



ECONOMIC DEVELOPMENT COMMITTEE

DATE: February 20, 2018 (Tuesday)
TIME: 5:30 – 7:30 p.m.
LOCATION: Room 209
Portland City Hall

1. **Review and accept Minutes from previous meeting on February 6, 2018.**
2. **Review and Discussion of the 2018/2019 Work Plan of the Portland Economic Development Vision and Plan (“Plan”) and vote to forward to the City Council as a communication.**
 - a. See enclosed memo from Greg Mitchell with 2018/2019 Work Plan, and Plan.
3. **Communication: Review of FYE2017 Annual Tax Increment Financing Report and vote to forward to the City Council as a communication.**
 - a. See enclosed memo from Greg Mitchell with FYE2017 Annual TIF Report.
4. **Discuss Draft 2018 Work Plan for the Economic Development Committee.**
 - a. See enclosed memo from Greg Mitchell with updated work plan.
5. **Executive sessions:** Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to discuss real estate negotiations and provide guidance to staff, per the enclosed memos, for the following:
 - a. Proposed Amendments to the Bay Ferries, Ltd. Lease;
 - b. Proposed Amendments to the Ready Seafood Company Lease;
 - c. Proposed sale of City owned Riverside Street property; and,
 - d. Proposed Waterfront TIF District Credit Enhancement Agreement request.

Councilor Justin Costa/Chair

Next Meeting Date: March 6, 2018

Minutes
Economic Development Committee
February 6, 2018

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, February 6, 2018 at 5:30 p.m. in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Nicholas Mavodones and Spencer Thibodeau. Also present from the City Council was Mayor Ethan Strimling. Present from the City staff were Associate Corporation Counsel Michael Goldman, Assessor Chris Huff, City Manager Jon Jennings, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Parking Manager John Peverada.

Chair Costa welcomed everyone to the first meeting this of the EDC, and introductions were then made.

Item #1: Communication: Minutes of previous meetings held on October 3, 2017, October 24, 2017, and November 28, 2017.

Because the EDC members have changed from last year, with the exception of Councilor Thibodeau, Chair Costa said that these meeting Minutes have been forwarded to the Committee as a communication and for the record.

Mayor Strimling asked about the costs for an Employment Disparity Study, and Mr. Mitchell said that the study scope and costs are being formulated and expected to have this to the Committee for its meeting on February 20th.

Item #2: Public Hearing and vote to recommend to the City Council a lease at 94 Free Street and Spring Parking Garage Revenue Sharing Agreement to support the Eastern Conference Hockey Team League.

Mr. Mitchell said that the lease is for the office space formerly occupied by the Portland Pirates, and the Parking Garage Revenue Sharing Agreement (PGRSA) is for the Spring Street Garage on game days. Both are for a term of 15 years to coincide with Portland Hockey LLC's agreement at the Cross Insurance Arena. Mr. Mitchell then described the staggered lease rental rates.

Mr. Jennings said he was part of the negotiating team with Cross Insurance Arena and with Spectrum Venue Management when they were selected. The intent is to grow with the team for both Cross Insurance Arena and the City. The lease terms may not seem like much revenue to the City, but the first years associated with establishing a sports team can be difficult.

Mr. Mitchell said the office lease is for approximately 2,400 sq. ft. of space that has been vacant for over 20 months with little interest, and there is no parking included as part of the Lease. In addition, the City will be provided with four season tickets annually at no cost.

Regarding the PGRSA, Mr. Mitchell said that years 1 through 7 will have the parking garage revenues go to Portland Hockey LLC, less the City's costs for staff and security. Beginning with year 8, game day revenue will be the lessor of the average revenue sharing for the sixth and seventh year, or all parking garage revenue minus security and City staff expenses.

Councilor Thibodeau said that he is excited to have hockey back in Portland, and then suggested that section 5(c) of the lease have further clarification, and that the default section include a rent section.

Mayor Strimling requested that the prior PGRSA be emailed to him, and discussion then followed on the revenue sharing. Mr. Goldman provided this example as what could happen at year 8: If the average revenue share for years 6 and 7 was \$20,000, for example, then in year 8, if parking revenues for game nights are \$15,000 (after deducting City expenses), then the team

would get \$15,000. But, if parking revenues for game nights are \$25,000 (after deducting City expenses) in year 8, then the City would get \$5,000 and the team would get \$20,000.

Councilor Mavodones said that if there is further discussion on the revenue sharing, which appears to have been negotiated, the Committee should consider going into executive session.

Councilor Thibodeau said that he was involved with prior executive sessions was fine with the PGRSA as presented.

Chair Costa asked if there was any public comment on this item.

