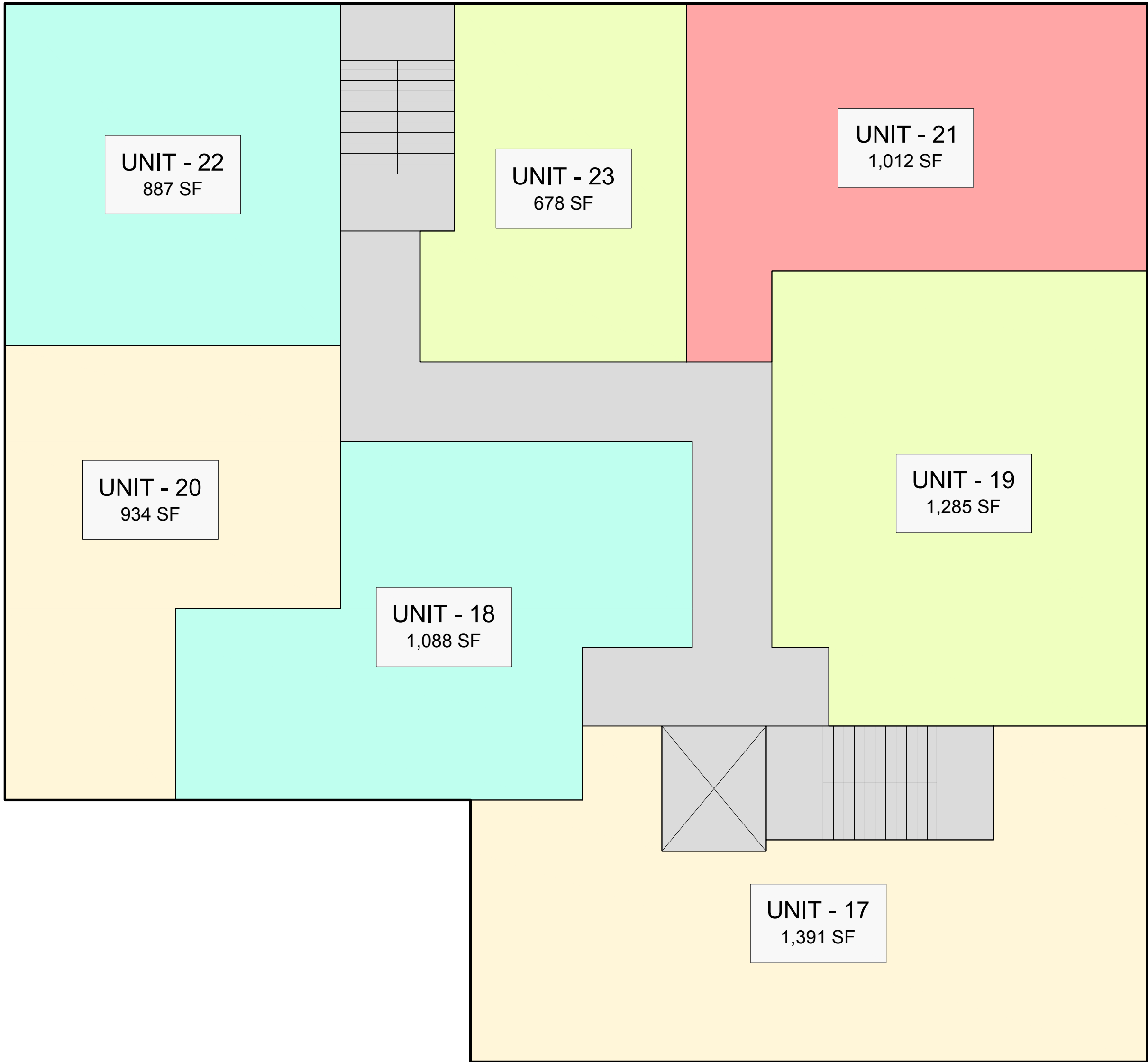
1 56 PARRIS STREET - THIRD FLOOR PLAN
1/8" = 1'-0"



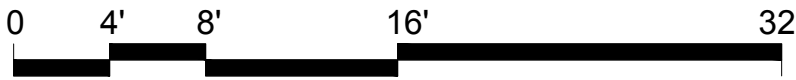
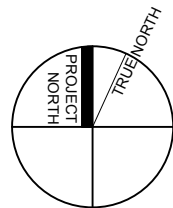
PROGRESS PRINT ONLY
Not for Construction

BAYSIDE RFP - 56 PARRIS STREET
PORTLAND, MAINE
4th Floor

JUNE 01, 2017



56 PARRIS STREET	
BUILDING AREA	
FIRST FLOOR AREA	(8,398 SF)
SECOND FLOOR AREA	(8,398 SF)
UNIT - 1	887 SF
UNIT - 2	710 SF
UNIT - 3	1,089 SF
UNIT - 4	1,088 SF
UNIT - 5	1,012 SF
UNIT - 6	934 SF
UNIT - 7	678 SF
UNIT - 8	887 SF
THIRD FLOOR AREA	(8,398 SF)
UNIT - 9	887 SF
UNIT - 10	710 SF
UNIT - 11	1,089 SF
UNIT - 12	1,088 SF
UNIT - 13	1,012 SF
UNIT - 14	934 SF
UNIT - 15	678 SF
UNIT - 16	887 SF
FOURTH FLOOR AREA	(8,398 SF)
UNIT - 17	1,391 SF
UNIT - 18	1,088 SF
UNIT - 19	1,285 SF
UNIT - 20	934 SF
UNIT - 21	1,012 SF
UNIT - 22	887 SF
UNIT - 23	678 SF
BUILDING TOTAL =	33,592 SF
NOTE:	
ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	



BAYSIDE RFP
TOM WATSON & COMPANY
PROPOSAL FOR THE DEVELOPMENT OF A 23
UNIT APARTMENT BUILDING AT
104 GRANT STREET, PORTLAND MAINE

104 Grant St- Current Use
PORTLAND, MAINE



BAYSIDE RFP - 104 GRANT STREET
PORTLAND, MAINE

JUNE 01, 2017



1 VIEW LOOKING WEST ON GRANT STREET
N.T.S.

BAYSIDE RFP - 104 GRANT STREET
PORTLAND, MAINE

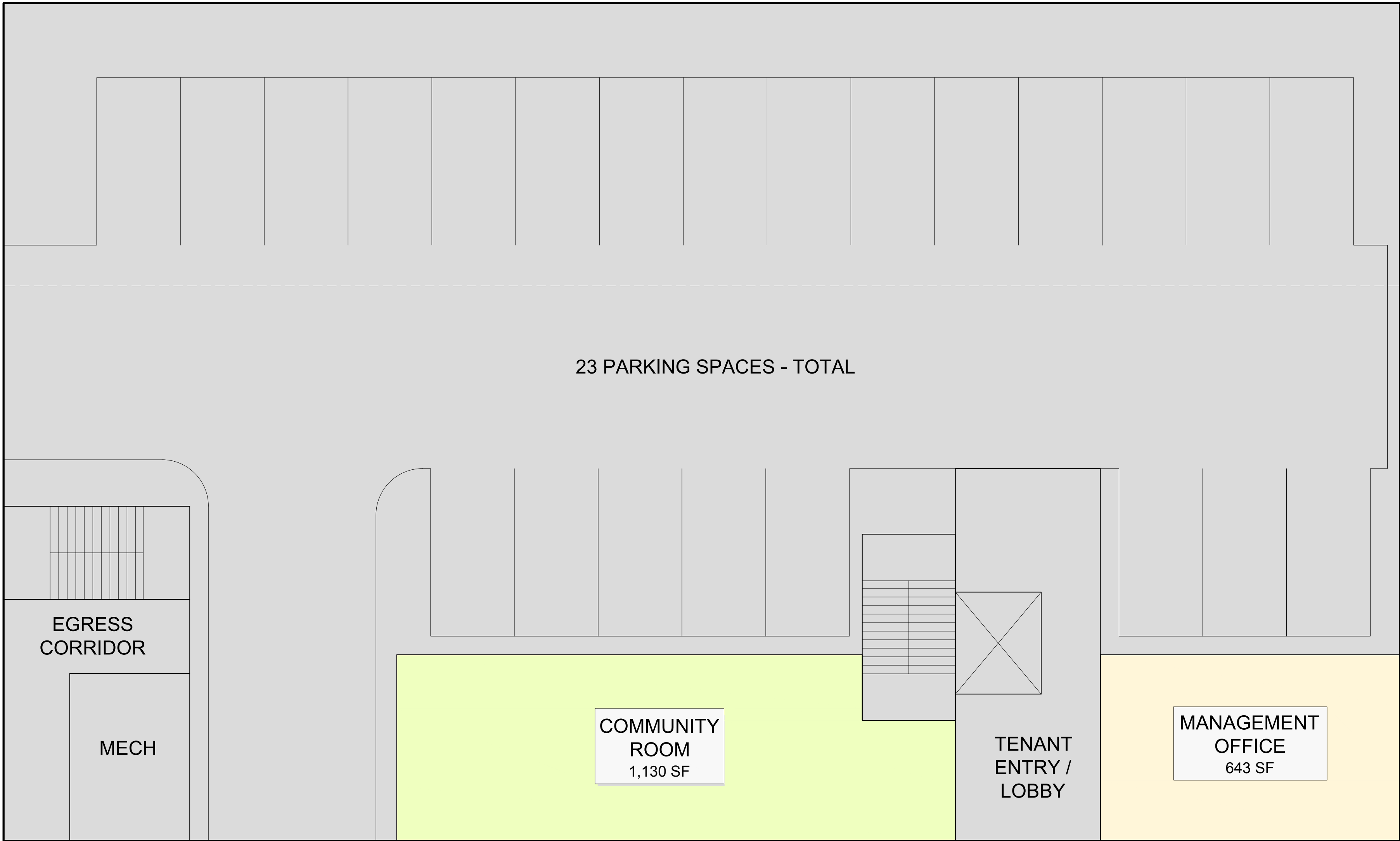
JUNE 01, 2017



1 104 GRANT STREET - SOUTH ELEVATION
N.T.S.

BAYSIDE RFP - 104 GRANT STREET
PORTLAND, MAINE
1st Floor

JUNE 01, 2017

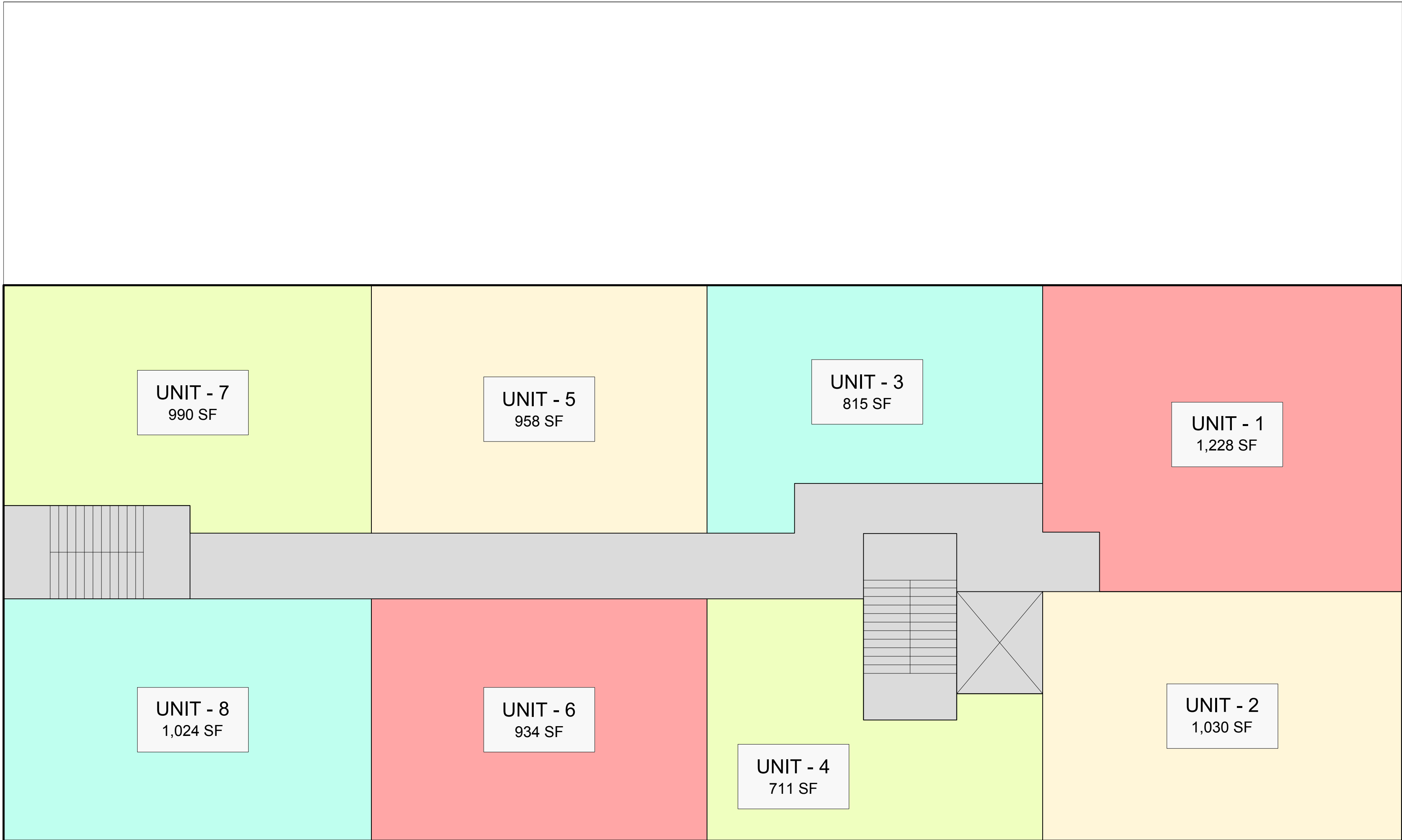


104 GRANT STREET	
BUILDING AREA	
FIRST FLOOR AREA	(13,500 SF)
COMMUNITY ROOM	1,130 SF
MANAGEMENT OFFICE	643 SF
SECOND FLOOR AREA	
(8,775 SF)	
UNIT - 1	1,228 SF
UNIT - 2	1,030 SF
UNIT - 3	815 SF
UNIT - 4	711 SF
UNIT - 5	958 SF
UNIT - 6	934 SF
UNIT - 7	990 SF
UNIT - 8	1,024 SF
SECOND FLOOR AREA	
(8,775 SF)	
UNIT - 9	1,228 SF
UNIT - 10	1,030 SF
UNIT - 11	815 SF
UNIT - 12	711 SF
UNIT - 13	958 SF
UNIT - 14	934 SF
UNIT - 15	990 SF
UNIT - 16	1,024 SF
FOURTH FLOOR AREA	
(8,775 SF)	
UNIT - 17	1,228 SF
UNIT - 18	1,030 SF
UNIT - 19	815 SF
UNIT - 20	1,645 SF
UNIT - 21	958 SF
UNIT - 22	1,024 SF
UNIT - 23	990 SF
BUILDING TOTAL =	
40,320 SF	
NOTE:	
ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	

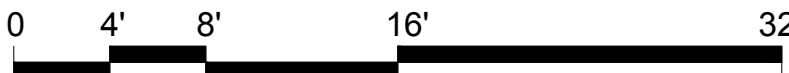
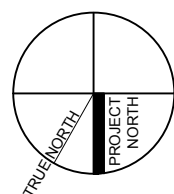


BAYSIDE RFP - 104 GRANT STREET
PORTLAND, MAINE
2nd Floor

JUNE 01, 2017

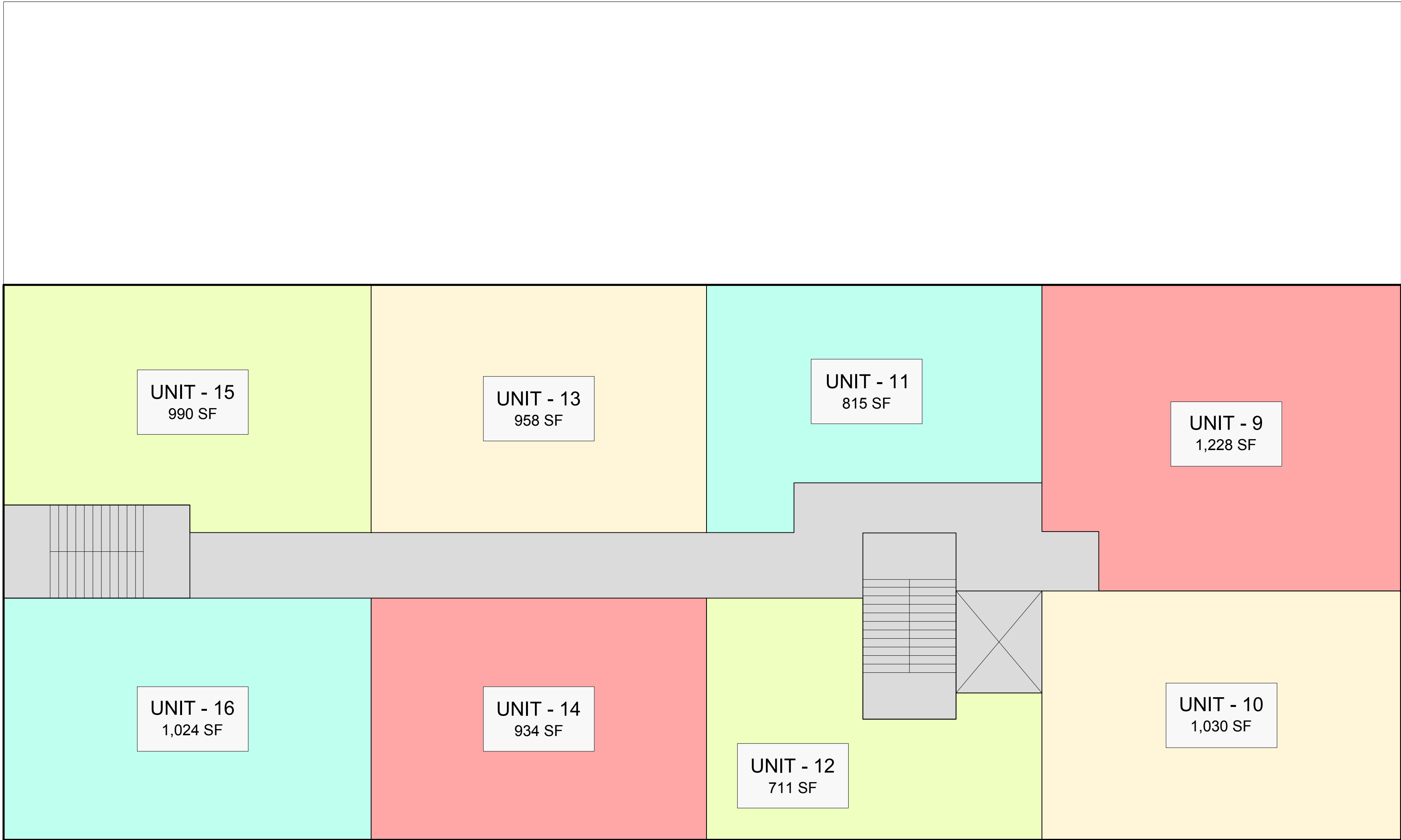


104 GRANT STREET	
BUILDING AREA	
FIRST FLOOR AREA	(13,500 SF)
COMMUNITY ROOM	1,130 SF
MANAGEMENT OFFICE	643 SF
SECOND FLOOR AREA	(8,775 SF)
UNIT - 1	1,228 SF
UNIT - 2	1,030 SF
UNIT - 3	815 SF
UNIT - 4	711 SF
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UNIT - 13	958 SF
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UNIT - 15	990 SF
UNIT - 16	1,024 SF
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UNIT - 17	1,228 SF
UNIT - 18	1,030 SF
UNIT - 19	815 SF
UNIT - 20	1,645 SF
UNIT - 21	958 SF
UNIT - 22	1,024 SF
UNIT - 23	990 SF
BUILDING TOTAL =	40,320 SF
NOTE: ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	

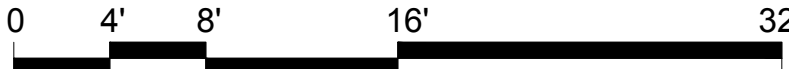
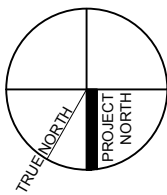