Adam Goldberg of Spectrum Venue Management and representing Portland Hockey LLC thanked the Committee for taking this up. They have been working closely with Mr. Mitchell and looked forward to branding the space and coming back here in 15 years to renew.

Seeing no further public comment, Chair Costa closed the public comment session.

Councilor Mavodones made a motion to forward the Lease and PRSGA in substantial form as presented to the City Council for approval; Councilor Thibodeau seconded the motion.

Councilor Mavodones wished Portland Hockey LLC all the best and was not surprised that there was very little interest in leasing that office space. The structure of both documents make sense in the overall scheme of things.

Councilor Thibodeau said that will support this being moved forward to the City Council for approval, noting that there has been no lease income from office space for almost two years, and this kind of activity during the Winter months is just what is needed in that area.

Chair Costa agreed; this is a great opportunity for Portland and is hopeful for a successful franchise.

Mayor Strimling, regarding the tiered rental, suggested that the math be re-checked, and Mr. Mitchell noted that the annual rent in his memo does match the annual rent in the lease. However, the per square foot charge in his memo is incorrect in the second tier where it should be \$5 psf and not \$6 psf.

Seeing no further discussion, Chair Costa asked for a vote on the motion and it passed unanimously.

Item #3: Public Hearing and vote to recommend to the City Council adding additional properties to the City Waterfront Tax Increment Financing (WTIF) District.

Mr. Mitchell displayed a map showing the TIF Districts on the peninsula now, and then where the two additional properties are proposed to be added to the WTIF. These two properties are where the construction is taking place for the Wex Development at Hancock and Thames Streets, and the construction project at Union Wharf. These two development projects are estimated to increase the tax base by \$20 Million, which would increase municipal TIF revenue for various projects in the District, and also result in additional tax sheltering savings of approximately \$145K per year.

Mr. Mitchell then described the history of the WTIF being first approved as a ten-year TIF, and then amended to add an additional 20 years for the maximum allowed at 30 years, and also approved at a 100% capture rate.

Mr. Mitchell closed saying that this Committee will also review other properties to be added to this TIF District during 2018, but these two properties stand out for adding, particularly to have this amendment to MDECD by the first of March, which is their deadline prior to the start of the April 1, 2018 Tax Year. He also noted a typo in the middle of p. 2 of his memo

where the total of the estimated tax sheltering benefits should be \$366,643 annually, and not \$269,571 annually.

Mayor Strimling asked about the impact on the General Fund, and Mr. Jennings indicated annual tax sheltering savings of \$145K, as well as using the municipal TIF revenue funds for various CIP projects that would not need bonding for 20 years.

Chair Costa asked if the tax sheltering benefits affected the FY19 School budget, and Mr. Huff indicated that it would not; any sheltering benefits would begin FY20.

Discussion then followed on tax sheltering benefits and TIF revenues not in the General Fund and dedicated to the Waterfront TIF, with Councilor Mavodones suggesting that a hypothetical TIF example be provided to the Council to illustrate how it works.

Chair Costa asked if there was any public comment; there being none, the public comment session was closed.

Councilor Mavodones made a motion to forward the proposed amendments to the Waterfront TIF, as presented, to the City Council with a recommendation for approval; Councilor Thibodeau seconded the motion.

Mayor Strimling expressed concern about revenue spent only in the Waterfront TIF District and not anywhere else in the City and the impact on the General Fund.

Councilor Mavodones said that TIFs are a great economic tool, and Portland has a TIF Policy in place and this is consistent with that Policy.

Mr. Jennings said that staff will draft a memo to the Mayor and Council to clarify sheltering values, as well as TIF revenues and how they could be spent based projections, versus using General Fund revenue.

Seeing no further discussion, Chair Costa asked for a vote on the motion, and it passed unanimously.

Item #4: EDC Work Plan Accomplishments during 2017, and Highlighted Items for possible carryover to 2018 for review and discussion.

Chair Costa said that the Work Plan in the backup includes accomplishments of the EDC in 2017 and items pending for 2018.

Councilor Mavodones suggested that the EDC needs to be strategic in its goals for the year, noting that the backup has many items and perhaps some could be deleted from the last page.

Councilor Thibodeau agreed, noting that the Maine State Pier, Impact Fees, PILOT and SILOT fees should be on this year's Work Plan, as well as outdoor seating establishments and open forum for restaurateurs.

Mr. Jennings noted that, regarding outdoor dining, there is a bill at the Legislature now to allow the use of a parking space for outdoor seating. Regarding Broadband in the City, Mr. Jennings said there is a company now who may want to do this on their own at no cost to the City. The Maine State Pier/POT continues moving forward on public/private partnerships, including CBL. In addition, PILOT and Impacts fees are being working on and the Committee will be briefed as staff feels they could be phased in over time. The Chapter 14 Land Use Ordinance re-write is under way. Regarding a new Convention Center, Mr. Jennings said that he does not expect too much movement on this this year.

Chair Costa also noted adult education/workforce development is longer term and costly, and Mr. Jennings said that there can be research done on what others are doing with adult education.

Mayor Strimling noted that some items would have a lot of impact on the Committee, like the Maine State Pier/POT, and then the Employment Disparity Study would not as once the Committee reviews the scope and costs to complete it, a consultant would do the study.

Mr. Jennings said that a revised work plan will be presented to the Committee for its prioritization.

Item #5: Executive session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide City staff general policy guidance regarding the following:
a. Proposed 44 Hanover Street Purchase and Sale and Lease Agreements; and,
b. Possible sale of City property located adjacent to the Maine Turnpike and Westbrook Street.

A motion was made by Councilor Mavodones, seconded by Councilor Thibodeau to go into Executive session pursuant to 1 M.R.S.A. 405(6)(C) to provide City staff general policy guidance regarding the proposed 44 Hanover Street Purchase and Sale and Lease Agreements.

Chair Costa asked if there was any public comment about going into executive session. There being none, the public comment session was closed.

Chair Costa then asked for a vote on the motion and it passed unanimously at 7:00 p.m.; at approximately 7:25 p.m., the Committee came out of executive session.

A motion was then made by Councilor Mavodones, seconded by Councilor Thibodeau to go into Executive session pursuant to 1 M.R.S.A. 405(6)(C) to provide City staff general policy guidance regarding possible sale of City property located adjacent to the Maine Turnpike and Westbrook Street.

Chair Costa asked if there was any public comment about going into executive session. There being none, the public comment session was closed.

Chair Costa then asked for a vote on the motion and it passed unanimously at 7:25 p.m.; at approximately 7:35 p.m., the Committee came out of executive session and the meeting adjourned.

Respectfully, Lori Paulette



Economic Development Department
Gregory A. Mitchell, Director

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director
Nelle Hanig, Business Programs Manager

DATE: February 15, 2018

SUBJECT: **2018/2019 Work Plan Associated with Portland's Economic Development Growth**

I. SUMMARY OF THE ISSUE

In an effort to support collaboration of many partners involved in supporting Portland's economic growth, the 2018/2019 Work Plan is presented for discussion. Partners working the City include:

- Creative Portland
- Portland Community Chamber of Commerce
- Portland Downtown
- Visit Portland

Also, attached is a copy of past Work Plans associated with the original 2011 Portland Economic Development Vision and Plan adopted by the City Council to show the continuity of partner work over time. It is recognized that the City Council adopted an updated Comprehensive Plan, which sets directions for community land use and growth.

II. REASON FOR SUBMISSION

This is being submitted to the EDC for its review and recommendation to the City Council to receive it as a communication.

III. INTENDED RESULT

The intended result would be for the Portland City Council to receive the updated 2018/2019 Work Plan as a communication to be aware of the list of activities to be undertaken to support Portland's economic growth. The 2018/2019 Work Plan includes many items, for example, supporting public policy initiatives and identify funding opportunities which address substance use disorder, panhandling, housing insecurity, ADA compliant infrastructure; creation of 'mini-score card' to provide limited set of metrics on important economic indicators; review ordinances related to outside seating, street vendors, sound, trash storage; continue to educate the community on the "Case For Growth"; engagement with academic institutions for business and career opportunities; engage

immigrant community in existing business networking opportunities; and support the growth of the City's Office of Economic Opportunity. Other areas of emphasis include workforce development, business recruitment, transportation opportunities, and tourism.

IV. FINANCIAL IMPACT

By forwarding this to the City Council, there will be no financial impact. There are public infrastructure/transportation projects in the Work Plan which will require a mix of Federal, State, and City funding. This funding will be gathered as the projects move forward.

V. STAFF ANALYSIS AND RECOMMENDATION

Staff recommends that the EDC vote to forward the 2018/2019 Work Plan to the City Council as a communication.