BAYSIDE RFP - 104 GRANT STREET
PORTLAND, MAINE
3rd Floor

JUNE 01, 2017

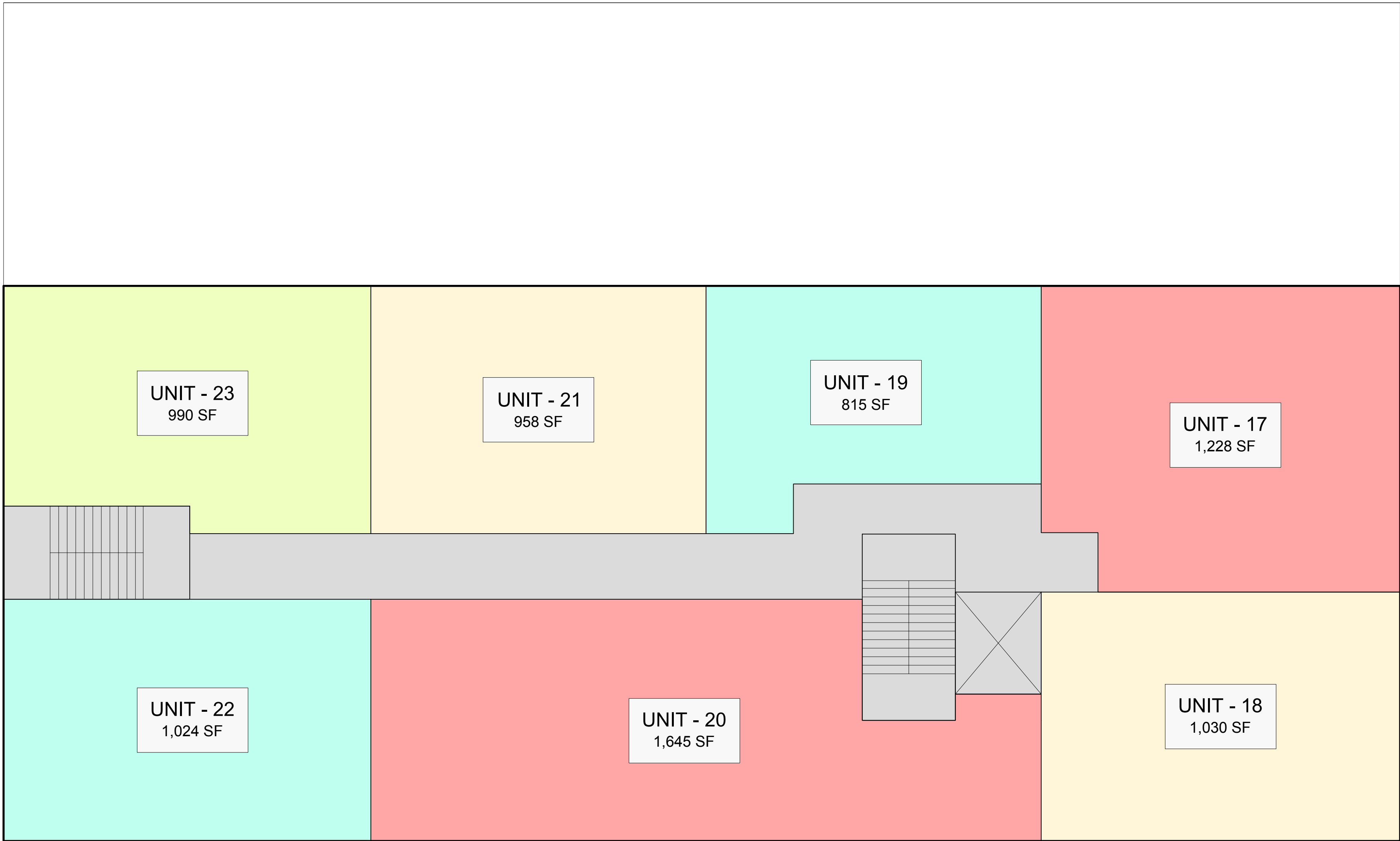


104 GRANT STREET	
BUILDING AREA	
FIRST FLOOR AREA	(13,500 SF)
COMMUNITY ROOM	1,130 SF
MANAGEMENT OFFICE	643 SF
SECOND FLOOR AREA	(8,775 SF)
UNIT - 1	1,228 SF
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UNIT - 18	1,030 SF
UNIT - 19	815 SF
UNIT - 20	1,645 SF
UNIT - 21	958 SF
UNIT - 22	1,024 SF
UNIT - 23	990 SF
BUILDING TOTAL =	40,320 SF
NOTE: ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	

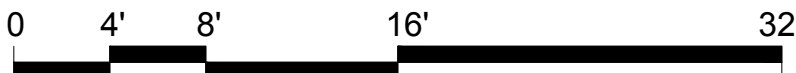
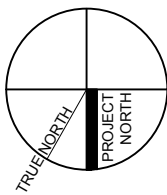


BAYSIDE RFP - 104 GRANT STREET
PORTLAND, MAINE
4th Floor

JUNE 01, 2017



104 GRANT STREET	
BUILDING AREA	
FIRST FLOOR AREA	(13,500 SF)
COMMUNITY ROOM	1,130 SF
MANAGEMENT OFFICE	643 SF
SECOND FLOOR AREA	(8,775 SF)
UNIT - 1	1,228 SF
UNIT - 2	1,030 SF
UNIT - 3	815 SF
UNIT - 4	711 SF
UNIT - 5	958 SF
UNIT - 6	934 SF
UNIT - 7	990 SF
UNIT - 8	1,024 SF
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UNIT - 17	1,228 SF
UNIT - 18	1,030 SF
UNIT - 19	815 SF
UNIT - 20	1,645 SF
UNIT - 21	958 SF
UNIT - 22	1,024 SF
UNIT - 23	990 SF
BUILDING TOTAL =	40,320 SF
NOTE: ALL SQUARE FOOTAGES CALCULATED USING OUTSIDE FACE OF EXTERIOR WALLS AND CENTERLINE OF SHARED WALLS	



1 104 GRANT STREET - FOURTH FLOOR PLAN
1/8" = 1'-0"

117 LOFTS (117 PREBLE STREET)
COMPLETED MARCH 2017
NOW A 56 UNIT APARTMENT
BUILDING

117 Preble St- Exterior
PORTLAND, MAINE



117 Preble St- Exterior
PORTLAND, MAINE



117 Preble St- Interior
PORTLAND, MAINE



117 Preble St- Interior
PORTLAND, MAINE



I. Development Approach

M. Nasir Shir and Community Housing of Maine (“CHOM”) propose to collaborate on redeveloping the 56 Parris Street property into a residential project that may incorporate affordable, rental apartments and/or for sale units, street level retail, and on-site parking.

The new construction 24-unit residential project will be 4 stories with on-site parking. The units will be a mix of studio and 1-bedrooms, either apartments or condos. The precise mix of unit types and sizes, and the desired price point will be finally determined based on conversations with City staff, the Bayside neighborhood, and on the results of a market study and feasibility analysis. The analysis will be necessary to support any application for financing, and to attract the necessary equity investment such a project will require. It will also inform the unit mix and price point, which will, in turn, influence design and construction approaches to the building. The community discussion is an important part of Place Making, and helpful in determining appropriate design, and can lead to beneficial collaboration with other redevelopment efforts in the area.

Mr. Shir began acquiring properties in Portland in 1997 and currently owns 7 buildings consisting of 11 units of residential housing around Portland. Mr. Shir’s family owns an additional 2 properties in Portland. He views the proposed project as an investment in his community, providing much needed housing for the city’s workforce with rents capped at rates that are affordable for households making up to, but not more than, 120% of Area Median Income. Prior to construction of the residential building, the site will provide additional parking for the nearby mosque. CHOM also approaches real estate development as a place making effort, with surrounding community support and involvement an integral part of the process.

CHOM, a non-profit affordable housing developer, will qualify the tenants, determining that they are eligible to take advantage of any rent controlled units, and ensure this housing is available for working households in this income bracket for decades to come. The community benefits by getting the building into the hands of an organization whose mission is the creation of housing opportunity for people with low- and moderate-incomes, and whose operations already include an understanding of and ability to accurately determine, monitor, and report on income eligibility under various government financing programs. It gives both the City and the developer a high level of confidence that the preservation of affordable, workforce housing, will be met over time.

II. Development Concept

Portland needs new construction, smaller (studio and one-bedroom) units, both for rent and for sale, that are accessible and affordable. A preliminary analysis of site condition, topography, and applicable zoning for 56 Parris Street suggest that 24 units could be constructed on this site, with a small retail store on the first floor.

We arrived at this projected density based upon a preliminary analysis of the zoning in place. We project that a building with a footprint equal to about 6,175 square feet, would yield approximately 5,376 square feet of rentable residential space on the three upper floors. A large portion of the first floor would house 14 open-air parking spaces, plus stairs, elevator, mechanical room, small entrance lobby and a small 20' X 35' retail space, which would help further activate the street.

Condos could average about 1000 to 1200 square feet, so 4 or 5 units per floor, and apartments could average 400 to 600 square feet per unit, or 8 per floor. While the current zoning will allow a 85' tall building, it also currently restricts the site to 24 residential units. If Division 30 affordable housing bonuses were applied to the B2b zone, we could add an additional floor (or 2 max) of residential units, and replace any 2 adjacent 1-bedroom units with 3 studio units to further increase the available affordable housing units. The ability to increase the density to accommodate additional affordable units while still adhering to the height requirements, would make the project more cost effective and help alleviate the affordable housing shortage Portland is facing.

Our goal would be redevelopment of the 56 Parris Street property in a way that is economically feasible and enhances the neighborhood and its associated amenities, delivering the type(s) of housing that will best contribute to Portland's needs, using a design successful in blending new and existing neighborhood development in and around other urban areas in Maine.

Further due diligence is necessary to finally determine how many of which type of residential units can be built at 56 Parris Street, and for what price. Price is a factor of the cost of the land, engineering, design, and permitting, construction, marketing and sales, or leasing, and the cost of capital. The cost of construction is the largest part of the equation, and will be comparable to construction costs elsewhere in Maine. Likewise, the cost of capital will be affected by the Lender/Investor's confidence in the Developer's ability to deliver, and in the market for the product.

Drawing on CHOM's experience of designing, permitting, and building new construction apartment buildings of comparable size elsewhere in Maine, this building will cost between \$4 and \$5 million dollars to build.

III. Development Timeline

Mr. Shir would continue to operate the property as surface parking for a period of 3- 5 years while pursuing permitting, engaging in design development and securing financing.

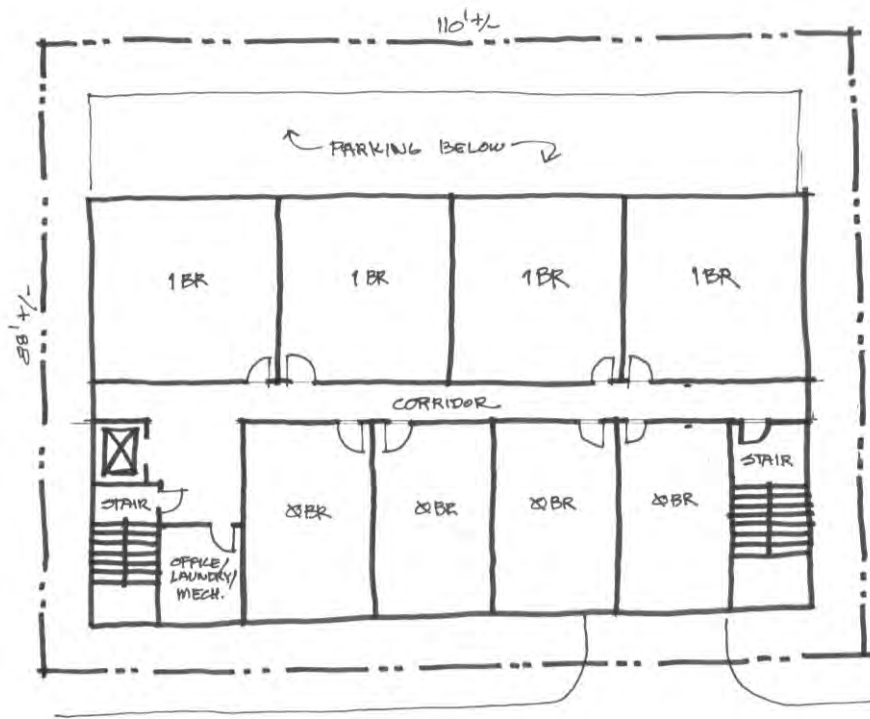
During that period, the development team's desired approach would include engaging the public in a series of meetings to include Portland's planning department, the purchasers of other surrounding parcels, and the neighborhood. The results of those meetings would

inform a market study and feasibility analysis, for which a third-party professional would be hired.

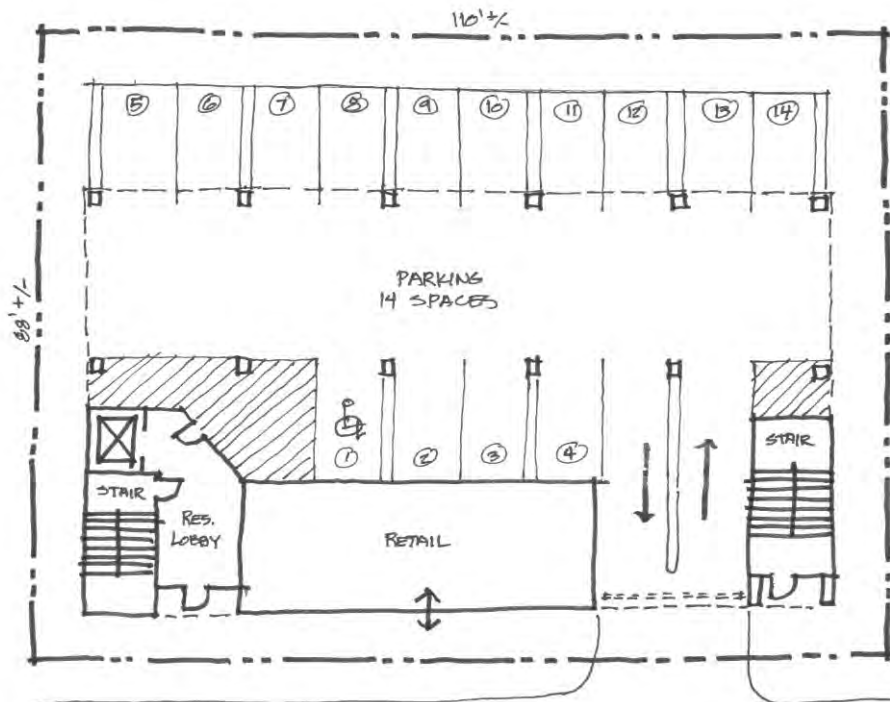
While the market study is in progress, the development team would complete site analysis and begin design development. When the market study is complete and conceptual designs available, the team will begin permitting.

Any identified sources of public financing, which would be necessary to provide below market rate community benefits, would be subject to the timing and the rules of procurement for those sources. Competition for the Low Income Housing Tax Credit, for example, takes place once each year. Market rate debt would also be subject to regulatory requirements, such as the procurement of an as-built appraisal (which requires fully completed plans and specifications), which must be completed before construction can begin.

The development team has the experience, the resources, and the support from an array of third party professionals to deliver an excellent residential building in the City of Portland in a reasonable period of time. Thank you for the opportunity to deliver this proposal.



CONCEPT UPPER FLOOR PLAN (THREE LEVELS)



CONCEPT LOWER FLOOR PLAN (ONE LEVEL)

PERISCOPE LOFTS

BAYSIDE PARCEL #3



- *Twenty - One Bedroom Workforce Condominiums*
- *Cost below \$200,000.00 per unit*
- *One parking space on-site per unit*
- *Elevator*
- *Storage for each unit*

KAPLAN THOMPSON
ARCHITECTS

MALONE
COMMERCIAL BROKERS
CONNECTED, LOCAL, SAVVY.

_____ We believe that there will be considerable environmental mitigation work necessary as a result of historical use of fire debris fill on the site. Consistent with other area sites, we expect to find arsenic and lead on the lot and anticipate that the project will require a VRAP application. Appropriate remediation and institutional controls will include a Phase 2 Environmental Assessment report as well as potentially expensive capping and disposing of contaminants.

PROPERTY FEATURES

PERISCOPE LOFTS



LEVEL ONE

- Parking for each unit
- Storage for each unit
- Lobby area
- Mail room



PROPERTY FEATURES

PERISCOPE LOFTS



LEVELS TWO & THREE

- 7 units - 400 SF each



PROPERTY FEATURES

PERISCOPE LOFTS



LEVEL FOUR

- 6 units - 400 SF each
- Common area deck



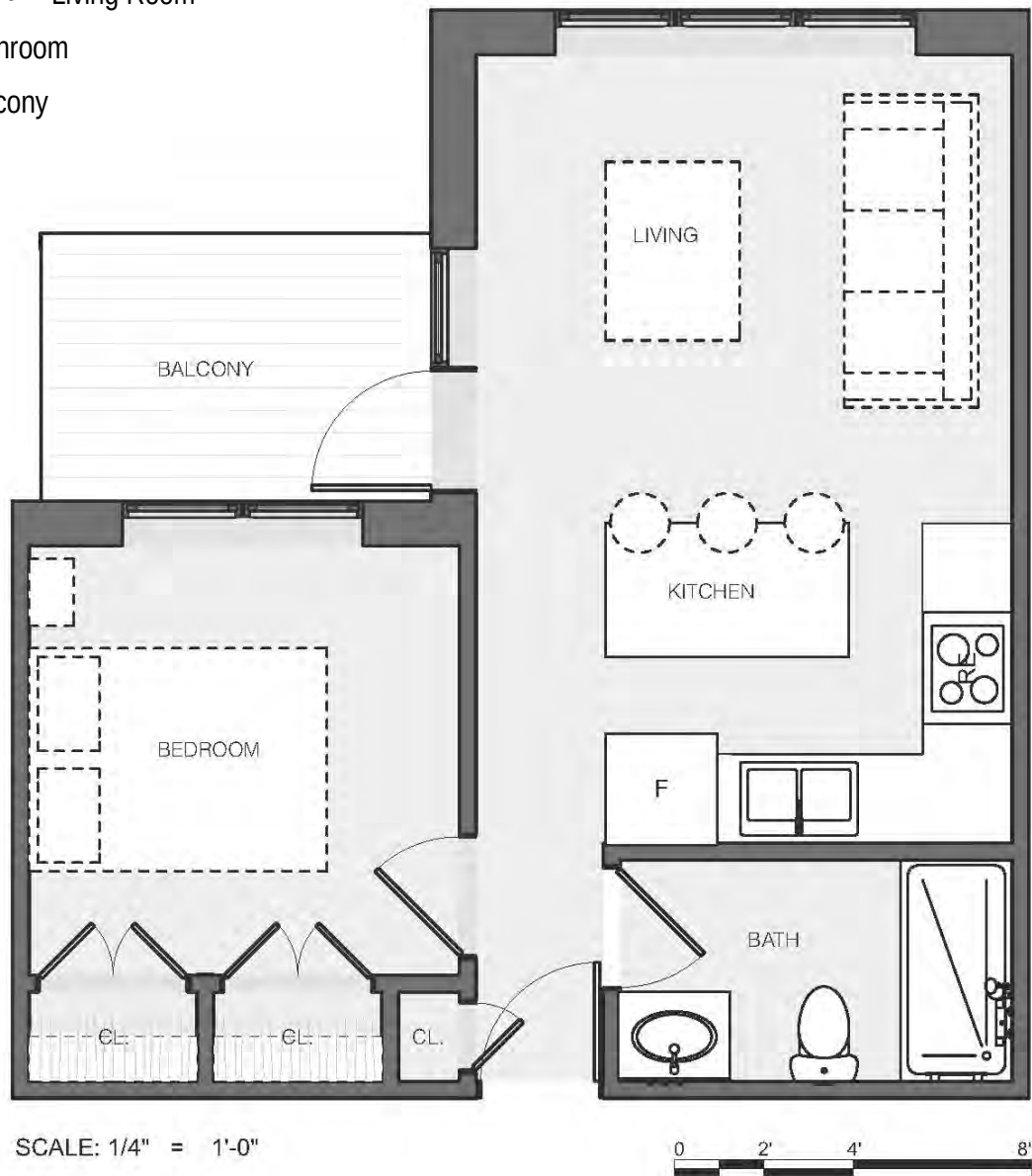
PROPERTY FEATURES

PERISCOPE LOFTS



TYPICAL LAYOUT

- 1 Bedroom
- Open Concept
 - Kitchen
 - Living Room
- Bathroom
- Balcony





BARRETT
MADE

HOMES · SPACES · DETAILS

65 HANOVER STREET PORTLAND, MAINE
PROPOSAL

PREPARED 2017.5.12

PROPOSAL FOR 65 HANOVER STREET

May 12, 2017

Re: Offer and Proposed use for 65 Hanover St. in Portland.

Barrett Made was founded in 2015 by Rob Barrett, a Portland native who grew up in Portland's East Deering neighborhood, attended Portland Public Schools and received a bachelors degree from USM. Rob started Barrett Made to provide a customer focused approach to building and design. With a diverse business model catering to a range of clients and projects, strong local ties, connections and a talented staff, Barrett Made has quickly become a household name in Greater Portland. Our current office on Union Wharf in Portland's Old Port was leased because of its central location and authentic feel, but after a year the space is too small to accommodate a rapidly growing company. Rob has been searching for a Portland location to move his business, build equity in and enact plans that will create a lasting and positive impact on the Portland community. The building at 65 Hanover Street is the perfect fit.

Below is a brief description of our proposed use of the building and phases for the renovations. There is also an attached floor plan and renderings for reference:

Phase 1

Barrett Made Offices and Work Shop - At Barrett Made we pride ourselves on collaborating with local businesses and crafts people. Our office and workshop will expand on this and be an accessible and inspiring place for us to work and for local schools (future builders!) and groups to visit.

4 City Shop Spaces - Full workshop and office combination spaces for people looking to grow their business and be located near creative like minded people. We envision metal workers, potters, painters and others.

1 Maker's Space A 20-bench open space for people who are looking to start something new or explore a hobby further in a more professional studio-like setting. This will have 24hr access through a check-in area and space to display ideas and products.

Improve the exterior of the Building Add green space and solar panels for a net zero building which will help offset utility costs for the tenants and makers.

Phase 2

25 Unit Apartment Building - We all know there is a housing shortage in Portland and my aim is to provide affordable, modern, and central housing for lower to middle income people. We see this is being a vibrant and "cool" place to live.

My goal is to make this a creative hub and an exciting addition to the City. It will provide a place for a community of people to expand on their interests, learn from their peers, and be exposed to opportunities all under the same roof. This would be a highly beneficial and positive endeavor for myself, my business, many Portlanders and the City of Portland.

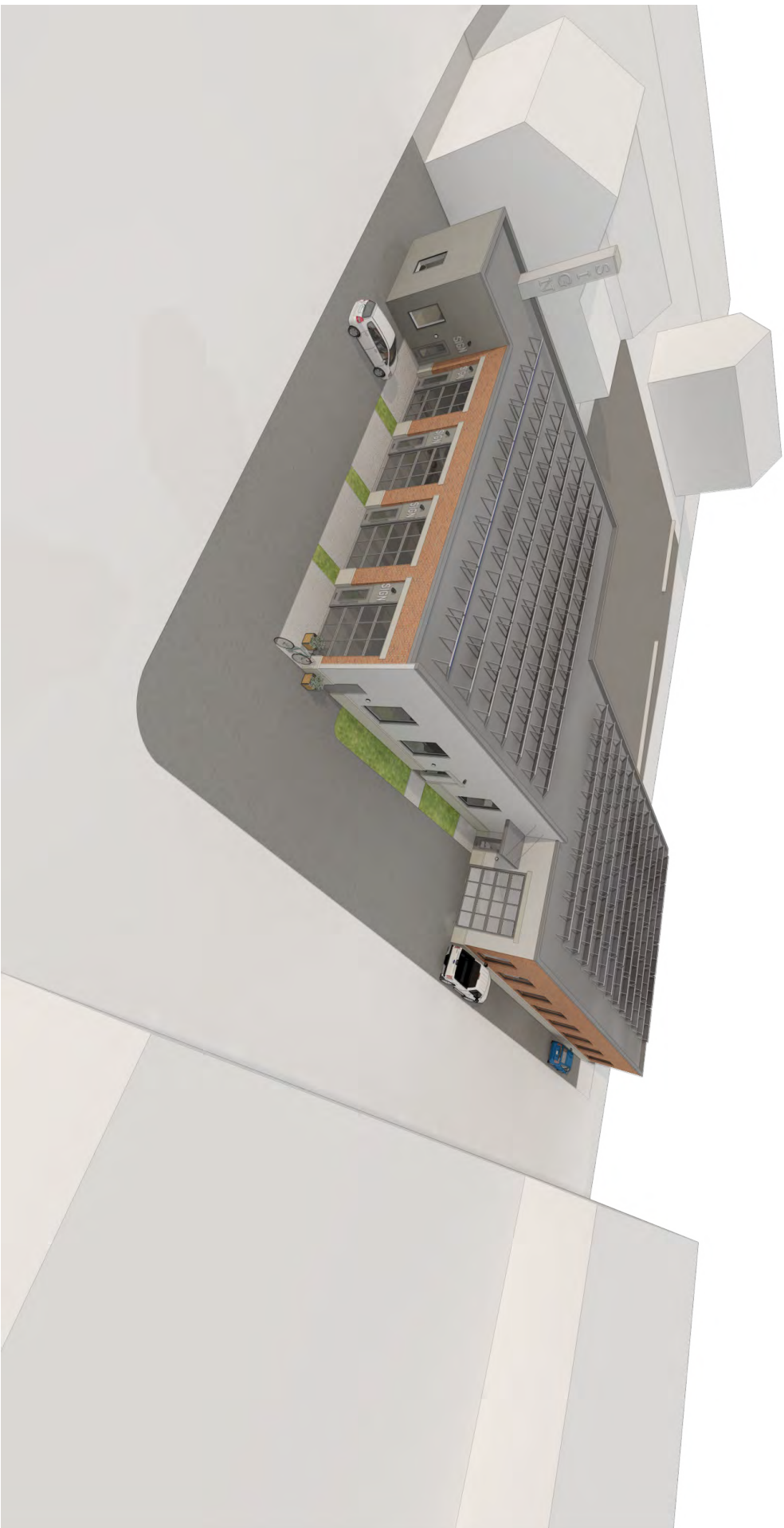
Thank You For Your Consideration,

Rob Barrett
Owner, Barrett Made

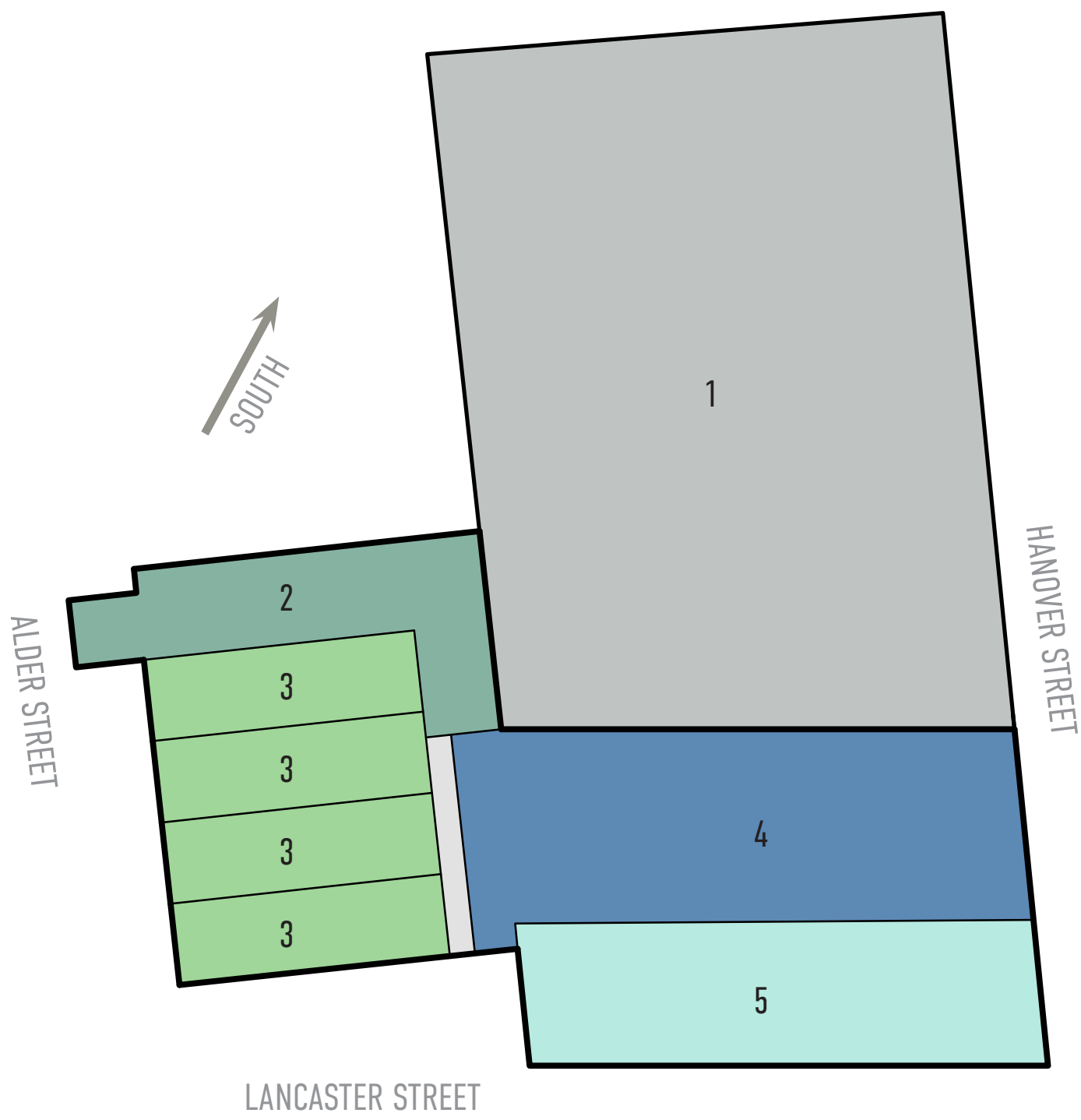


EXISTING VIEW FROM ALDER STREET





PROPOSED FLOOR PLAN DIAGRAM



EXISTING PARKING AREA	14,100 SF
MAKER SPACE	1,250 SF
'CITY SHOP' SPACES	875 SF/PER UNIT
BARRETT MADE SHOP SPACE	4,300 SF
BARRETT MADE OFFICES/STUDIO	2,950 SF





Date: 6.22.2017

To: Greg Mitchell & Review Council Members

Fr: Rory Strunk

Re: O'Maine Studio Final Bid for 65 Hanover (Cushman's Bakery Building)

Dear Greg,

Please find attached 3 documents to update our final bid or 65 Hanover Street.



A great deal of our excitement and vision was generated by the preexisting architecture and its historic roots as Cushman's Bakery. Our 3D model of the exterior of Cushman's Bakery includes the new uses of the building that we addressed in our original proposal. The 3D images include the Maine Garden that will showcase Maine's diversity of produce, "Kick Start Kitchen" for incubating new Chef restaurant concepts (the glass part of the roof towards the back) and the indoor/outdoor design for hosting food festival events.

It is extremely hard to achieve a world class stature and elevate a brand to global leadership position. I firmly believe Portland and Maine's culinary and food system resources are on the threshold of achieving a global brand. The ability to accomplish that status is only possible because of the decades of city and entrepreneurial investment that have taken place in Portland. Attached is some of the strategic benchmarks in Portland/Bayside that are key building blocks.

Our current neighborhood by Rufus Deering is being rapidly absorbed by condos. Emerging in Bayside over the last 10 years are numerous food and hospitality businesses creating a dynamic food and beverage entrepreneur neighborhood. The city's real estate assets that have been put up for bid in Bayside are a unique opportunity to add to the vibrancy of the sector growth.

O'Maine Studios's vision is to continue to build on the assets already in place in Portland/Bayside and create a world class culinary media and event center that has a global draw. It is a dream scenario to make it happen in the old Cushman's Bakery.

All the best,

Rory









- 2017
PORTLAND'S JAMES BEARD: MIKE WILEY & ANDREW TAYLOR
-
- 2016
LONE PINE BREWING OPENS IN BAYSIDE
FORK FOOD LAB OPENS IN BAYSIDE
-
- 2015
O'MAINE STUDIOS & KITCHEN MEDIA OPENS IN PORTLAND
-
- 2014
COFFEE BY DESIGN ON DIAMOND OPENS IN BAYSIDE
RISING TIDE BREWING CO. OPENS IN BAYSIDE
-
- 2013
MAINE CRAFT DISTILLING OPENS IN BAYSIDE
PORT AUTHORITY BRINGS EIMSKIP FOR INTERNATIONAL SHIPPING
-
- 2012
ALLAGASH BREWING CO. EXPANDS
-
- 2010
URBAN FARM FERMENTORY OPENS IN BAYSIDE
-
- 2007
BAYSIDE BOWL OPENS IN BAYSIDE
-
- 2005
GULF OF MAINE RESEARCH PORTLAND EXPANSION
-
- 2004
PORTLAND'S FIRST JAMES BEARD: SAM HAYWARD
-
- 1994
SHIPYARD BREWING EXPANDS OPERATIONS
-
- 1988
GEARY'S BREWING CO. STARTS CRAFT BEER INDUSTRY
-
- 1987
WORKING WATERFRONT SAVED

Photo Courtesy: Maine Historical Society

CUSHMAN'S BAKERY 1914- BAYSIDE



FOOD TOWN INITIATIVE

Statement of Mission

The Food & Beverage and Hospitality industries are two of the fastest growing business sectors in Maine and across the country. O'Maine Studios believes the timing is right to aggressively market the quality and sustainability of Maine's food business ecosystem to consumers and food service companies across the NE region, national and international markets.

Maine's food ecosystem is blessed with natural resources but is underfunded and under marketed. Those states which are most successful in the local food movement are benefitting from access to funding resources that Maine does not have.

Food Town is a marketing and product sales initiative designed to help build support for Maine's food ecosystem and its related hospitality industry. Food Town will address Maine's under-funded and under-marketed challenge with a three-year ramp of funding and a defined marketing strategy that helps Maine become a leader in this highly competitive marketplace.

O'MAINE STUDIOS MISSION & MAINE OPPORTUNITY

Our mission is to bring the top influencers in the culinary world to Maine, and then export the vibrancy of Maine's quality food and beverage culture to the world. We will accomplish this mission by creating best-in-class media and influencer event marketing campaigns to drive the demand and increase the value of Maine's food and beverage products.

Three years ago, O'Maine Studios placed a bet that we could build a world class production studio in Portland, Maine with a focus on creating food related content. Our analysis of the marketplace suggested that there were several positive factors working in our favor. First, the diversity of farm and sea products in Maine is unique. Second, we have easy access (within six hours) to clients in two of the largest east coast markets in Boston and NYC. Third, the reputation of Maine's chefs and restaurateurs is on the rise. Finally, the emerging trade for food and beverage that was established with Portland's partnership with EIMSKIP shipping to the North Atlantic countries presents many opportunities for us.

We see the opportunity for the Maine food ecosystem to become a center of leadership and influence within the U.S food industry. It is our vision that the Food Town initiative will play a vital role by providing the necessary capital needs.



BUILDING MAINE'S ECONOMIC IMPACT

The rural food systems of Maine are the backbone of Maine's food economy. From Madison to Caribou, the small communities of Maine have seen the economic wheels of traditional industry erode with the loss of Maine's paper, shoe, and military industries. It has become increasingly clear that diversity in the business base of rural communities is critical to economic survival.

In communities like Madison, the commitment to diversity in their economy is being led by entrepreneurs in food and beverage production. When all the elements come together, the seed of one successful food or beverage company in the right community can launch its own food and tourism hub. The formula attracts new food and beverage entrepreneurs, new businesses to support the food and production companies, and a new vitality to the town's pride.

FOOD TOWN NONPROFIT MISSION

O'Maine Studios & Media Kitchen has created Food Town as a nonprofit organization to create community growth within the food, beverage and tourism economy as a revitalization strategy for rural Maine communities.

Food Town has a three-part strategy:

Create Demand

Market rural food communities to increase demand for the products

Create Funding

Aggregate financial funding from private and public sectors

Create Investor Growth

Educate and celebrate with community food and beverage events that help impact policy and stimulate investor interest

FUNDING FOOD TOWN PRIVATE & PUBLIC SECTORS

Most funding and public grant programs for food and beverage companies are earmarked for operational investments. There are few public funding sources dedicated to increasing demand and building the market value of the products created. Food Town is seeking to raise \$2 million in grants and private partnerships.

Private Sector

30 plus top Maine companies with vested interest in the Maine economy – Banks, Insurance, Global/National Food Companies, Auto, Retail

\$1.5 million goal with 20 companies at \$25,000/company/year for 3 year commitment

Public Sector at Federal Level

USDA Grants dedicated to food system marketing

\$200,000 Grant for 3 year investment

Public Sector at local level

Maine based Foundations

\$200,000 to match USDA Grant

Sponsorship

Private Sector sponsorship commitments for educational celebration events

\$100,000 goal of annual sponsorship from Maine & Out of State companies.

- Chef Summit
- Taste Maine's Future
- Maine Oyster Brew
- Wild Maine Food Week
- Rural Maine Food Celebration Events

FOOD TOWN FIVE PILLAR ACTION PLAN

There are five pillars comprising our strategy to accomplish the Food Town mission.

Pillar 1 – Grant Funding

The Federal-State Marketing Improvement Program (FSMIP) offers grants with a one-to-one dollar match to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing. This program could provide significant funding (up to \$200k) for Food Town.

Pillar 2 – Collaboration and Partnerships

“The whole is greater than the sum of its parts.” By creating partnerships between Maine and Maine-invested food and beverage companies on a project-by-project basis, we will amplify the messaging about the quality and benefits of Maine food products. Maine-invested includes companies that are headquartered outside of Maine but operate Maine divisions of their business in Maine.

Pillar 3 – Food Town Marketing Programs

There is a national food or beverage product celebrated every day of the year in the United States. Our alliance will seize “ownership” of specific food day campaigns and use them as a marketing platform. This national food day concept was validated with our National Wild Blueberry Pancake Cook-Off on National Blueberry Pancake Day at the 2017 Chef Summit.