Attachments:

- 2018/2019 Work Plan
- 2011 Portland Economic Development Plan and Vision with past Work Plans

2018 and 2019 EDSC workplan in support of the City of Portland's Economic Development Vision & Plan					
Project/Program/Activity	Category	Lead Organization(s)	Actions/Strategies to Support Initiative	EDSC* Organizations Involved	Community Partners
Track and report important economic indicators	-Business Recruitment & Retention -Tourism	Chamber of Commerce	- Create a 'mini-scorecard' that will provide a limited set of metrics on important economic indicators	City of Portland, Portland Downtown, Visit Portland	GPCOG, MEREDA, Commercial Real Estate Brokers, USM
Advocate for public health and safety initiatives	-Business Recruitment & Retention -Tourism	Portland Downtown, Chamber of Commerce	- Support public policy initiatives and identify funding opportunities which address: substance use disorder, panhandling, housing insecurity, ADA compliant infrastructure, etc	City of Portland	Amistad, Milestone, Preble Street, Spurwink, Opportunity Alliance, and cultural orgs
Assist local policy-makers with improvements to existing ordinances	-Business Recruitment & Retention -Tourism - Workforce Development	Portland Downtown	- Review ordinances related to: outside seating, street vendors, sound, trash storage, etc	Visit Portland, Chamber of Commerce, City of Portland, Creative Portland	
Continue to educate the community on the 'Case For Growth'	-Business Recruitment & Retention -Tourism	Chamber of Commerce	- Build community-wide coalition - Host public forums - Create newsletters	City of Portland, Portland Downtown, Visit Portland, Creative Portland	Portland Buy Local, Greater Portland Landmarks, Portland Society for Architecture, et al.
Engagement with academic institutions	-Business Retention -Tourism - Workforce Development	All EDSC Organizations	- Engage local middle school, high school, colleges, and universities in business & career opportunities (ie. internships, special projects, advisory council, youth engagement, etc)	Chamber of Commerce, Portland Downtown, Visit Portland, Creative Portland	Portland Public Schools, Junior Achievement, MECA, USM, SMCC, UNE
Engage immigrant community in existing business networking opportunities	-Business Retention & Recruitment -Tourism - Workforce Development	Chamber of Commerce, Creative Portland, City of Portland	- Engage immigrant community in all networking opportunities - Gateways for Growth Initiative	Visit Portland	Catholic Charities Maine Office of Refugee Services, New Mainers Resource Center, Community Financial Literacy, Greater Portland Immigrant Welcome Center, Maine Access Immigrant Network, Maine Immigrant Rights Coalition; Empower the Immigrant Women, StartSmart
Support the Growth of the City's Office of Economic Opportunity	-Business Recruitment & Retention -Talent Attraction - Workforce Development	City of Portland	-Develop new initiatives to advance education, entrepreneurship, and workforce goals Develop entrepreneur workshops for immigrants/refugees	Chamber of Commerce, Portland Downtown, Visit Portland, Creative Portland	New Mainers Resource Center, Catholic Charities Maine Office of Refugee Services, Community Financial Literacy, Greater Portland Immigrant Welcome Center, Maine Access Immigrant Network, Maine Immigrant Rights Coalition; Empower the Immigrant Women
Physical improvements & beautification	-Business Recruitment & Retention -Public Infrastructure -Tourism	City of Portland, Portland Downtown	- Improve Ocean Gateway and Jetport facilities - Repair & improve existing wayfinding signage - Repair sidewalks in downtown - Add signage at gateways & beautify - Addition of public art to parks - Revitalize parks - Addition of recycling in downtown public spaces - Improve public restroom facilities - Bus stops & shelters (upgrade & ADA compliance)	Visit Portland, Creative Portland	GPCOG, Portland Pollinator Project, Portland Jetport, GP METRO, Portland Public Art Committee
Improve Visitor Experience	-Business Recruitment & Retention -Tourism	Visit Portland, Creative Portland	-Provide events, explore projects (ie. calendar/app), programming, and marketing to attract visitors to Portland	Portland Downtown, City of Portland	Arts & cultural partners, Higher Education institutions
Improve knowledge of multi-modal transportation opportunities	-Business Recruitment & Retention -Public infrastructure -Tourism -Transportation	City of Portland, Portland Downtown	-Multi-modal transportation marketing campaign	Chamber of Commerce, Visit Portland, Creative Portland	Greater Portland METRO, Portland Jetport, Bicycle Coalition of Maine, NNEPRA, et al.
Market Portland Technology Park	-Business Recruitment -Talent Attraction	City of Portland	-Market remaining three sites to high tech companies	Chamber of Commerce	Real Estate Brokers
Continue Business Visitation Program	-Business Retention	City of Portland	-Continue visiting Portland businesses to better understand their needs and challenges	EDSC orgs (as needed)	Community partners (as needed)
Round Three of Facade Improvement Program	-Business Retention -Tourism	City of Portland	-Targeted to Washington Avenue and St. John Street	Creative Portland	Small business community and property owners in designated areas
Administer new round of Job Creation Grants	-Business Recruitment -Business Retention -Workforce Development	City of Portland	-Matching grants for startups and existing businesses to create jobs for low/moderate income individuals	EDSC orgs (as needed)	SBDC, SCORE, New Ventures, CEI, Portland Development Corporation