Pillar 4 – Connecting with Influencers

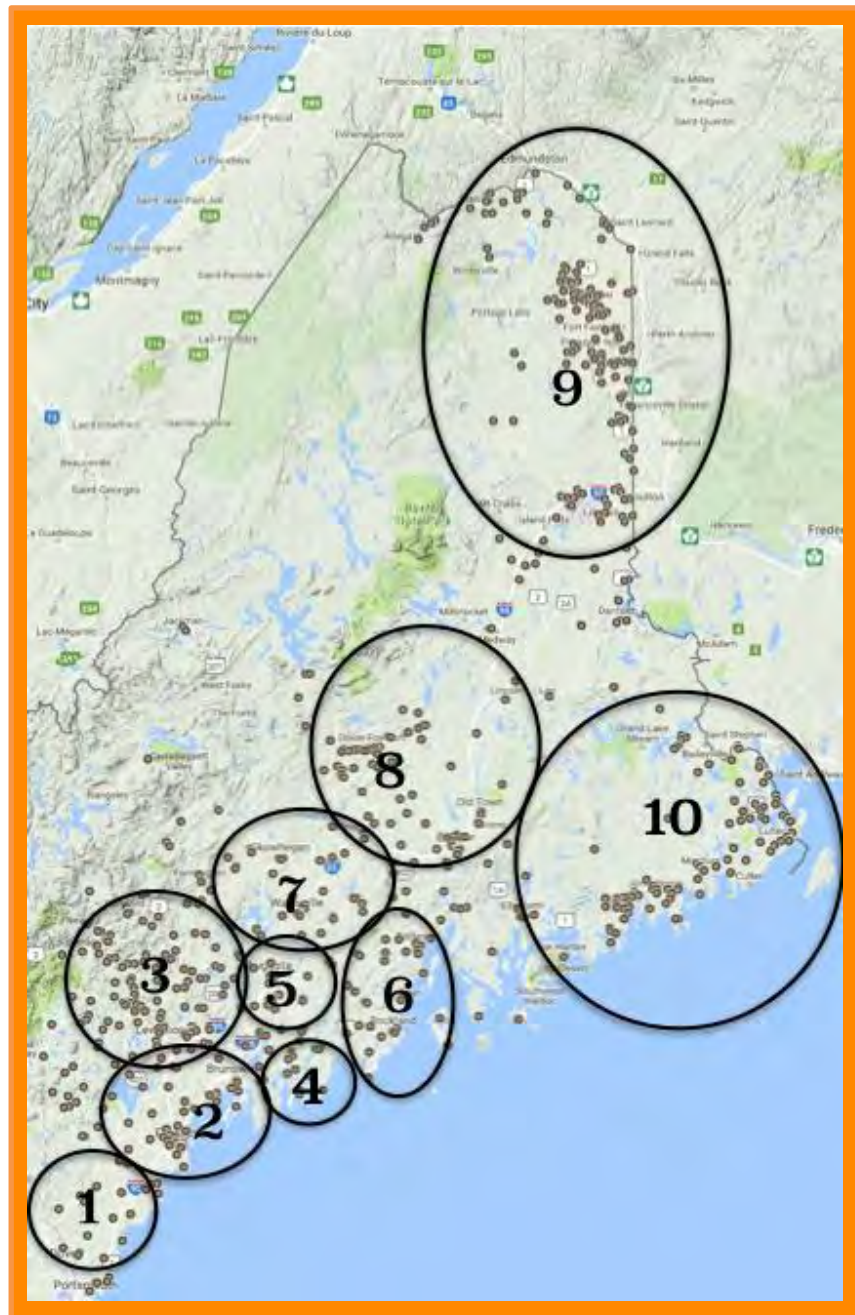
Influencers, by their very definition, hold sway in shaping the opinions of consumers. We will establish an inner circle of influencers and include them in our food-related events and activities. We intend to engage a cross section of influencers among various disciplines, including chefs, press, cookbook authors and leading authorities in fish, produce, dairy and local grains.

Pillar 5 – Investor Growth Through Education and Celebration

There are a wide range of challenges at the policy level that directly impact economic growth in Maine’s food, beverage and tourism industries. Educating policy leaders on those issues is an ongoing need and challenge. Funds are dedicated to creating consistent messaging on the issues, and inspiring policy change that will lead to increased investment in the rural food systems.

FOOD TOWN CULINARY INFLUENCER MAP

10 Regions of the state of Maine where we find the strongest density and clustering of Maine's food and beverage producers.



FOOD TOWN INFLUENCER MAP

The strategy of Food Town's influencer marketing will be focused on developing chef and culinary leader relationships for 13 US direct flight markets to Portland, Maine. Additional outreach will be made in Eastern & Maritime Canada & key North Atlantic countries such as Iceland & Norway.





EXAMPLES OF O'MAINE'S INFLUENCER EVENTS

For Maine's Food/Beverage & Hospitality Industry

O'Maine Studios develops local, regional and national culinary themed events that elevate the influence of Maine's food system. The influencer event concepts are developed in partnerships with Maine's food, beverage and hospitality industries.

Chef Summit

A global gathering of culinary and hospitality innovators. The 3rd annual event is slated for January 2018.

National Wild Blueberry Pancake Cook-Off

Chef influencers creating media and content, highlighting Maine's Wild Blueberries. The 2nd annual event will be in January 2018.

Food Town

Public and private partnerships to grow demand for Maine's rural food systems. Applications go out to key grant programs such as the USDA.

Wild Maine Food Week

Create a national media event showcasing and celebrating the abundance of Maine's wild food and beverage products and culture. Fall 2018.

Maine Oyster Brew

Pairing Maine's craft brewing and oyster industries to increase out-of-state product demand, and market the Maine Beer Trail and Maine Oyster Trail. Fall 2018.

Taste Maine's Future

Educational events to help inform Maine's policymakers on the opportunities and challenges that impact the growth of Maine's food, beverage and hospitality industries.

Over 30+ plus events have been developed and hosted at O'Maine Studios during our first 3 years. These events range from new product launches that we've hosted for Wyman's and Bristol Seafoods to educational workshops such as Maine Grain Alliance's Art of Bread.

O'MAINE STUDIOS

O'MAINE STUDIO PARTNERS

3 Years of Creating Local, Regional & National Partners



BUILDING DEMAND For Maine's Food & Beverage Industry

O'Maine Studios has been developing industry, brand and state level partnerships focused on exporting the Maine brand with influencer events that translate into compelling content and media coverage that helps grow demand and value.

[CLICK ON PHOTOS TO VIEW VIDEOS](#)

MAINE FOOD BRAND



WILD BLUEBERRY ASSOCIATION



HONEY PAW



NORTHSTAR SHEEP FARM



CHEF SUMMIT 2017



SODEXO LOCAL APPLES



BRISTOL SEAFOOD SHOWCASE



TRANSPORTATION MATTERS



SODEXO LOCAL LETTUCE



GREENHEAD SHOWCASE

FOOD TOWN CHEF INFLUENCERS

The Tao restaurant franchise started from the vision of founder Richard Wolf and his partners converting a former carriage house into spectacular dining experience. The Tao restaurant and clubs include 3 US cities and Sydney, Australia. The Maine connection began when Rich Wolf and Rory Strunk struck up a friendship on a rafting trip on the Colorado River.



NEW YORK CITY, NY

Vandal · Avenue · Beauty & Essex · Bodega Negra
LAVO Nightclub · LAVO Restaurant · Marquee NY
PHD Rooftop Lounge · PHD Terrace at Dream Midtown
Stanton Social · TAO Downtown
TAO Uptown · The Beach

LOS ANGELES, CA

Avenue · Beauty & Essex · Luchini Pizzeria & Bar
TAO Asian Bistro · The Highlight Room



Corporate Executive Chef/ Partner Ralph Scamardella

LAS VEGAS, NV

LAVO Casino & Sports Bar · LAVO Italian Restaurant
Marquee Dayclub · Marquee Nightclub · TAO Beach
TAO Nightclub · TAO Asian Bistro



SYDNEY, AUSTRALIA

Marquee- The Star Sydney



FOOD TOWN CHEF INFLUENCERS

Clinton Street Bakery and co-owner chef Dede Lahman has expanded from NYC to 4 global markets. Clinton Street Bakery includes Wild Blueberry Pancakes among its celebrated. The Wild Blueberry Commission of Maine has nurtured relationships with chefs that love our Wild Blueberries.



DUBAI, U.A.E.

TOKYO, JAPAN



Chef Dede Lahman of Clinton St. Bakery

NEW YORK CITY, NY

Clinton St. Bakery - Community Food and Juice Bar

SINGAPORE, CHINA

BANGKOK, CHINA

A FOOD TOWN CASE STUDY

Creating a World-Renowned Food Brand

Maine lobster is recognized as the premier brand for lobster throughout the world. Imagine the economic impact if we could promote another Maine product that would have Maine lobster's culinary status of supreme quality combined with outstanding tourism impact. If the proper resources were committed, the Maine oyster could become the world's premier brand.

The dynamics of building demand and creating a consumer culinary experience was brilliantly employed by the California wine industry, shifting the world's wine market from France to vineyards of California. The California vineyard owners created the farm experience model that started a new tourism industry for vineyard tours, tasting rooms, restaurants and lodging. When you think of the potential of Maine's oysters, think Napa: Napa is the leading U.S. wine brand, yet produces only 8% of the wine.

THE MAINE ADVANTAGE

The Maine oyster has some convincing advantages to be the leadership brand for top quality product that drives premium price and a must have product on the oyster menu. Our major competition, Chesapeake Bay region and Massachusetts have some advantages in funding support, proximity to major markets and ability to keep product distribution moving during the winter months. Some the Maine Oyster industry advantages include:

- The Maine brand is big draw... collaboration among oyster farmers on building the unified brand leveraged by the allure of Maine is core advantage over other major oyster markets.
- Maine's "Vacationland" is an established brand position to help Maine oyster farmers become the leader for the oyster farm tourism model. Sell the culture!
- Collaborative winter growing, seeding and distribution alliances still have a lot of room for development and are early enough for unification to play above our weight class.
- Perception of cold and clean water source will prove invaluable as Climate change continues in news headlines and food eco system sustainability.

Maine's oyster industry would thrive from a leadership strategy that establishes funding and unification to advance market growth by all the Maine food system stakeholders (the farmers, and tourism and hospitality leaders). If it can be successfully achieved in Napa, then why not in Maine?



MAINE FOOD COLLABORATIVE

The Food Town initiative was inspired by the participating industry innovators at the Chef Summits and O'Maine Studios partners and vendors. This dynamic cross section of leaders provided or helped to create case studies that directly impacted the mission of Food Town. We would like to thank everyone for their contribution.

-Rory Strunk, Founder of O'Maine Studios

NAME	AFFILIATION	NAME	AFFILIATION
Aaron Fultz	Sunday River	Keith Canning	Pine State Vending
Aaron Wisniewski	Alice & the Magician	Kerry Altiero	Café Miranda
Allison Stein	Wyman's - Connelly Partners	Kim Webber	Oakhurst Ethos Connections
Amber Lambke	Maine Grains Inc.	Kurt D. Chapin	Sysco
Amy Halloran	Author	Kyle Robinson	555 Restaurant
Amanda Gallant	Sunday River	Larus Isfeld	EMISKIP USA
Andrew Hansen	Café Miranda	Lisa Webster	Northstar Sheep Farm
Andrew Russell	Oakhurst	Luke Holden	Luke's Lobster
Andrew Taylor	Big Tree Hospitality/Honey Paw	Mark Hannibal	ProStart
Andrew Volk	Hunt & Alpine	Mark Look	Sunday River
Arlin Smith	Big Tree Hospitality	Martin Ashley	Oakhurst
Belinda Donovan	Ethos Marketing	Mary Allen Lindeman	Founder of Coffee By Design
Ben Marten	ME Coast Fishermen's Assoc.	Matt Ginn	EVO
Betsy Bieman	CEI	Matt Lacasse	Birch-Benders Micro-Pancakery
Betta Stothart	Ethos Marketing	Maeve McInnis	Sodexo
Briana Volk	Hunt & Alpine	Megan Wartman	American Lamb Board
Bruce Forsely	Shipyards	Michael Honig	Honig Vineyards
Candice Karu	Cabot Creamery	Michelle Corry	555
Carolann Ouellette	ME Dept. of Tourism	Mike Boyson	Morgan Stanley
Casey Prentice	Prentice Hospitality Group	Mike Collins	Ethos Marketing
asey Cale	Café Miranda	Mike Wiley	Big Tree Hospitality
Christopher Reed	William Grant & Sons	Nancy McBrady	Wild Blueberry Commission of ME
Dan Dumont	Migis Lodge/Black Point Inn	Nick Lambert	Sunday River
Dana Bullen	Sunday River	Noah Burke	Downeast Cider House
David Squillante	Shipyards Brew Pub	Patrick Arnold	New England Ocean Cluster
Doug Papows	Emerson Inn	Peter Handy	Bristol Seafoods
Duncan McSweeney	Backyard Farms	Peter Twatchman	Migis Lodge/Black Point Inn
Emily Taylor	Birch Benders	Phil Latini	Sysco
Eric Hansen	Café Miranda	Polly Reynolds	Greenhead Lobster
Eric James	MERTEC	Ryan McPherson	Glidden Point Oysters
Evan Mallett	Black Trumpet	Sam Brown	Pine State Vending
Fred Forsley	Shipyards	Samantha Gifford	Gifford's of Maine
Glenn Rudberg	Ethos Marketing	Sarah Price	Ethos Marketing
Gray Harris	CEI	Sean Corbett	Ice Pick Vodka
Harding Smith	The Rooms	Sean Sullivan	Maine Brewers Guild
Hayley Foydel	Luke's Lobsters	Sean Wilkinson	Might and Main
Heath Weatherbee	Sunday River	Sarah Petrin	Sunday River
Hermann Gudmundson	Marketing Man of Iceland 2009	Shelly Bowen	Sunday River
Hugh McLaughlin	Glidden Point Oysters	Steve Grubbs	Second Act Media
Hugh Reynolds	Greenhead Lobster	Steve Hewins	ME Restaurant/ Inn Assoc.
Jason Thibodeau	Duck Trap/Marine Harvest	Steve Sicinski	Nonantum Resort
JC Gifford	Gifford's of Maine	Taylor Benenti	Migis Lodge/Black Point Inn
Jeff Johnson	Duck Trap/Marine Harvest	Tina Hewitt-Gordon	Nonantum Resort
Jen Watchorn	CAMP	Tom Hugill	Wymans
Jim Britt	Backyard Farms	Tory Mains	Harraseeket Inn
Jim Darroch	Hospitality Marketing	Tristan Noyes	GroMaine Organic Produce
Jim Largess	Sunday River	Varun Avasthi	Sodexo
John Bennett	Oakhurst	Veronica Alcaro	Wyman's-Connelly Partners
John Rebar	UMO Cooperative Extension	Wendy Benney	Sodexo
Josh Miller	Captain of F/V Doracas Anne	Will Gibney	Café Miranda
Julia Brandy	The Via Agency	William Terry	Sysco
Kate McAleer	Bixby & Co.		

May 15, 2017

Thomas A. Toye, III is the sole member of several LLC's that own real estate in the City of Portland.

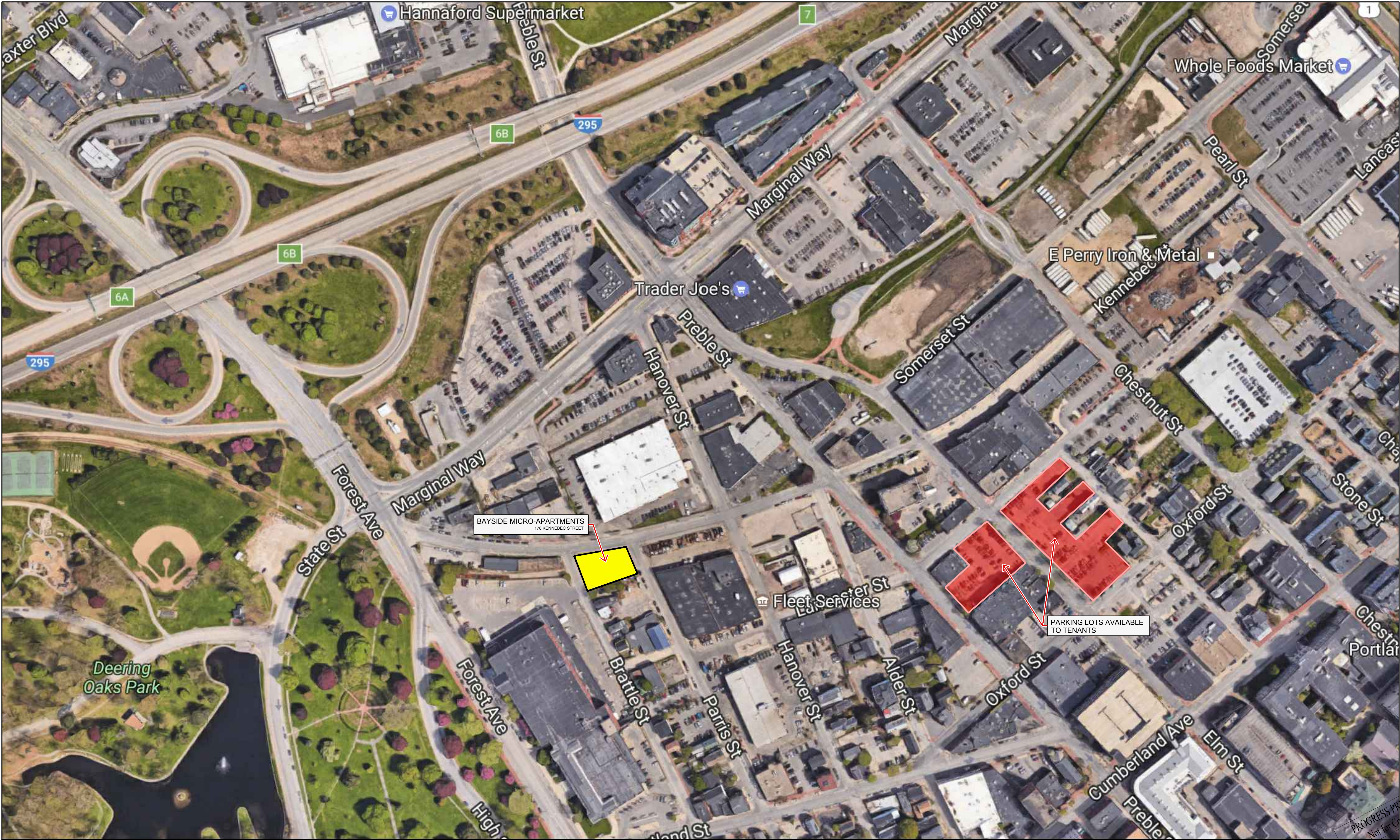
Toye has owned Bayside I, Bayside II, Bayside III, and Bayside IV in the West Bayside neighborhood for more than 17 years. Toye has completed many large remodeling projects for tenants over the years. Currently Bayside II is working with Baxter Academy to develop approximately 32,000sf of space to accommodate their relocation and expansion needs.

Toye restored 135 Congress St. into 3 residential condo's and 1 commercial condo known as Hilltop Market on Munjoy Hill.

If Toye is the successful bidder for the 'parcel 6' located on Kennebec St., it is Toye's desire to develop a new concept of affordable 'micro' apartments. Rents would be in the \$850-900/mo range for all units. Toye is aware of the "Inclusionary zoning" requirements of the City and would include those units in the project. A conceptual elevation drawing is included.

BAYSIDE MICRO-APARTMENTS
PORTLAND, MAINE

JUNE 13, 2017



BAYSIDE MICRO-APARTMENTS

PORTLAND, MAINE

JUNE 13, 2017



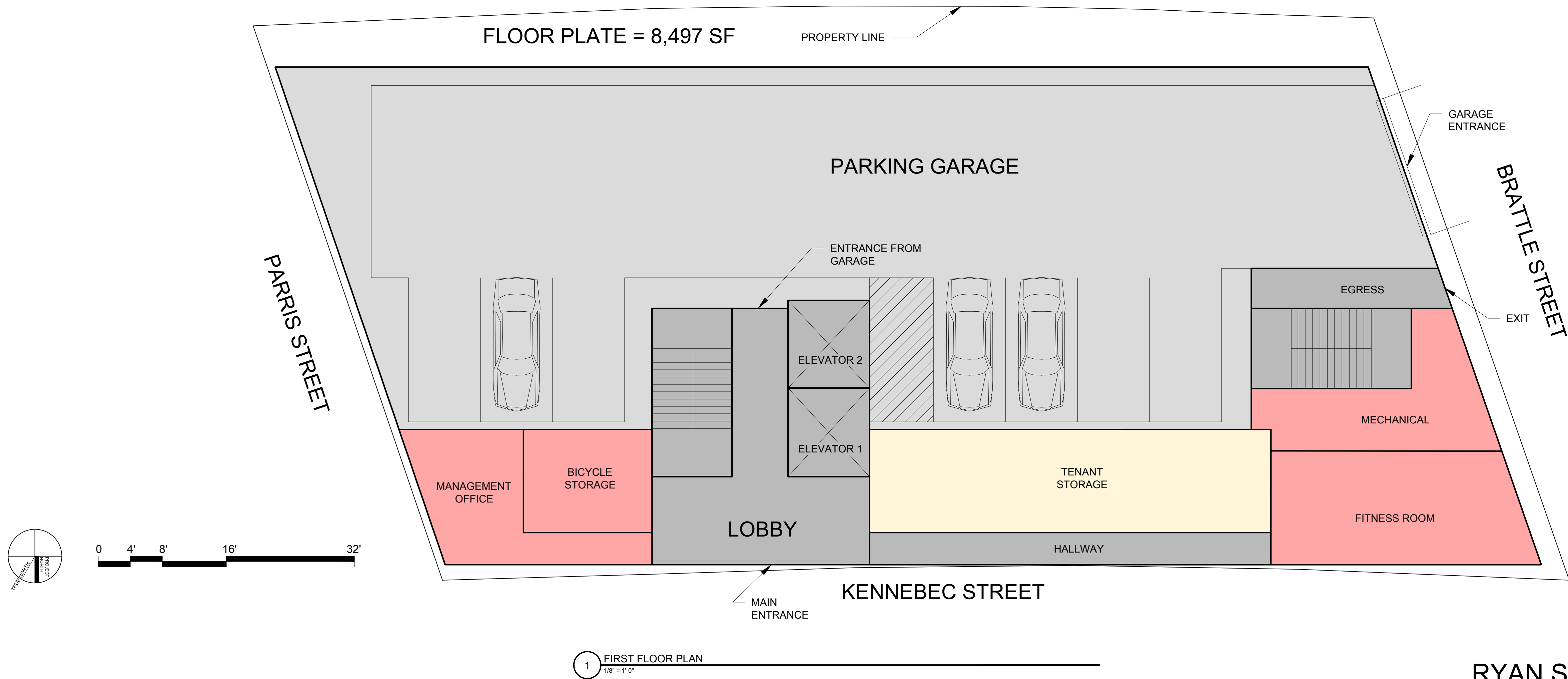
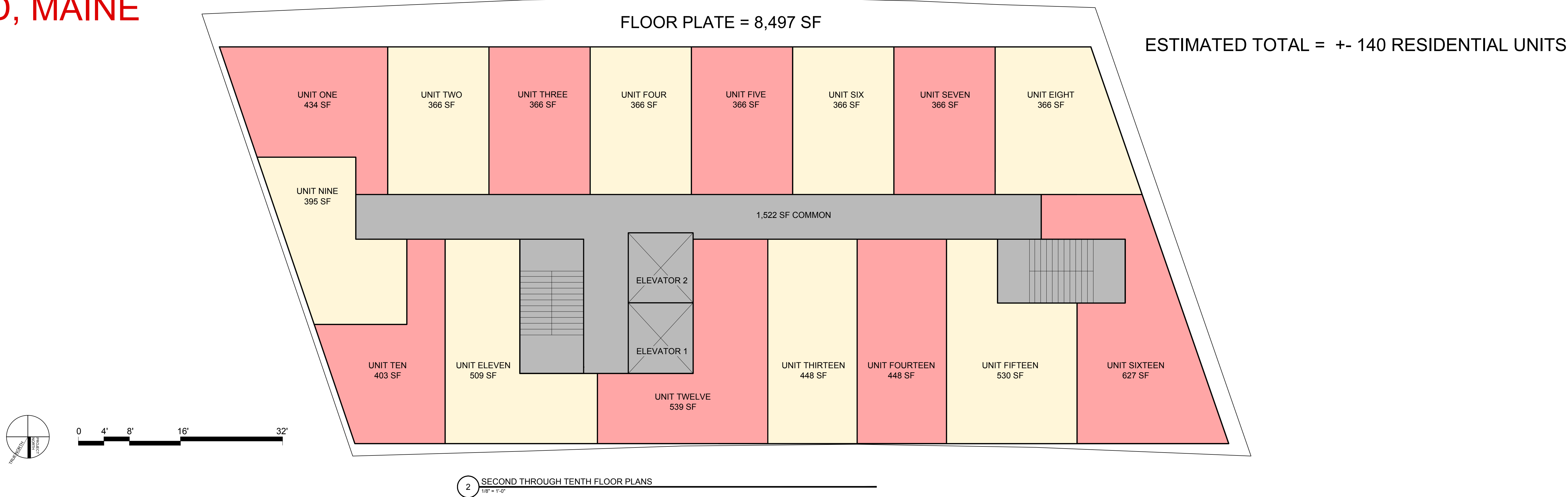
1 VIEW LOOKING EAST ON KENNEBEC STREET
N.T.S.

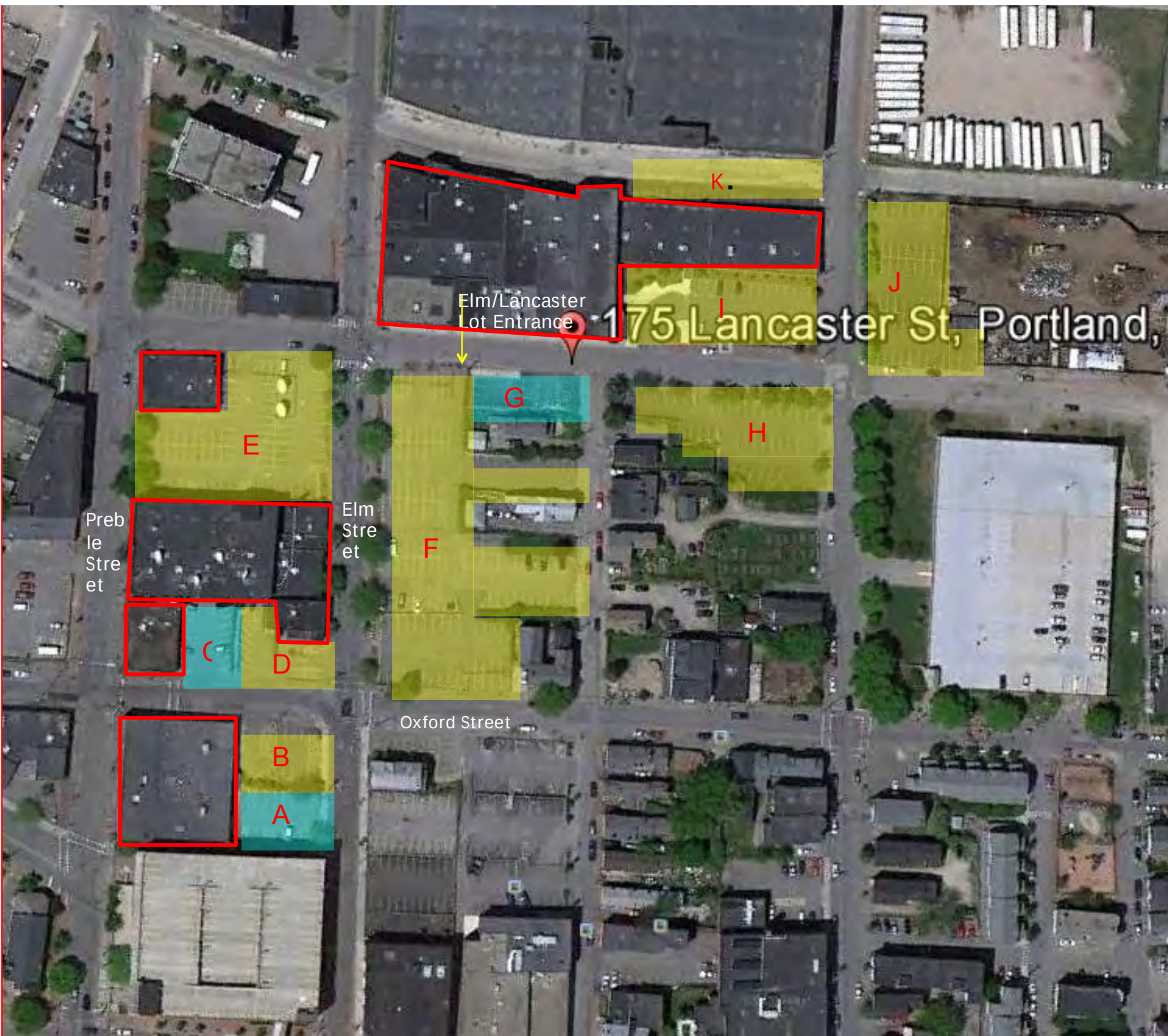
RYAN SENATORE **ARCHITECTURE**

PROGRESS PRINT ONLY
Not for Construction

BAYSIDE MICRO-APARTMENTS
PORTLAND, MAINE

JUNE 13, 2017





A
14 Regular*
2 Handicap

B
16 Regular

C
12 Regular**
4 Handicap

D
12 Regular
3 Handicap

E
82 Regular
2 Handicap

F
140 Regular

G
3 Regular
6 Handicap

H
38 Regular

I- CCC
24 Regular
3 Handicap

J- CCC
56 Regular

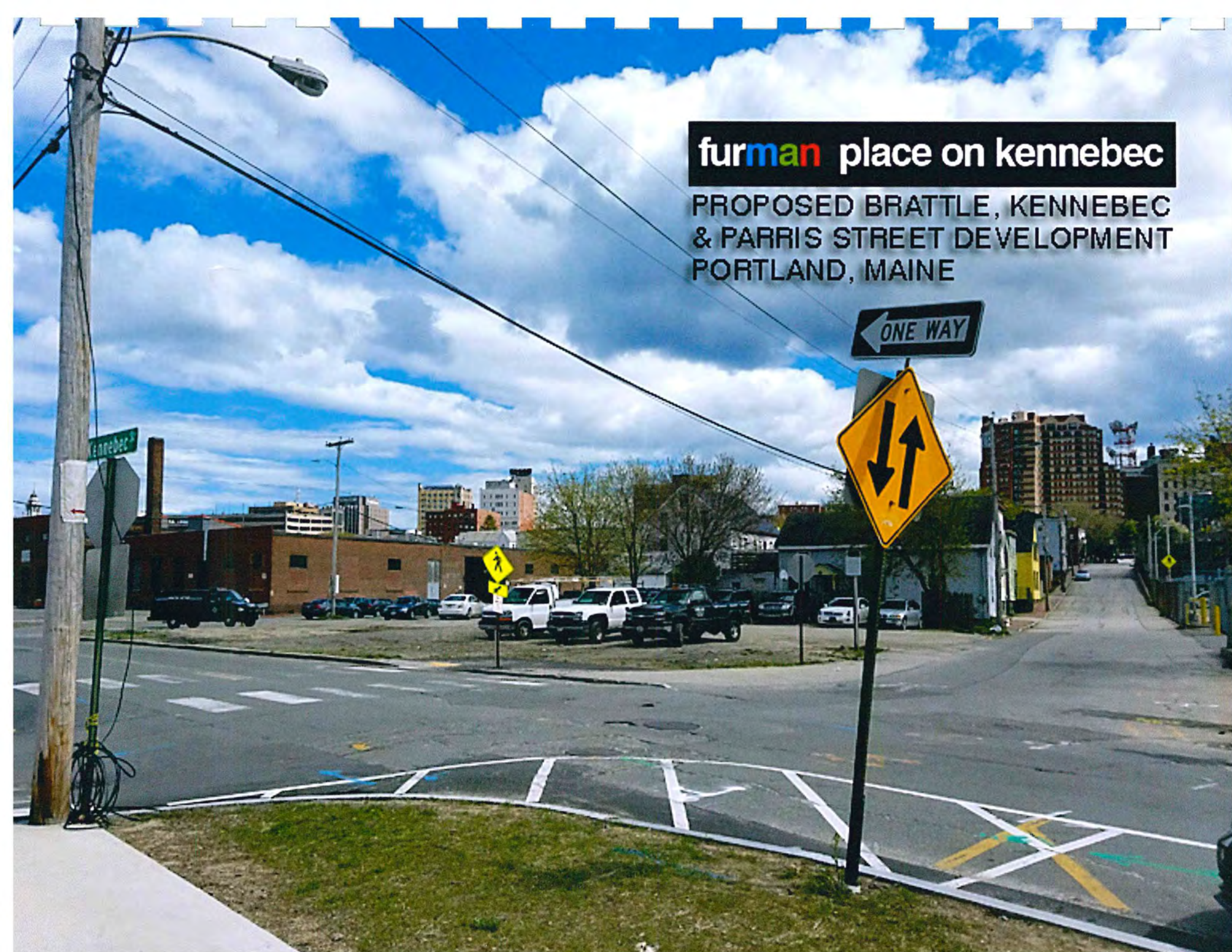
Kennebec St- CCC
19 Regular
1 Handicap

Totals
Regular 418
Handicap 21

*3 for GSFB.
**Includes 3 Reserved
Spaces for CarePartners &
2 Reserved Spaces for
Goodwill.

furman place on kennebec

PROPOSED BRATTLE, KENNEBEC
& PARRIS STREET DEVELOPMENT
PORTLAND, MAINE



The Szanton Company

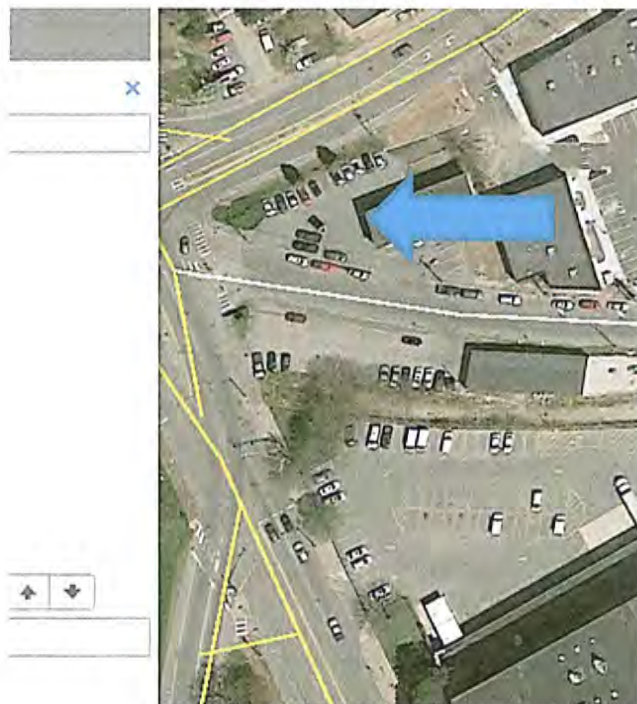
The mission of The Szanton Company (TSC) is to create comfortable, attractive, and affordable rental housing. We do this by:

- Creating beautiful apartments of high quality in locations in or near downtowns, adding vitality to our cities and towns;
- Serving people with diverse incomes;
- Incorporating the highest standards of environmental responsibility in our properties, thereby minimizing their impact on the earth's environment;
- Creating amenities for our residents which enhance their quality of life;
- Building properties which provide a consistent financial return to their owners, thus ensuring their stability for residents, lenders, investors, and neighborhoods.

We have extensive experience developing multifamily rental properties in Maine and New Hampshire, including seven existing properties totaling 334 units. Three of these are in Portland: Casco Terrace at 41 State Street; Walker Terrace at 1 Walker Street and 53 Danforth Street. We have two additional properties in the development pipeline, a 59-unit project under construction in Bath, Maine, and a 63-unit project in pre-development in Lewiston, Maine.

We have partnered with Ross Furman to provide housing on land he owns on the block bordered by Kennebec, Parris, Brattle and Lancaster Streets.

We understand that the last piece of the block (approximately 10,000 square feet closest to and abutting Kennebec St.) is subject to the City's RFP process.



Project Details

We are working with Ross Furman's team to incorporate housing into their multi-phase development of the block. Included in these materials is a site plan showing the block and the three phases of development. Conceptually, the first phase would include the area closest to Kennebec Street. It would include ground-level retail and/or artist studio space with approximately 50 units of housing on the upper floors. The housing would be rental, a mix of studio, 1-, 2-, and 3-bedroom apartments. We've included a concept floor-plan of Phase One.

The site has some unique advantages for residential development:

- The City has identified the Bay Side neighborhood as a priority for redevelopment. Kennebec Street is a prominent street in Bayside, and street-level retail will dovetail well with surrounding buildings.
- A mixed-use residential/retail building will bring new residents to live, work, and shop in Bayside, reinforcing the urban fabric and adding new vitality to the core of the City.
- The site is within walking distance of a variety of services and destinations for daily living (e.g., banks, library, schools, Deering Oaks, etc.) as well as employers and public transportation.

We expect the income mix targeted for this development will be 35% market rate, and 65% affordable (aimed at those at or below 60% of the area median income.)

The residents are intended to mirror the mix of people, incomes, and occupations in Portland. We have seven other properties with similar unit mixes and we know that tenants in income-restricted units will include people with jobs at the lower end of the wage scale, such as nurse's aides, entry-level workers in local businesses, clerks, artists, etc. The market-rate units are likely to have attorneys, doctors, or other urban professionals as tenants.

Management



We have an in-house property management company called Saco Falls Management (SFM). Our staff is dedicated to making our residents the central focus of our organization and creating a rental experience which far exceeds our residents' expectations, both in level of upkeep of properties and responsiveness to their needs.

For more information on our management company, please visit www.sacofallsmanagement.com.



April 26, 2017

Mr. Nate Stevens
CBRE/The Boulos Company
One Canal Plaza
Portland, ME 04101

RE: Ross Furman: Portland Public Works property

Dear Nate:

I am writing to inform you that Gorham Savings Bank has been doing business with Ross Furman since September of 2006. He has handled his banking relationship in a fully satisfactory manner. Based on Ross' history with the Bank, he has exhibited the financial capacity to complete the proposed purchase of the Portland Public Works property.

If you should need further information, please call me at 222-1498.

Sincerely,

A handwritten signature in blue ink, appearing to read "F. G. Proctor", is written over the word "Sincerely,".

Frederick G. Proctor
Vice President

Cc: Ross Furman

KENNEBEC STREET

PHASE ONE

PHASE TWO

Existg 3 Story Gable
Roof Building

BLOCK & BRICK BUILDING

New 4 Story Building

Existg Single Story
Flat Roof Structure

PHASE THREE

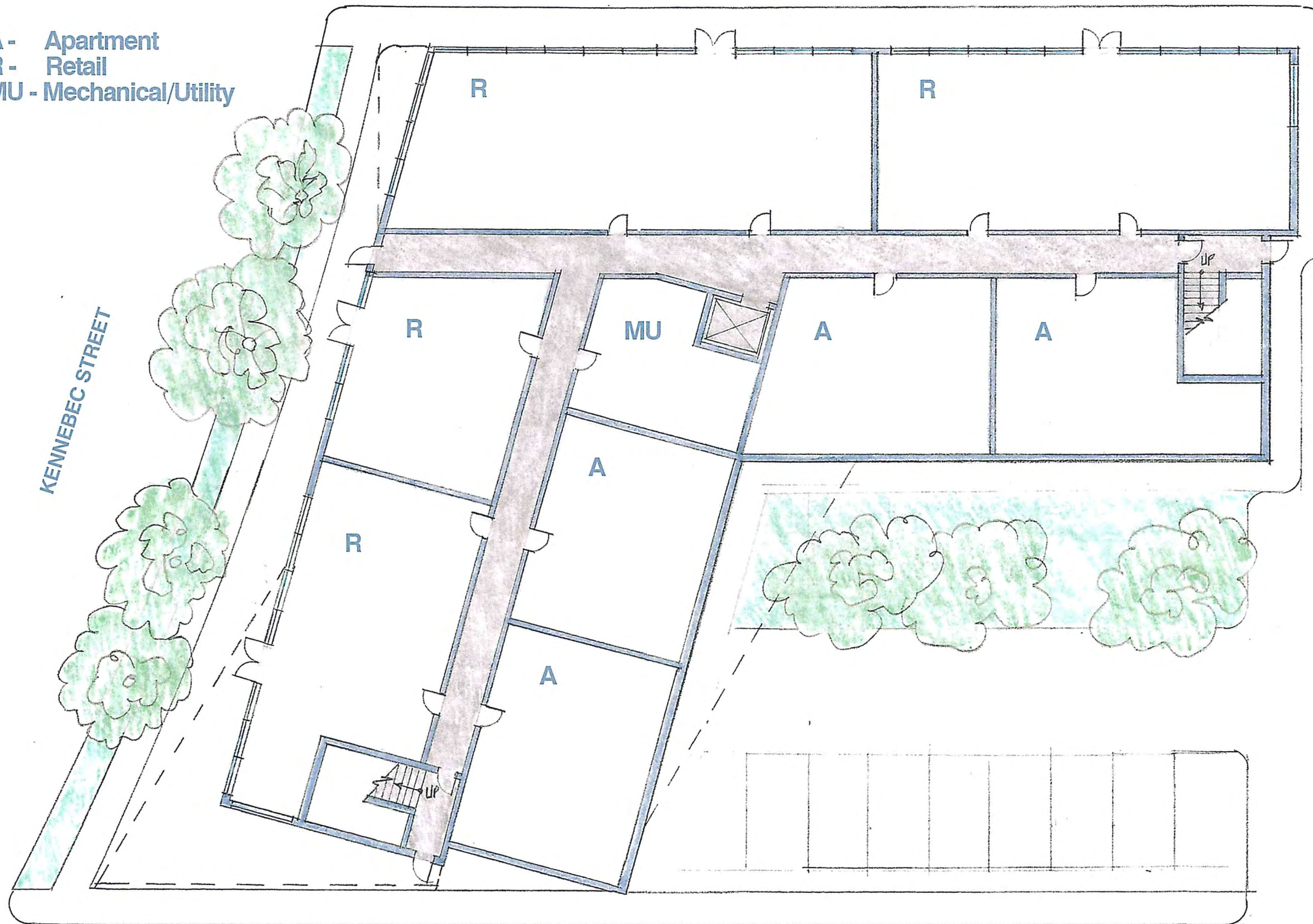
BRATTLE/KENNEBEC/PARRIS STREET DEVELOPMENT