Facilitate development of broadband City-wide	-Business Recruitment & Retention -Public infrastructure	City of Portland	-Foster/enhance local innovation and global collaboration	Chamber of Commerce	
Facilitate construction of Cold Storage facility	-Business Recruitment & Retention	City of Portland	-Creation of new opportunities for business growth and exports	Creative Portland, Chamber of Commerce, Visit Portland	MDOT, Maine Port Authority, other State Agencies, MITC, Portland Fish Exchange, marine/agriculture/food & beverage/processors & exporters
Pier Dredging & Environmental maintenance of Casco Bay	-Business Recruitment & Retention -Public infrastructure -Tourism	City of Portland	Environmental assessment, preliminary design, stakeholder engagement, funding strategies		Harbor Commission, MDOT, City of South Portland, Friends of Casco Bay, Casco Bay Estuary Project, private pier owners, lobster industry
Develop Portland Landing at Amethyst Lot	-Public infrastructure -Tourism	City of Portland	-Berthing, community boating and open space	Creative Portland	MDOT, Portland Trails, Community boating orgs, Portland Parks Commission
Increase usage of Portland Ocean Terminal/Maine State Pier	-Business Recruitment -Public Infrastructure -Tourism	City of Portland	-Full utilization of second floor and increased tenants on first floor	Visit Portland, Chamber of Commerce, Portland Downtown	Casco Bay Island Transit District
Regional and International Business Recruitment	-Business Recruitment	City of Portland	-Strategic marketing nationally and internationally	Chamber of Commerce	MITC, GPEDC
Develop & market Portland's brand & image	-Business Recruitment & Retention -Talent Attraction -Tourism	City of Portland, Creative Portland	-Increase national and international recognition of Portland	Chamber of Commerce, Visit Portland, Portland Downtown	Community partners (as needed)
Update City's Cultural Plan	-Enrich Creative Economy -Tourism -Talent retention	Creative Portland	-Investigate opportunities for: (1) arts, culture, and humanities center, and (2) Congress Street enhancements and experiential design	City of Portland, Visit Portland, Downtown Portland	Arts & cultural partners, et al.
Develop Relocation Packages for individuals and businesses	-Business Recruitment -Talent Attraction	Visit Portland	-To assist businesses and individuals moving or thinking of moving to Portland	City of Portland, Portland Downtown, Chamber of Commerce, Creative Portland	GPCOG
Convention Center Development (may include innovation/arts/cultural components)	-Tourism -Business Recruitment -Talent Attraction	Chamber of Commerce, Visit Portland	-Work with development community	City of Portland and other EDSC orgs (as needed)	Community partners (as needed)

***EDSC (Economic Development Stakeholder Committee) members include: City of Portland, Creative Portland, Portland Community Chamber of Commerce, Portland Downtown, and Visit Portland**

Acronyms:

CEI/Coastal Enterprises, Inc.
EDSC/Economic Development Stakeholders Committee
GPCOG/Greater Portland Council of Governments
GPEDC/Greater Portland Economic Development Corporation
MDOT/Maine Department of Transportation
MECA/Maine College of Art
MEREDA/Maine Real Estate Development Association
MITC/Maine International Trade Center
NNEPRA/Northern New England Passenger Rail Association
PPAC/ Portland Public Art Committee
SBDC/Small Business Development Center
SCORE/Service Corps of Retired Executives
SMCC/Southern Maine Community College
UNE/University of New England
USM/University of Southern Maine

ECONOMIC DEVELOPMENT VISION + PLAN PORTLAND MAINE

August, 2011

Contents

1 Introduction

Core economic development focus

3 Grow the economy

7 Enrich the creative economy

9 Support business

11 Appendices

12 Appendix A: Task Force Members + Support

13 Appendix B: Listing of Past Reports Reviewed

14 Appendix C: Outreach Meetings + Presentations Completed

15 Appendix D: Description of Economic Development Plan Components

16 2011 + 2012 Work Plan

ECONOMIC DEVELOPMENT VISION + PLAN PORTLAND, MAINE

The following is an economic development vision and plan for the City of Portland, Maine. It has been created in acknowledgement that economic development in general, and business retention, expansion, and attraction in particular, are vital to the growing prosperity and improvement in the quality of life of Portland's citizens.

This vision and plan provides a roadmap for success in Portland's future economic development. It draws on the previous and current work of the City, its citizens, businesses, and stakeholders. The vision and plan was accomplished through a collaboration of the City of Portland, Portland Community Chamber, and the Creative Portland Corporation. To guide the process and compile the results, the City and Chamber engaged the Economic Development Plan Task Force. A list of Task Force members is provided in Appendix A.