PHASED DEVELOPMENT SITE PLAN - APPROX: 42,120 GSF

ARCADIA
06-2017 *designworks*



A - Apartment
 R - Retail
 MU - Mechanical/Utility

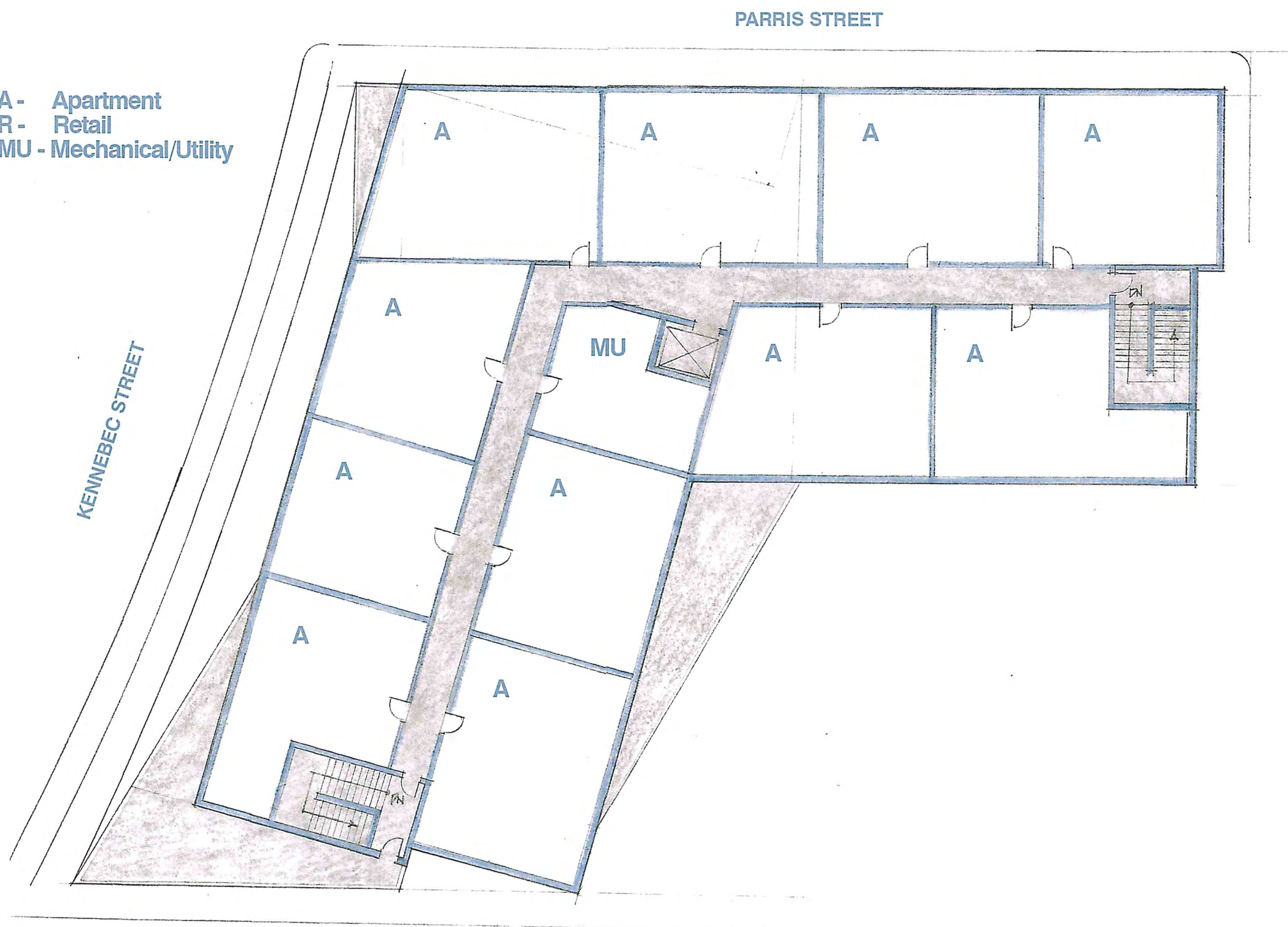


furman place on kennebec

BRATTLE/KENNEBEC/PARRIS STREET DEVELOPMENT
BUILDING CONCEPT - GROUND LEVEL PLAN 13,088 GSF

ARCADIA
 06-2017 designworks

A - Apartment
R - Retail
MU - Mechanical/Utility



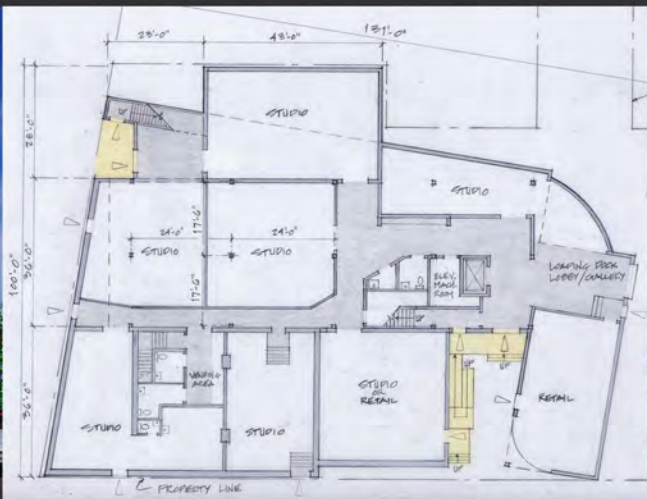
furman place on kennebec

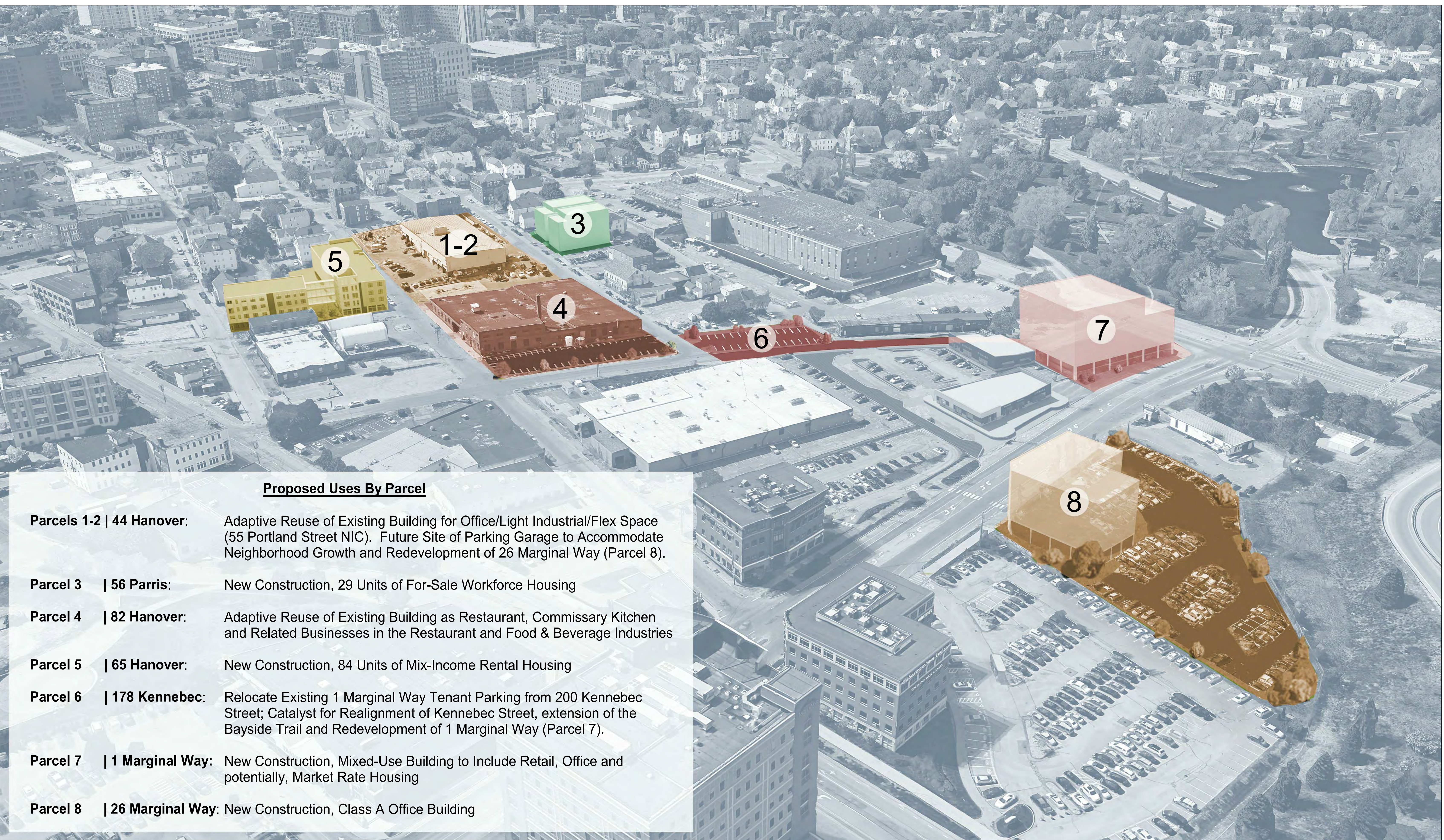
BRATTLE/KENNEBEC/PARRIS STREET DEVELOPMENT
BUILDING CONCEPT - UPPER LEVEL PLAN

13,088 GSF

ARCADIA
06-2017 designworks







Proposed Uses By Parcel

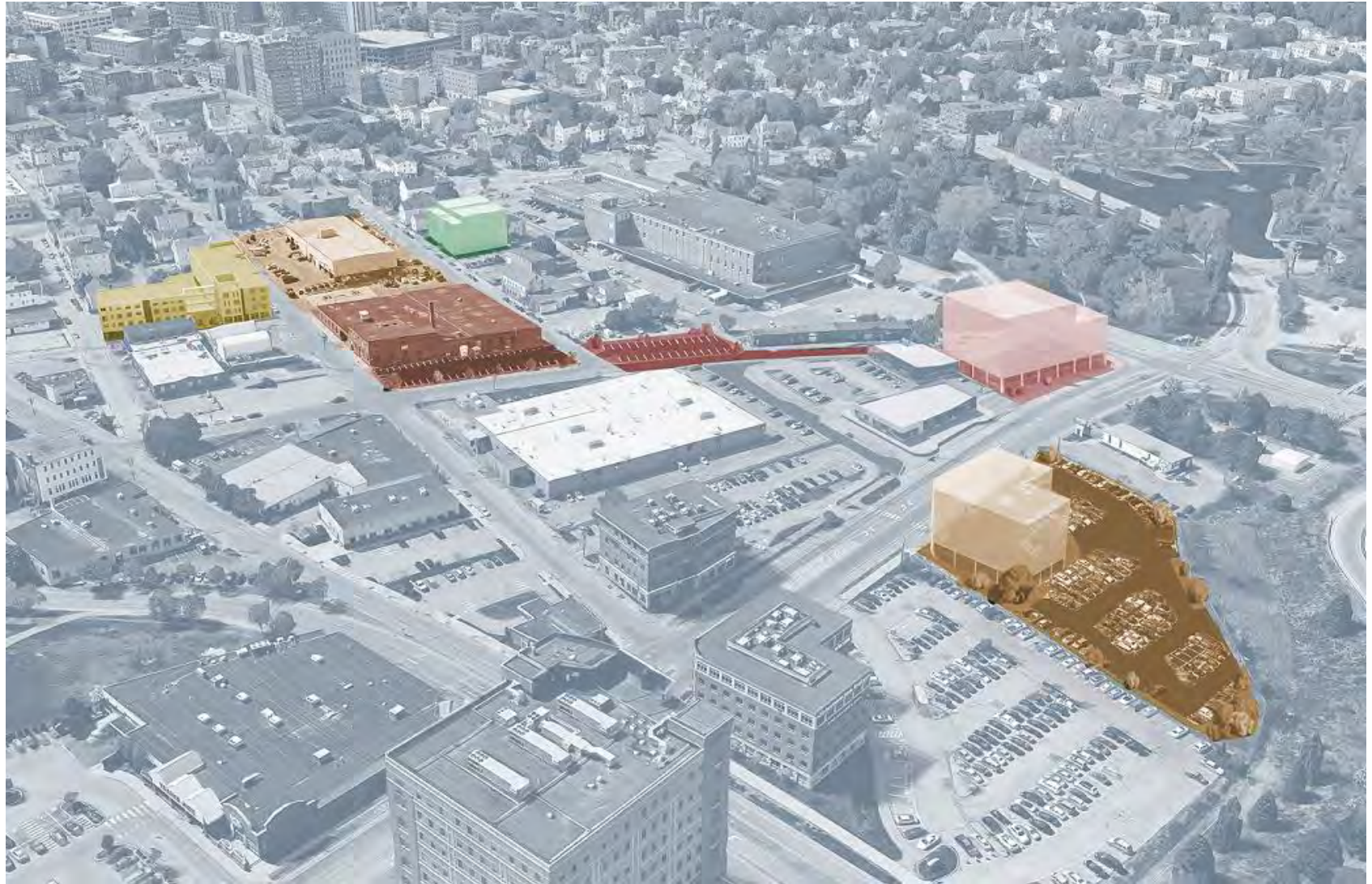
- Parcels 1-2 | 44 Hanover:** Adaptive Reuse of Existing Building for Office/Light Industrial/Flex Space (55 Portland Street NIC). Future Site of Parking Garage to Accommodate Neighborhood Growth and Redevelopment of 26 Marginal Way (Parcel 8).
- Parcel 3 | 56 Parris:** New Construction, 29 Units of For-Sale Workforce Housing
- Parcel 4 | 82 Hanover:** Adaptive Reuse of Existing Building as Restaurant, Commissary Kitchen and Related Businesses in the Restaurant and Food & Beverage Industries
- Parcel 5 | 65 Hanover:** New Construction, 84 Units of Mix-Income Rental Housing
- Parcel 6 | 178 Kennebec:** Relocate Existing 1 Marginal Way Tenant Parking from 200 Kennebec Street; Catalyst for Realignment of Kennebec Street, extension of the Bayside Trail and Redevelopment of 1 Marginal Way (Parcel 7).
- Parcel 7 | 1 Marginal Way:** New Construction, Mixed-Use Building to Include Retail, Office and potentially, Market Rate Housing
- Parcel 8 | 26 Marginal Way:** New Construction, Class A Office Building

COMPLETING A NEIGHBORHOOD
WEST BAYSIDE REDEVELOPMENT GROUP

Portland, Maine

JULY 2017

A0.1



**COMPLETING A
NEIGHBORHOOD**

**The West Bayside
Development
Group**

The West Bayside Redevelopment Group

July
2017

The West Bayside Redevelopment Group is a team of Portland-based commercial and residential development companies that share a common vision for West Bayside; ***create a vibrant, 24/7 mixed-use neighborhood by building housing and commercial spaces designed specifically for business owners, entrepreneurs and workers in Portland's restaurant, food & beverage and hospitality industries.***

The group's strategy to achieve its vision; ***bring together a team of the strongest local developers, collaborate with neighborhood stakeholders, structure a process to ensure success and build projects that are distinct, compatible and achievable.***

Our Team: The West Bayside Redevelopment Group is comprised of five companies that have a track record of delivering successful development projects on the Portland peninsula and throughout the Bayside neighborhood;

- o **Atlantic Bayside:** Commercial real estate development company that has developed more than **600,000 SF of commercial space** in Bayside; 84 Marginal Way (Intermed Building), 68 Marginal Way (AAA Building) and 63 Marginal Way (Gorham Savings Bank) and 171 Kennebec Street (USPS Maintenance Facility).
- o **Northland Enterprises:** Mixed-use development company that has owns and operate **22,000 SF of retail space** in West Bayside; 29 Marginal Way (Century Plaza), 1 Marginal Way (Enterprise), 200-202 Kennebec Street.
- o **BOPO LLC:** Owner of Bayside Bowl property and land at 58 Alder and 71 Hanover Street. Bayside Bowl is a **40,000 SF destination entertainment and restaurant space** in the heart of West Bayside.
- o **Avesta Housing:** Non-profit housing organization (2,500 units) that has developed **336 units of affordable, rental housing** in the Bayside neighborhood. Avesta's main office (25,000 SF) is also located in Bayside, where it operates a homeownership counseling center.
- o **Renewal Housing:** National affordable housing company (2,500 units) that has developed an innovative model to create **for-sale workforce housing**. The firm's partners are breaking ground on their second for-sale property in the West End this fall.

The West Bayside Redevelopment Group

July
2017

Our Plan: The West Bayside Redevelopment Group will purchase and redevelop five municipally-owned parcels to create more than *100,000 SF of commercial space, 84 units of mixed-income rental housing and 29 units of workforce, for-sale housing*. In total, the Group's development proposal will generate more than **\$50MM** of private investment in West Bayside.

○ **84 Hanover:**

- **Developer:** Atlantic Bayside, Northland Enterprises and BOPO LLC
- **Plan:** Adaptive Reuse of Existing Building
- **Proposed Uses:** Anchor restaurant tenant, Commissary Kitchen, office/light industrial/retail space for local businesses in the restaurant and food & beverage industries

○ **65 Hanover:**

- **Developer:** Avesta Housing
- **Plan:** New Construction
- **Proposed Uses:** 84 units of mixed-income rental housing; two-thirds of the units will have below-market rents set at levels affordable to households earning between \$18,000 and \$45,000. The remaining units will be market rate.

○ **56 Parris:**

- **Developer:** Renewal Housing
- **Plan:** New Construction
- **Proposed Uses:** 29 units of workforce, for-sale housing targeting households earning between \$55,000 and \$89,000.

○ **44 Hanover:**

- **Developer:** Atlantic Bayside
- **Plan:** Adaptive Reuse of Existing Building
- **Proposed Uses:** Office|Light Industrial|Flex space. Long-term this site will be redeveloped for structured parking to support construction of a 50,000+/- SF Class A office building at 26 Marginal Way.

○ **178 Kennebec:**

- **Developer:** Northland Enterprises
- **Plan:** Relocate tenant parking from 200 Kennebec Street to allow for the realignment of Kennebec and redevelopment of 1 Marginal Way as a mixed-use property that will serve as a gateway for the Bayside neighborhood.

Competitive Advantages: The West Bayside Redevelopment Group's plan has five distinct competitive advantages;

- ✓ **Hybrid Acquisition and Development Strategy to Ensure A Timely Closing – and that Each Project Gets Built:** The Group is offering a single purchase and sale agreement with limited conditions to close on all five parcels. The offer is not contingent on obtaining financing or site plan approvals. After closing, each development team has an independent program and process that is not tied to the remaining projects. To further ensure success, each individual plan has been designed on a scale that is achievable and financeable based on current market conditions.
- ✓ **A Strong Local Development Team...with a Track Record of Success in Bayside:** Each of the Group's members has the capacity and industry experience to complete their respective development project. More importantly, members of the Group know how to develop, market and operate properties in Bayside; collectively, members currently own and operate over 675,000 SF of commercial space and 336 units of housing in the Bayside neighborhood.
- ✓ **Greatest Number of Residential Units to Address Portland's Affordable Housing Needs:** Combined, the housing components of the Group's proposal will result in more than 110 units of workforce housing in Bayside, including 84 mixed-income rental units and 29 home ownership opportunities for first-time home buyers and middle-income households.
- ✓ **Leverage Additional Private and Public Sector Investment in Bayside Beyond the Public Works Facility:** The Group's plan not only identifies near-term, concrete development projects for five city-owned parcels. It also includes achievable long-term redevelopment plans for privately-held parcels that will create new landmark properties in Bayside. These plans will further support key neighborhood public infrastructure improvements, most notably the realignment of Kennebec Street and the extension of the Bayside Trail.
- ✓ **A Coherent Neighborhood Redevelopment Strategy to Support One of Portland's Most Important Industry Sectors:** Each of the proposed development projects is designed to complement one another in order to achieve the Group's shared vision of creating a dynamic, mixed-use neighborhood, which will support local business owners, entrepreneurs and workers in Portland's restaurant, food & beverage and hospitality industries.



To: Councilor Mavodones and Members of the Finance Committee
From: Brendan T O'Connell – Finance Director, Anita LaChance – Deputy City Manager
Re: Appropriation of Midtown Sales Proceeds – Public Administration Systems Software
Date: 10/27/16

In June 2016 the Federated Companies, LLC purchased parcels of property from the City in the Bayside neighborhood for \$2,300,225. After payment of the real estate broker commission, the City received net revenue of \$2,135,585. Because this is an unbudgeted one-time revenue the funds need to be appropriated by City Council. This outlines the staff request for appropriation of \$1,000,000 of these funds towards relocation of Public Works to Canco Road and \$1,000,000 of these funds to fund City of Portland RFP #5114 *Proposal for Public Administration Systems Software*.

Request for Appropriation – Canco Road

The relocation of Public Works from West Bayside was first proposed well over a decade ago. The earliest cost benefit analysis done in 2003, contemplated the use of land sale proceeds to accomplish the relocation. Since that time, the City has explored a variety of possible locations including outer Congress St, Riverside St and Presumpscot St., all of which were determined to be inadequate for one reason or another. In 2010, the City Council voted to set aside \$826,500 in sale proceeds for the relocation of Public Works (then Public Services, see attached memorandum and council order).

In 2013, City staff identified a property at 212 Canco Rd, which would allow us to finally begin the relocation Public Works. As part of the FY14 CIP, the City Council authorized bonds in the amount of \$3,050,000 for the purchase of 212 Canco Rd. The bond order stipulated that, should the Bayside property be sold prior to the sale of the bonds, the bond amount would be offset by the net sale proceeds (page 1 of Bond Order, with stipulation highlighted, attached). With the delay of the sale of the Bayside property, there were not offsetting funds and the entire \$3,050,000 was bonded.

In the spring of 2015, the property at 250 Canco Rd., which is contiguous to 212, was put up for sale. Staff brought forward a recommendation to purchase the property through both the Finance Committee and Housing and Community Development Committee, initially in executive sessions and later in public sessions, where both committees voted unanimously to recommend approval. On July 20, 2015, the City Council authorized the purchase of 250 Canco Rd, utilizing a \$3.4 million General Obligation Bond and \$930,000 in sales proceeds. The back-up material noted that this was Phase 1 of the project and that Phase 2 of the project to relocate Fleet Services would require a new addition and was estimated to cost in excess of \$8 million. Also included in the back-up material was a master plan developed by Sebago Technics. The Council agenda memo and master plan are attached.

Request for Appropriation – RFP #5114 Proposal for Public Administration Systems Software

On Wednesday, March 2, 2016 the City of Portland released RFP #5116, *Request for Proposals – Public Administration Systems Software*. The purpose of the RFP was to identify options for a comprehensive public administration software system. The City has been operating with a system which was originally purchased in 1996, Sungard NaviLine. The existing system is extremely

outdated, causes significant inefficiencies in daily operations, and contributes to an often frustrating experience for City employees, residents and taxpayers. Additionally, our existing software provider chose not to bid on RFP #5114 with any potential options for an updated public administrative software solution. The company was recently acquired by Fidelity Investments and it is believed that future investment in their software will be minimal. Technical support for our existing system may cease to exist in the coming years and it is imperative that the City get ahead of the curve in regards to a finding a replacement.

History and Current Status of Public Admin Software in Portland

Over the years several attempts have been made to upgrade the City public administration software, but those efforts failed due to inadequate funding and lack of support, leaving the City further and further behind during a time where technological advances have been coming faster than ever before. Rather than take no action, City staff has been forced to take alternative steps to address our underfunded technology needs. Those actions have included:

1. IT Department “home grown” software solutions - A number of internally programmed Microsoft Access databases are used to perform many of the City’s most important functions (examples include Parking Enforcement, General Assistance, Housing Safety Inspections, the Capital Improvement Plan, Cash Receipts, Budget Adjustment Requests among others).
Pros: Low cost **Cons:** Limited number of internal IT staff with programming ability for customization and internal customer service, and our technology is incredibly basic when compared to industry leading public admin software.
2. Piecemeal software purchases – Individual Departments have often needed software solutions so badly that they requested and/or used operating budget funds to make an individual software purchase (recent examples include HR – CivicHR, Rec & Facilities – Community Pass).
Pros: Immediate band aid for a specific need **Cons:** Lack of integration City wide, higher cost per module than if purchased as part of an overall public administration software system.

Continuing on the current path of IT Department “home grown” solutions and piecemeal software purchases is unsustainable. The number of inefficiencies which exist in daily operations has continued to increase and have an impact on nearly every department. Staff turnover has left the City with fewer and fewer experts who are trained on our existing system, and replacements are nearly impossible to find (the nearest community which still uses a similar system is in Rhode Island).

City Council Support for Technology, Software, and Innovation

In January 2016 the City Council met to develop a clear understanding of key priorities and goals for the Council and its Committees. The implementation of a new public administration software system, would directly address several of these goals:

1. Create a more efficient permitting process with specifics; computer tracking (NOTE: This was the #1 goal of the Economic Development Committee and the Housing Committee also had “Improvement in planning and inspections” listed as one of their goals)

Work has already begun in this area, streamlining our internal processes and forming a standalone Inspections Department. However, adopting state of the art, industry leading permitting and inspections software will be the leading driver of a more efficient permitting process. An updated software solution will include software which can manage automation of planning & project review, permitting, enforcement, inspections, housing safety, business and

other licensing. A new software solution would also be compatible with mobile device usage, with inspections in the field having a fully functional platform of applications for mobile use.

2. Figure out how to make city services run more effectively and efficiently (Finance Committee)

City staff from every department was invited to view a demo from Tyler Technologies, one of the bidders on RFP #5114. A small subset of the positive feedback received is included below:

- Finance
 - **Budget:** Fully customizable, allows comparison of up to 5 budget levels, permits easy downloading of reports into Excel, is much simpler & less rigid than current system.
 - **Financial statements:** generation partially automated (full manual process now)
 - **Grant and fixed asset reporting** modules much more robust than current software
 - **Accounts receivable** module works properly (our current module is broken, errors require manual correction to each period).
 - **Payroll:** Eliminates significant manual work required (calculating garnishments, tracking leave accruals, editing payroll manually, automation of employee self service). Vastly superior reporting capabilities and ability to assist with union costing. Would easily facilitate online pay stubs and our move to mandatory direct deposit / pay cards.
- Human Resources
 - **Performance management** tools, along with tools for tracking corrective actions through the progressive disciplinary process from start to finish (all a manual process now)
 - Permits tracking of union and non-union employee grievances, etc. OSHA/WC capabilities and the enhanced ability to track all training (both required and voluntary).
 - **Benefits:** Allows us to customize and design our annual total compensation statements, easily meet Affordable Care Act 1094C & 1095C tracking and reporting requirements, track benefit payment arrears and set up repayment plans upon return from leave of absence, create onboarding and enrollment forms that could relay information to group benefit administrators, for example, submitting information directly to the dental carrier, Northeast Delta Dental all would bring much more efficiency and modernization to the work we do each day.
 - **Employee self service** feature is also a plus where employees could submit changes in tax withholding, etc. but also perform a "what if" calculation to see the impact is helpful as well.
- For Citizens, Residents, Businesses
 - Shopping cart format so all bills can be paid at one time, in the same transaction
 - "The Citizen Self Serve for the tax billing module allows a citizen to view and reprint any bill generated by the system. It would integrate with our current IAS Assessing system, which is a Tyler product, eliminating the multiple steps of re-entering data from one system to the other. Our current system is a very complex process for generating tax bills and this would streamline that process as well
 - Stormwater Billing – Would eliminate a significant portion of the manual calculations required and would help streamline the billing process overall, saving staff time.

3. Research Best Practices (Economic Development)

City Council has encouraged staff to research and implement best practices. Tyler Technologies public administration software is a municipal government best practice not only here in Maine but nationwide. When recruiting for new City staff, it is incredibly difficult to find anyone with experience using our existing system. If Tyler Technologies software was used by the City, we would be able to find experienced talent from nearly 60 other municipalities in Maine (see Appendix A) and over 500 within New England.

In summary, the adoption of new public administration software is a significant investment which is long overdue. The one-time cost of the software alone is approximately \$500,000, despite a 60% discount. When implementation and data conversion costs are added in, the one-time cost totals \$2,038,000. While these costs are usually paid up front, Tyler has agreed to phase this cost over three years. They have also discounted annual maintenance by 20%, resulting in a manageable impact on the operating budget. Spreadsheets are attached which detail both the one-time and annual costs of this initiative, as well as a copy of the draft contract.

Canco Road Attachments

**CITY OF PORTLAND, MAINE
MEMORANDUM**

TO: Joseph E. Gray, Jr., City Manager

FROM: Ellen Sanborn, Finance Director

DATE: July 1, 2010

RE: Reserving Property Sale Proceeds for DPS Relocation

You will recall that during budget reviews, the Finance Committee proposed allocating a portion of two pending property sales proceeds as revenue in the FY2011 budget to reduce taxes, which was approved by the Council in passing the budget. During that discussion, the Committee expressed interest in reserving the balance of proceeds for the relocation of Public Services out of the Bayside area.

The two pending sales are the Adams School property and a portion of the Riverside Street property, with proceeds estimated at \$1,140,000, which are expected to close within the next couple of months. Of that amount, \$313,500 was applied to the FY2011 budget, leaving \$826,500 as the possible reserve amount.

This would be handled in the same manner as when the City sold the Martin's Point property and reserved the proceeds for relocation of the School Business Offices and future elementary school construction. The funds reside in the City's General Fund Balance as a commitment for that purpose, and the Council appropriates amounts as needed.

This order would establish the reserve, which is now titled "*committed funds*" under the new accounting rules. The Finance Committee, at their June 24 meeting, unanimously voted to recommend establishing the reserve and also allocate to it the remaining proceeds from the two sales mentioned above. The exact amount will not be final until the closings are complete. Other funds can also be allocated to the reserve in the future, and expenditures using these committed funds would need to be appropriated by the City Council for the intended purpose.

Attached also is a copy of the Finance Committee minutes from the June 24 meeting.

NICHOLAS M. MAVODONES (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
DANIEL S. SKOLNIK (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
DORY RICHARDS WAXMAN (A/L)
JILL C. DUSON (A/L)

**ORDER APPROPRIATING THE PROCEEDS
OF DESIGNATED PROPERTY SALES FOR THE RELOCATION OF THE
DEPARTMENT OF PUBLIC SERVICES FACILITY ~~IN BAYSIDE~~**

ORDERED, that the net sales proceeds, after satisfying amounts included as revenue in the FY2011 budget, of the city-owned property on Munjoy Hill, a/k/a the Adams School property, and on Riverside Street are hereby ~~appropriated to a Cumulative Reserve Fund~~ Committed within the General Fund Balance to pay for the relocation expenses of some of the Department of Public Services facilities currently in Bayside; ~~and.~~

~~**BE IT FURTHER ORDERED**, that said reserve fund shall be a permanent fund only to be used for the purposes set forth herein and its unexpended balance shall not revert to the general fund at the end of any fiscal year.~~

**ORDER AUTHORIZING GENERAL OBLIGATION BONDS
IN AN AMOUNT NOT TO EXCEED \$3,050,000**

FOLLOWING a public hearing of the City Council of the City of Portland, Maine, held upon due notice pursuant to Article VII, Section 9 of the City Charter, IT IS HEREBY

ORDERED THAT:

There be and hereby is authorized and approved the incurring of indebtedness by the City of Portland and the issue and sale of general obligation bonds and notes in anticipation thereof in the aggregate principal amount not to exceed Three Million Fifty Thousand Dollars (\$3,050,000) to finance the acquisition of land, buildings and other property in order to consolidate a number of City public operations, including the relocation of some of the Public Services Department operations and all other costs (as defined herein) related and ancillary thereto (the "Projects").

BE IT FURTHER ORDERED

1. That the Director of Finance be and hereby is authorized to prepare, issue, and sell such bonds in the name of and on behalf of the City, in the aggregate amount of \$3,050,000 (the "Bonds") at one time, or from time to time, as one or more separate bond issues, and to determine the date, form, minimum denomination, interest rates (as term bonds or serial bonds or some combination thereof), maturities (with the last maturity not to exceed the maximum term permitted by law) and all other details, terms and provisions, not inconsistent herewith, including the form and manner of their sale and award as he may approve, such approval to be conclusively evidenced by the execution thereof;

2. That the Director of Finance be and hereby is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation of said Bonds ("BANs"), and to determine the date, form, minimum denominations, interest rate, maturities (with the last maturity not to exceed 3 years from its date of issuance) and all other details of each issue of BANs, including the form and manner of their sale and award, subject to the provisions of the law, the City Charter and this Order;

3. That the principal amount of Bonds or BANs authorized hereunder shall be reduced by the amount of net sale proceeds paid to the City due to the sale of Bayside property, which property is currently anticipated to be sold to the Federated Companies.

4. That the Director of Finance be and hereby is authorized to provide that any of the Bonds and BANs hereinbefore authorized be made subject to call for redemption, with or without premium, prior to their stated dates of maturity, as provided in 30-A M.R.S.A. §5772(6), as amended;

5. That any Bond or BAN issued hereunder shall be signed by the Director of Finance and by the Mayor, either or both of whose signatures may be by facsimile to the extent permitted by law, attested to by the City Clerk, under the seal of the City, and shall be in such form and contain such terms and provisions not inconsistent herewith as they may approve, their approval to be conclusively evidenced by their execution thereof;

6. That the Director of Finance is authorized to negotiate, execute, and deliver, in the name of and on behalf of the City such contracts, agreements, and other documents, including leases, instruments and certificates as may be necessary or appropriate as determined and approved by the Director of Finance in connection with the financing of the Projects, which documents shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by the Director of Finance such approval to be conclusively evidenced by his execution thereof;

7. That the Director of Finance be and hereby is authorized to select the underwriter for the Bonds or BANs heretofore authorized and the Director of Finance be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith;

8. That the Director of Finance be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds or BANs heretofore authorized, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Director of Finance, with the advice of the bond counsel for the City, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the City in connection with offering the Bonds or BANs for sale be and hereby is approved;

9. That the Director of Finance be and hereby is authorized to select the registrar, paying agent and transfer agent (the "Transfer Agent") for the Bonds or BANs heretofore authorized and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services;

10. That the Bonds or BANs heretofore authorized shall be transferable only on the registration books of the City kept by the Transfer Agent, and said principal amount of the bonds of the same maturity (but not of other maturity) in minimum denominations of \$5,000 and any integral multiple in excess thereof upon surrender thereof at the principal office of the transfer agent, with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or his attorney duly authorized in writing. Upon each exchange or transfer of a bond the City and the Transfer Agent shall make a charge sufficient to cover any tax, fee or any other governmental charge required to be payable with respect to such exchange or transfer, and with respect to such exchange or transfer, and subsequent to the first exchange or transfer, the cost of preparing new bonds upon exchanges or transfer thereof to be paid by the person requesting the same;

11. That the Director of Finance be and hereby is authorized to undertake all acts necessary to provide for the issuance and transfer of such Bonds or BANs heretofore authorized in book-entry form pursuant to the Depository Trust Company Book-Entry Only System, as an alternative to the provisions of the foregoing paragraph above regarding physical transfer of Bonds or BANs, and the Director of Finance be and hereby is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in his opinion, appropriate in order to qualify the Bonds or BANs for and participate in the Depository Trust Company Book-Entry Only System;

12. That the Director of Finance and Mayor from time to time shall execute such Bonds or BANs as may be required to provide for exchanges or transfers of Bonds or BANs as heretofore authorized, all such Bonds or BANs to bear the original signature of the Director of Finance and Mayor, and in case any officer of the City whose signature appears on any Bond or BAN shall cease to be such officer before the delivery of said Bond or BAN, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery thereof;

13. That if the Bonds or BANs, or any part of them, are issued on a tax exempt basis, the Director of Finance be and hereby is authorized and directed to covenant and certify on behalf of the City that no part of the proceeds of the issue and sale of the Bonds or BANs authorized to be issued hereunder shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Bonds or BANs to be "arbitrage bonds" or "private activity bonds" within the meaning of Sections 148 and 141 of the Internal Revenue Code of 1986, as amended;

14. That if the Bonds or BANs, or any part of them, are issued on a tax exempt basis, the officers or officials executing the Bonds or BANs be and hereby are individually authorized to covenant and agree, on behalf of the City, for the benefit of the holders of such Bonds or BANs, that the City will file any required reports and take any other action that may be necessary to insure that interest on the notes will remain exempt from federal income taxation, and that the City will refrain from any action that would cause interest on the Bonds or BANs to be subject to federal income taxation;

15. That the officers executing the Bonds or BANs be and hereby are individually authorized to covenant, certify and agree, on behalf of the City, for the benefit of the holders of such Bonds or BANs, that the City will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met;

16. That any or all of the Bonds or BANs issued hereunder may be consolidated with and become a part of any other issue of temporary notes or general obligation bonds authorized to be issued by any previous or subsequent order of the City Council of the City of Portland;

17. That the term "cost" or "costs" as used herein and applied to the Projects, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Projects; (2) the cost of construction, building, alteration, enlargement, reconstruction, renovation, improvement, and equipping of the Projects; (3) the cost of all appurtenances and other facilities either on, above, or under the ground which are used or usable in connection with the Projects; (4) the cost of landscaping, site preparation and remodeling of any improvements or facilities; (5) the cost of all labor, materials, building systems, machinery and equipment; (6) the cost of land, structures, real property interests, rights, easements, and franchises acquired in connection with the Projects; (7) the cost of all utility extensions and site improvements and development; (8) the cost of planning, developing, preparation of specifications, surveys, engineering, feasibility studies, legal and other professional services associated with the Projects; (9) the cost of environmental studies and assessments; (10) the cost

of financing charges and issuance costs, including premiums for insurance, interest for a period not to exceed three years from the issue date of the Bonds, and for any additional period permitted under Section 148 of the Internal Revenue Code of 1986, as amended, underwriters' fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses relating to the financing transaction; and (11) the cost of all other financing authorized hereunder, whether related or unrelated to the foregoing;

18. That the Director of Finance, Mayor and Clerk and other proper officials of the City be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, not inconsistent herewith, as may be necessary or desirable in order to effect the issuance, sale and delivery of the Bonds or BANs hereinabove authorized;

19. That if any of the officers or officials of the City who have signed or sealed the Bonds shall cease to be such officers or officials before the Bonds or BANs so signed and sealed shall have been actually authenticated or delivered by the City, such Bonds or BANs nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or BANs had not ceased to be such officer or official; and also any such bonds or notes may be signed and sealed on behalf of the City by those persons who, at the actual date of the execution of such Bonds or BANs, shall be the proper officers and officials of the City, although at the nominal date of such Bonds or BANs any such person shall not have been such officer or official;

20. That if the Director of Finance, Mayor or Clerk are for any reason unavailable to approve and execute the Bonds or BANs or any other documents necessary or convenient to the issuance, execution and delivery of the Bonds or BANs, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, is authorized to act for such official with the same force and effect as if such official had performed such act.

21. That the Bonds or BANs authorized by this Order are in addition to any bonds or notes previously authorized for the same or similar purposes;

22. That to the extent not payable from other funds, an amount sufficient for the payment of the annual payments of principal and interest on the Bonds or any BANs issued hereunder shall be included in the tax levy of each year until the debt represented by said Bonds or BANs is extinguished.