Rather than recreate the many recent efforts regarding components of the City's economic development, this plan draws from several recent reports that provide information relating to the economic development process. A listing of these reports is provided in Appendix B. The plan is also based on input obtained through outreach to citizens, workers, and stakeholders through a coordinated social media strategy including a project web page, Facebook page, and Twitter updates. Finally, it incorporates input received through outreach meetings and presentations, a listing of which is provided in Appendix C.

Using information gathered from these resources, an economic development vision and strategy has been developed that consists of the following components:

- Guiding Principles + Vision Statements
- Goal Statements
- Implementation Strategies

A description of these components is provided in Appendix D.

The vision and plan presents three primary areas critical to long-term success in Portland's economic development. These core areas of focus include:

1. Grow the economy
2. Enrich the creative economy
3. Support Business

To support these core areas of focus the City must take action to coordinate, communicate, and measure progress. Additionally, as part of this plan and vision and to enable its success:

Portland will work in collaboration with the communities and stakeholders of the Greater Portland Region to not only grow the City's economy, but also the economy of the region; together we will work to make the Greater Portland Region a great place to work, live, and grow a business.

Portland will participate in regional efforts at industry tradeshows and through external advertising, including specifically working with the Greater Portland Convention and Visitors Bureau and Greater Portland Economic Development Corporation

Portland will adhere to the regional economic development protocol agreed to by the Greater Portland Communities, and will participate in a collaborative marketing and business attraction program for the region

Portland is committed to regular and systematic economic development strategic planning and evaluation, including monitoring progress of its plan and activities, measuring progress and impacts, and making strategic changes as warranted. This includes maintaining and reporting through the Chamber's annual Economic Scorecard. The process will engage key stakeholders and include regular communications with the businesses, citizens and taxpayers of the City.

Portland will utilize the latest technologies, including web and social media, to communicate and market Portland both inside and outside the region, and to deliver its economic and business development services and communications.

By adhering to this vision and plan, Portland will achieve its economic development goals, creating economic prosperity through growth of the City's tax and employment base.

Portland's greatest strength is its underlying quality of life and unique character, contributing to its continuing national recognition as a highly desirable community in which to live and work. It is especially important for Portland to recognize, support, and enhance the fundamental qualities of place that make Portland unique and desirable for investment and growth; these include education, parks, waterfront, downtown, neighborhoods, cultural diversity, and the geographic and architectural heritage of the City. These assets enable Portland's economic development efforts to attract and grow businesses and support residents and workers. In turn, a strong economic environment enables the City to support and sustain these quality of life assets.

Economic development planning is an integral part of Portland's Comprehensive Plan, so this strategy document can be seen as a guiding policy and action plan in concert with other planning initiatives. The inter-relatedness of all elements of the plan are exemplified by the Sustainable Portland plan, which recognizes that the future health and prosperity of Portland depends on stewardship of our environment, our community, and our economy, the three fundamental components of future sustainable communities. For example, the City has adopted a Housing Plan that sets forth policies that will ensure that we can house a growing population, critical to building a workforce to engage in the jobs that will be created. Another example would be the Community Vision, which emphasizes the importance of quality education to ensure that the population possesses the skills needed to succeed in the modern economy – from skilled labor to high tech and innovation industries. It is understood that this Economic Development Vision and Plan for Portland does not itself address every component needed for future prosperity, but depends on the coordinated and comprehensive plans and policies that function together to secure our future well being.

This vision and plan is meant to be a living document to guide policies, programs, and actions within the City. It should be stressed that this is not a "City Government" only plan. It was developed by a collaborative effort between the City, the Portland Community Chamber, and the Creative Portland Corporation, with significant engagement from the Task Force; input from the public, private and not-for-profit sectors; and guidance from many past collaborative efforts. It is therefore a "community-wide" economic vision and plan to be utilized and implemented by those willing to participate and move forward into the future. Rather than being the sole document or effort related to economic and community development, this vision and plan is meant to provide a specific focus on the City's economic development vision, goals, and strategies. Other efforts and documents address closely related issues such as housing, infrastructure, services, and neighborhoods. Some of these issues are referenced in this vision and plan, but this document is not meant to cover those issues in detail.

Throughout the plan the term "business community" is used to represent the private sector. For this plan the "business community" is meant to mean all businesses in Portland, large or small, as well as any other stakeholders who have a vested interest in the economic growth and well being of the City of Portland.

Why a vision and plan? The purpose is best summarized in the following statement: "Creating economic prosperity through growing the City's tax and employment base."