23. That during the term any of the Bonds (or bonds issued to refund such Bonds) are outstanding, the Director of Finance be and hereby is authorized to issue and deliver refunding bonds to refund some or all of the Bonds then outstanding, and to determine the date, form, interest rate, maturities and all other details of such refunding bonds, including the form and manner of their sale and award. The Director of Finance be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and each refunding bond issued hereunder shall be signed by the Director of Finance and by the Mayor, either or both of whose signatures may be by facsimile to the extent permitted by law, attested to by the City Clerk, under the seal of the City, and shall be in such form and contain such terms and provisions not

inconsistent herewith as they may approve, their approval to be conclusively evidenced by their execution thereof.

NOTE: This item is recommended to be postponed until the September 4th meeting.



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Mayor and Members of the City Council

FROM: Greg Mitchell, Economic Development Director

DATE: June 22, 2015

SUBJECT: Department of Public Services Bayside Relocation Plan/Purchase and Development of 250 Canco Road:

- Order Authorizing Purchase and Sale Agreement for City to Purchase 250 Canco Road;
- Order Authorizing the Issuance of General Obligations Bonds not to exceed \$3.4 Million for the purchase of 250 Canco Road
- Order Authorizing the Appropriation of General Obligations Bonds for the purchase and development of 250 Canco Road
- Order Authorizing the Appropriation of \$930,000 in Land Sale Revenue for the purchase and development of 250 Canco Road

SPONSORS: Finance Committee/Councilor Mavodones, Chair
Housing and Community Development Committee/Councilor Donoghue, Chair

Council Meeting at which action is requested:

1st Reading: July 6, 2015

2nd Reading/Final Action: July 20, 2015

Can action be taken at a later date? No. **If no, why not?** The property at 250 Canco Road is currently on the market and City action is needed to allow for this transaction to move forward.

I. SUMMARY OF ISSUE

It has been the policy direction of the City, over a number of years, to relocate the Department of Public Services (DPS) Bayside activities and combine other City Department activities to a single centralized location to support on peninsula City government service delivery. This memorandum outlines an approach to address this City policy.

City owned DPS Bayside occupied properties by use include the following:

Property Address/Acreage	City Use	Status
44 Hanover St.	Fleet Services	Active DPS Use
82 Hanover St.	Lower Garage	Active DPS Use
56 Parris St.	Employee Parking	Active DPS Use
55 Portland St.	Administration	Active DPS Use
71 Hanover St.	Satellite Sand/Salt Operation	Site Sold
65 Hanover St./52 Alder St.	Trades/Traffic	Marketed for Sale

City staff recommendation is to proceed with a two phased approach to relocate remaining DPS use out of Bayside, with the exception of the DPS administration and other support activities located at 55 Portland Street, as follows:

PHASE 1 (estimated cost is \$4.33 million including property acquisition)

See attached Phased Development Plan and Budget which includes:

- Purchase 250 Canco Road property at \$2.7 Million – see attached proposed Purchase and Sale Agreement.
- Acquire portion of JB Brown property shown on the attached plan under a proposed land swap.
- Relocate all DPS operations housed in 82 Hanover Street to 250 Canco Road which frees this property up for sale.
- Relocate the DPS satellite sand/salt shed operation located at 71 Hanover Street to the JB Brown property.
- Shared entrance drive, through 250 Canco Road, to JB Brown property.

PHASE 2 (estimated cost is \$8+ Million)

- Requires a community referendum.
- No required property acquisition needed.
- Relocate Fleet Services operations located at 44 Hanover Street to a new addition to 250 Canco Road which frees 44 Hanover Street for sale.

Here is why the phased approach makes sense.

- Acquiring 250 Canco Road and a portion of JB Brown's property is a *strategic investment* in creating a 13+ acre City DPS/City Department campus which is centrally located for service delivery to on Peninsula demands. The timing of acquiring 250 Canco Road needs to be made now because of the site is on the market for sale.
- Relocating DPS operations located in 82 Hanover Street frees up one more DPS Bayside property for sale in addition to the City Council approved sale of 71 Hanover (to Bayside Bowl) and the City's announced interest to sell 65 Hanover/52 Alder Street. Selling 82 Hanover Street creates a significant real estate critical mass (combined with the sale of 71

Hanover Street and 65 Hanover/52 Alder Street properties) to attract new private sector investment to this area of Bayside in need of “catalyst” use type projects like the Bayside Bowl/new Squash Center investment.

II. REASON FOR SUBMISSION

City Council authorization is required to proceed with real estate acquisition and financing options.

III. INTENDED RESULT

The intended result will enable the City to relocate a portion of DPS to a centralized location near the peninsula where a majority of the demand for City governmental services is needed.

IV. COUNCIL GOAL ADDRESSED

It is the goal of the *Bayside Vision 2000 Plan* to relocate Public Services Bayside operations out of Bayside to support mixed use development.

Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs.

V. FINANCIAL IMPACT

An overview of the financial impacts in the form of sources and uses of funds to support Phase 1 are provided below.

Uses		
250 Canco Road	Acquisition Cost	\$2.7 Million
JB Brown Property	Acquisition Cost	\$0 due to land swap under negotiations.
Redevelopment Cost for 250 Canco Road and Quarry Road Properties		\$1.63 Million
Total Uses:		\$4.33 Million

Sources		
Existing Real Estate Sales	\$930,000	
New City Debt	\$3.4 Million	
Total Sources:		\$4.33 Million

At this time, City staff is not seeking any action from the HCDC, Finance Committee, and City Council on a community referendum. Decisions to proceed with Phase Two, requiring a community referendum, will be made in the future.

VI. STAFF ANALYSIS

City staff has been working on evaluating real estate and facility options, over a number of years, to accomplish the complete relocation of most or all of Public Service Bayside Department activities

combined with other departments to a single centralized location to provide City services on or near the Peninsula where a majority of demand for City governmental services are needed. See Attachment C from Sebago Technics for an overview of the proposed redevelopment of the Canco/Quarry Road properties for City use.

250 Canco Road

An overview of 250 Canco Road transaction with comments includes:

Property Location: The property is located in a “central service delivery location” in an industrially zoned property with adjacent industrial users.

Property Size: 5.0966 acres

Building Square Footage/Acres: 63,780 sq. ft. building, on 5.1 acres

Municipal Assessed Value: \$3,009,990

Purchase Price: \$2,700,000

Market Appraisal: \$2,870,000

J.B. Brown Quarry Road Property Land Swap

An overview of Quarry Road transaction with comments includes:

Property to Acquire

Property Location: The property is located in a “central service delivery location” in an industrially zoned property with adjacent industrial users. See Attachment B - map highlighting two J.B. Brown properties to be acquired by the City.

Property Size: 4 +/- Acres

Purchase Price: Under negotiation. Expected City and JB Brown property trade with collaborating on providing JB Brown property truck access through 250 Canco Road property with the goal of no funds changing hands.

City Property to Swap

Property Location: 0 Cornell Street, 151A-A-13 (City Tax-Acquired)

Property Size: 3.1 Acres

It is noted that the City Council approved a lease/purchase option for 212 Canco Road (Nelson Small building), which can be exercised as of March 1, 2017. City operations located at 65 Hanover/52 Alder Street are planned to be relocated to 212 Canco Road. The Fire Department is an existing tenant at 212 Canco Road.

VII. RECOMMENDATION

Staff presented this to both the HCDC and FC for their recommendations to the City Council. The following represents the Committee recommendations:

Housing and Community Development

At its meeting on June 10, the HCDC voted unanimously (4-0) to recommend to the City Council that it authorize staff to execute the Purchase and Sale Agreement for the City's purchase of 250 Canco Road, as substantially in the form as attached.

Finance Committee

At its meeting on June 11, 2015, the Finance Committee voted unanimously (4-0) to recommend to the City Council that it authorize the financial appropriation of existing real estate sale proceeds at \$930,000 and new debt authorization in the amount \$3.4 Million for a total of \$4.33 Million for the purchase and development of 250 Canco Road.

VIII. LIST ATTACHMENTS

- A. Map of DPS Bayside Property
- B. Map of Canco/Quarry Road Property
- C. Canco/Quarry Road Phased Development Plan
- D. Purchase and Sale Agreement for 250 Canco Road



July 1, 2015
15056

Michael J. Bobinsky, Director
Department of Public Services
City of Portland
55 Portland Street
Portland, ME 04101

**Memorandum of Master Planning – Relocation of Public Services to Canco Road,
Portland, Maine**

Dear Michael:

Sebago Technics, Inc. has been retained by the City of Portland to assist in the master planning for the potential relocation of various Public Services operations to Canco and Quarry Road properties. The purpose of this memorandum is to provide a general summary of the space planning completed to date, together with findings for consideration.

Introduction:

Over the past several years, the City of Portland has continued to actively evaluate alternatives for the phased relocation of Public Services from the Hanover Street in the Bayside area of Portland. The relocation effort is part of an overall vision to vacate several city properties in the Bayside area for redevelopment. In addition to relocating public services, other essential city services would also be relocated to Canco Road as outlined this report. Locating the majority of city Public Services into one combined campus provides a unique and important opportunity for consolidation of an operation that has space limitations and is somewhat fragmented by having various operations in multiple locations through-out the City.

The selection of a new site is a difficult task in itself since a Public Services operation is industrial in nature and therefore must be located in a compatible area where zoning and neighboring uses are consistent with the proposed use (generally industrial or commercial in nature). In addition, the selected location must provide sufficient land area to accommodate a large fleet of vehicles, equipment, and sand/salt distribution, refueling, materials and laydown storage. The location must also provide for adequate circulation areas to move large equipment including temporary parking/storage of large equipment.

The City has been presented with a suitable relocation site that meets the programming requirements and is centrally located and easily accessible. The proposed location off Canco Road is located in the IM Zone and partially a contract zone (C50). The identified parcels are

commonly known as the Nelson & Small property (212 Canco Road), Seltzer and Rydholm property (250 Canco Road) and open land owned by J.B. Brown are the focus of this master planning effort.

Operations to be relocated to Canco Road: The following provides an overview of immediate and long-term City Public Service operations that may be relocated to the Canco Road property over a period of time in a phased approach.

1. Seltzer & Rydholm & JB Brown Parcels.

- Fleet Maintenance
- Construction Company
- Dispatch
- Districting
- Forestry & Horticulture
- Sand/Salt Storage
- Fuel Dispensing
- Vehicle and Equipment Wash Facility
- Parking for employees
- Outside storage for equipment and materials storage

2. Nelson & Small Parcel

- Facilities/Recreation Administration
- Building & Trades Personnel
- Fire Department Electrical & Communications
- Traffic
- Parks Operations

Location & Space Requirements:

The Portland DPS is essentially a large industrial operation that operates on a 24/7 basis providing city wide services. As a result, the selection of a location for DPS requires careful consideration of many factors including appropriateness of the general area (industrial zoning), access to major streets, available property and building space. The location must also provide easy and convenient access to the downtown and outlying areas. When considering these attributes both individually and collectively, the options within the City of Portland are limited for locating a large DPS facility.

The following provides a general overview of the existing space currently utilized by the DPS and the proposed location located off Canco Road.

Existing Bayside Public Services Site: Presently, the City of Portland Department of Public Services (DPS) generally operates within a 4 acre area located between Hanover Street and Parris Street as shown on the adjacent photo.

The location is an inner City Urban area that has numerous logistical challenges. The site is constrained with limited out of door parking areas for equipment and staging.

During winter operations, the DPS utilizes both Hanover and Parris street for vehicular cueing and as an operational area. It is not uncommon for both streets to have large vehicles maneuvering around parked cars on these narrow urban streets. The site has become further constrained due to the elimination of the sand and salt storage areas to accommodate recent commercial development. Due to the limited space, the City requires some activities to be remotely located such as storage of equipment and vehicles at the Portland Ocean Terminal and at the City-owned Outer Congress Street property.



Existing Public Services - Hanover Street

Canco Road Properties:

The Canco Road properties provides the City of Portland with an opportunity to acquire existing property and buildings to relocate its Department of Public Services operations. In the future, the relocation will require the construction of a new fleet maintenance building due to special operational characteristics of a fleet maintenance building.

This area of Portland is one of the few locations that is compatible and well suited to DPS operations. The Canco Road properties are within an



Canco Road Properties

industrial setting and location well suited to a DPS operations. Both the Nelson and Small and Pepsi properties are located in the I-M Industrial Zone with the abutting JB Brown property located a Contract Zone (designated at C50). The general area has served as an industrial and commercial area of Portland for many decades and includes land area that is suitable for a DPS operation. Accommodating the full DPS operation must include the acquisition of all three land and building areas to combine into an overall tract of land suitable for the proposed operations. A concept master development plan is appended to this letter.

Comparative Area Summary:

The following chart provides a general comparative summary of the land and building holding that the City currently utilizes for DPS at the Hanover Street Facility, Portland Ocean Terminal and Outer Congress Street Site.

<i>Summary of Existing Public Services Space Utilization</i>			
<i>Location</i>	<i>Area of Property Acres</i>	<i>Existing Bldg. S.F.</i>	<i>Open Lot Area S.f.</i>
<i>65 Hanover Street</i>	<i>0.465</i>	<i>7,217</i>	<i>13,600</i>
<i>52 Alder Street</i>	<i>0.218</i>	<i>5,792</i>	<i>3,700</i>
<i>44 Hanover Street Fleet Maintenance Engineering & Administration</i>	<i>1.928</i>	<i>18,000 18,447</i>	<i>46,656</i>
<i>71 Hanover Street (Recently Sold)</i>	<i>0.347</i>		<i>15,102</i>
<i>82 Hanover Street 36,227 (garage) & 4,541 (storage)</i>	<i>0.843</i>	<i>40,768</i>	<i>0</i>
<i>Portland Ocean Terminal (Maine State Pier)</i>	<i>0.106</i>	<i>4,600</i>	<i>0</i>
<i>56 Parris Street - bought 2010</i>	<i>0.234</i>		<i>10,213</i>
<i>Totals</i>	<i>4.141</i>	<i>94,824</i>	<i>89,271</i>

Summary of Canco Road Property			
Location	Area of Property Acres	Existing Bldg. S.F.	Open Lot Area S.f.
Seltzer & Rydholm Building Future Fleet Maintenance	5.100	63,780 13,000	158,376
Nelson & Small Building	4.170	76,500	105,145
JB Brown	3.980		41,360
Totals	13.250	153,280	304,881

The Portland Department of Public Services currently operates predominately out of the Hanover Street facilities. The available land area in the Hanover Street area is approximately 4 acres and has presented numerous operational challenges due to the space restraints. Equipment and parking is limited as well as operational areas needed for fueling, staging, loading/unloading and general circulation. Both Hanover Street and Parris Street are frequently utilized for operations to include employee parking, vehicle stacking, loading of sand and salt and queuing for fueling and moving large vehicles. It should be noted the sand and salt storage lot was recently sold and is no longer available for use.

By nature, a Public Services Department requires significant land area for buildings, circulation, parking equipment & vehicles, storing seasonal equipment, stockpiling materials and for winter operations. For reference purposes Sebago Technics, Inc. is currently working with the cities of Westbrook and South Portland for new Public Services facilities. These communities, which are smaller than Portland have gone through a facility programming process that has identified land areas in excess of 15 acres that are required for facility operations. The total cost of Westbrook and South Portland new Public Works facilities are \$9 Million and \$15.2 Million dollars respectively, not including real estate costs.

When considering the combined land area of the various parcels, the City of Portland's current operations occur on approximately 10 to 12 acres of land area including the snow dump at Outer Congress Street. We would note that outer Congress Street Parcel is approximately 53 acres of which a large portion is not practical for development due to natural resources and potential air navigation considerations since it is in the approach and departure path of the Jetport. This 53-acre City owned property currently houses: sand/salt operation; sanitation; snow dump.

It is noted that not all of the Departments operations can be accommodated at the Canco Road Property. Through the land planning and facility programming process, we determined that the

Water Resource Division of the Department currently located at 55 Portland Street and 82 Hanover Street would be best suited at the outer Congress Street site. To that end, plans are for the Water Resources operations and asset management staffing to be housed at remodeled storage space at outer Congress Street and is funded in the FY16 CIP Sewer Budget.

Canco/Quarry Road Property Master Plan

Accompanying this report is a conceptual level Masterplan layout accommodating DPS needs utilizing the previously discussed Canco and Quarry Road properties. The masterplan demonstrates the need for combining parcels to form a tract of land suitable for DPS.

The relocation process as with any project of substantive size will require development planning and permitting.

Summary:

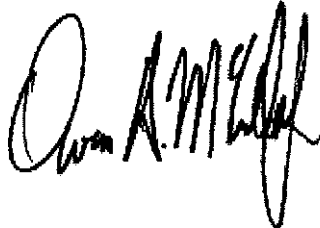
This report has been prepared for the City of Portland to better understand the adaptive space re-use of the three parcels located off Canco Road. The combination of three tracks of land together with buildings is expected to meet the current and foreseeable needs for Portland Public Services.

Should the City decide to move forward with the land and building acquisition, improvements for each of the properties will be needed for adapting the existing sites to the specific needs of a public service operation. This adaptation is expected to occur in a phased manner with the eventual construction of a new building for fleet services and associated site improvements.

Upon review of this report, please feel free to contract us if there are any questions or if we can be of further assistance. Best wishes as you consider this important project.

Sincerely,

SEBAGO TECHNICS, INC.



Owens A. McCullough, P.E.; LEED A.P.
Vice President of Engineering and Project Development
OAM: oam

Cc: Greg Mitchell
Kathy Alves

Bayside City Properties

Public Services Main Facilities – Portland St to Kennebec St





Public Administration Software Attachments

Tyler Technologies Proposal-Public Administration Software

ANNUAL COSTS	Year One*	Year Two	Year Three	Year Four	Year Five
Subscription Fees-Applications hosted by Tyler					
Tyler Notify Annual Subscription		24,200	24,200	24,200	24,200
Maintenance Fees					
Munis Application Maintenance (pre-discount)	250,160	262,668	275,801	289,591	304,071
Maintenance 20% Discount	(250,160)	(52,534)	(55,160)	(57,918)	(60,814)
Tyler Systems Management Services	30,000	30,000	30,000	30,000	30,000
Tyler Disaster Recovery Services	-	30,000	30,000	30,000	30,000
Total Maintenance Costs	30,000	270,134	280,641	291,673	303,257
Total Annual Costs **	30,000	294,334	304,841	315,873	327,457

* Maintenance charges waived for Year 1

** The FY17 IT budget contains \$263,000 for public administration software

Updated 10/21/16

Tyler Technologies Proposal-Public Administration Software

	Total Costs	Year One	Year Two	Year Three
ONE TIME COSTS				
Tyler Software	1,219,715			
Tyler 60% Discount	(731,829)			
Total Software	487,886			
Services and other one time costs	1,526,375			
3rd Party Hardware, Software and Services	24,200			
Total	2,038,461	1,258,462	390,000	390,000
Funding Sources				
Sale of Land Proceeds	1,000,000	1,000,000	-	-
Operating Budget	46,462	46,462	-	-
Enterprise Funds	300,000	212,000	44,000	44,000
CIP	692,000	-	346,000	346,000
Total	2,038,462	1,258,462	390,000	390,000

Updated 10/21/16

Appendix A – List of Tyler Technologies **/ Munis ERP Clients in Maine**

- Aroostook County Commissioners
- City of Auburn
- City of Augusta
- City of Biddeford
- City of Brewer
- City of Ellsworth
- City of Lewiston
- City of Lewiston
- City of Portland
(currently the Assessors Department only)
- City of Rockland
- City of Saco
- City of South Portland
- City of Waterville
- City of Westbrook
- County of Oxford
- Cumberland County
- Efficiency Maine Trust
- Greater Augusta Utility District
- K K W W D
- Kennebec Water District
- Knox County Commission
- Penobscot Indian Nation
- Sanford Sewerage District
- Sanford Water District
- Somerset County Commissioners
- Town of Bar Harbor
- Town of Brunswick
- Town of Cumberland
- Town of East Millinocket
- Town of Falmouth
- Town of Freeport
- Town of Kennebunk
- Town of Kittery
- Town of Lisbon
- Town of Mount Desert
- Town of Ogunquit
- Town of Old Orchard
- Town of Sanford
- Town of Scarborough
- Town of Standish
- Town of Wells
- Town of Winslow
- Town of Yarmouth and Yarmouth School Department
- York County
- York Water District