The economic recession has called out for the City to start considering "what's next" in terms of how we can grow wealth. Portland, along with other partner communities in South Portland, Scarborough, Falmouth, Cape Elizabeth, and Westbrook, plus the Portland Regional Chamber and a regional education alliance, have incorporated a private/public non-profit organization to support regional approaches to economic development, including marketing/branding. This vision and plan for Portland will help ensure that these regional efforts reflect the City's needs and strategies for economic development.

Strategies are the economic development priorities (or work plan) over the next 6-12 months starting in the summer of 2011. Appendix E outlines the assignment of work plan activities, budget resources and timeline.

The Plan's implementation will be monitored by the existing Task Force which has agreed to meet periodically to make sure the Plan is implemented and to recommend Plan revisions.

CORE ECONOMIC DEVELOPMENT FOCUS GROW THE ECONOMY

Guiding Principles + Vision

The City is committed to creating economic prosperity through growing its tax and employment base.

Goals + Implementation Strategies

Understand the needs and concerns of existing businesses to support their retention and expansion

(Relevant Scorecard Indicators: none)

Work Plan:

Develop and sustain a visitation program to obtain regular feedback from the business community with areas of concern addressed in a timely manner. To implement this, the City should follow the detailed steps outlined in the MIT Report, with the major steps of the program being business outreach, information gathering, and most importantly, follow-up. The Mayor shall be involved and be the face of this program.

Action | Measurement:

- A business visitation pilot program will be established
- Feedback from the pilot visitation program will be used to adjust economic strategies and activities, and results of the visitation program will be communicated to the City's business community
- The results of the pilot program will be used to refine and implement an ongoing program
- Business will be better informed of economic development resources and opportunities in the City, and will feel that their concerns are being heard and acted upon

Develop non-visitation methods to enable additional communication and feedback from business by utilizing social media, surveys, and events

Utilize marketing and communication to promote, maintain and expand commercial loan and other business financial incentive programs that leverage and support business retention, expansion, and attraction

Support industry sectors that are innovative and have high growth/high value potential to provide future opportunities for economic development (Relevant Scorecard Indicators: S&E Occupations, Private Sector Employment Growth, Regional Earnings per Employee, Value of City Imports & Exports per Capita, Regional Venture Capital Investment, Regional Patents Issued). Added to these Scorecard Indicators will be employment growth and earnings per worker in targeted sectors.

This goal shall be accomplished through business retention and expansion efforts, as well as through a regional attraction effort coordinated with the Greater Portland Economic Development Corporation and Maine and Company. Based on past analyses and current data, sectors to target include:

- Finance and insurance
- Life science – including bioscience, healthcare, and medical
- Food production/food service – including fishing and seafood
- Marine and marine related – working waterfront, port related, and cargo
- Arts and culture
- Creative enterprise
- Visitation, tourism, and entertainment
- Support redevelopment of the Civic Center as a destination for visitors and residents alike
- Professional, technical services and business services
- Information Technology (IT) and IT-related services
- Manufacturing in niche areas including but not limited to food, chemical/biological, and nano-electronics

Work Plan:

Form working groups to develop specific strategies for each targeted sector, and for life sciences and food production services include in those strategies the recommendations from the MIT report.

Work Plan:

Produce additional analysis to further prioritize and develop sector/cluster strategies based on opportunity and analysis.

Action | Measurement:

- Form at least 3 working groups to develop strategies in three of the targeted sectors
- Identify and conduct further analysis to support strategy development in the three initial targeted sectors
- Develop implementation strategies in the three targeted sectors

In addition to the above targeted sectors, the City will value, support, and market green initiatives and businesses that operate in “green” markets

Work Plan:

Coordinate business and higher education needs to support regional workforce development

(Relevant Scorecard Indicators: Educational Attainment)

Advocate for workforce training and the education needs of Portland businesses to service providers and the regional higher education coalition

Participate through the Greater Portland Alliance of Colleges and Universities to strengthen alliances and opportunities for workforce education, training and development with the organization's regional institutes of higher education

Expand and encourage the availability of higher education scholarships provided by private businesses within the community

Action | Measurement:

- Conduct initial meeting between Greater Portland businesses, economic development representatives and representatives of the Greater Portland Alliance of Colleges and Universities; develop an ongoing process to increase advocacy, planning, and programming in support of workforce development

Increase awareness among businesses, workers, and residents regarding the benefits to the local economy of supporting Portland businesses

(Relevant Scorecard Indicators: None)

- Bring together Portland businesses and residents through marketing, communication and networking to increase sales at those businesses

Sustain economically vibrant neighborhoods

(Relevant Scorecard Indicators: None)

- Work with the City's neighborhood liaison to regularly engage businesses and residents in the environment and culture of Portland's neighborhoods
- Support the growth of local neighborhood business and promote the benefits they provide to the neighborhood's residents

Support efforts for a vibrant and attractive downtown

(Relevant Scorecard Indicators: Downtown Vacancy indicator)

- Recognize the Portland Downtown District as the entity to lead Downtown economic development efforts

Support a working waterfront, recognizing the Central Waterfront as an urban maritime district promoting traditional and emerging waterfront uses – a careful balance of mixed uses to help finance the marine infrastructure; the State Pier and Ocean Gateway, dedicated to passenger ferries, cruise ships and facilities; and the Western Waterfront, Portland's essential deep water port edge and acreage.

(Relevant Scorecard Indicators: Value of City Imports & Exports)

- Provide continued support for Ocean Gateway's use as an international passenger cruise ship terminal.
- Provide continued support for the International Marine Terminal (cargo shipping)
- Continue to monitor the effect of recent changes to zoning ordinances – allowing non-marine businesses on the waterfront – on the growth and development of marine industries and quality of marine infrastructure in the zone.

- Provide continued support for the Portland Fish Pier and the infrastructure to support the fisheries industry.
- Prioritize attention and funding to dredge Portland's harbor (federal channel and private shores), and encourage investment in other marine infrastructure as a mean to provide continued access to and functional utility of private and publically owned piers.

Support and market Portland's distinct urban commercial targeted growth districts, encouraging a mix of housing and commercial development to create 24/7 activity and vitality. Each district will capitalize on its unique strengths to maximize the employment and tax base, channeling growth into emerging districts and established employment areas. These districts include: Bayside, an extension of downtown, featuring transit-oriented, high density modern mixed use along the new Bayside trail and a new front face to the city; Downtown, an historic main street, Arts District and Old Port, the center of finance, law, and commerce that capitalizes on its historic fabric and cosmopolitan feel; and Eastern Waterfront, an urban redevelopment district in a new street block grid on the scenic waterfront, situated at the hub of ferry terminals, the Eastern Prom Trail, and flanked by the charm of India Street and Munjoy Hill neighborhoods.

(Relevant Scorecard Indicators: None)

- Develop a Capital Improvement Plan (CIP) for commercial growth areas to address physical infrastructure needs
- Include information about business and growth opportunities for these targeted commercial areas within business expansion and attraction marketing and communication efforts

Continue to develop and promote Portland's commercial and industrial districts, including Riverside Street, the Rand Road Technology Park, and other locations suited for cutting edge business and industry.

- Develop a Capital Improvement Plan (CIP) for commercial growth areas to address physical infrastructure needs
- Include information about business and growth opportunities for these targeted commercial areas within business expansion and attraction marketing and communication efforts

Attract and support entrepreneurs as a means of growing and diversifying the local economy (Relevant Scorecard Indicators: Regional Venture Capital Investment) Add to Scorecard Indicators: Business

Start-ups and Business Churn

- Coordinate entrepreneurship services to ensure Portland entrepreneurs are supported for start-up, retention, and growth
- Support efforts to increase minority entrepreneurship and the entry of minority populations into business and the workforce
- Develop a "Portland Host" program to have existing businesses and professionals welcome new business to the City and be available to help recruit new businesses. This program will include representatives of the Portland Community Chamber, the City and others as appropriate.

Recognize that infrastructure – be it roads, sewer, water, energy, communication networks or transportation – is the underpinning of economic growth and development. It must be maintained and improved to support the goals and strategies contained in this plan.

(Relevant Scorecard Indicators: Visitors to Region, Enplanement, Value of City Imports and Exports Per Capita)

- Portland will plan for future transportation and infrastructure needs and prioritize improvements to be implemented within a reasonable timeframe, in order to support economic development and growth
- Portland will provide a transportation system which encompasses all modes, balances competing objectives, and promotes the economic vitality and quality of life in the Portland community
- Portland will support a network of airport, rail, ports (cargo and passenger) and highway infrastructure to compete in the global economy
- Portland will continue to attract passenger airline carriers to the Jetport in an effort to lower ticket prices and offer greater choices for travelers

- Portland will encourage the development and maintenance of telecommunications infrastructure, including broadband service, to support opportunities arising from digital technologies
- Portland will support improvements and maintenance of environmental infrastructure (i.e. combined sewer overflow infrastructure to support a healthy harbor) to foster further growth

CORE ECONOMIC DEVELOPMENT FOCUS ENRICH THE CREATIVE ECONOMY

A great growth potential for Portland's creative economy lies within the creative enterprise cluster. The creative enterprise cluster includes trades and professions that are built upon the translation of creative expression and talent along with application of innovation into profitable products and services. Examples of the creative enterprise cluster include the design arts, the culinary arts, textiles and furnishings, media, fashion, writing and publishing, advertising, music, innovation and knowledge based enterprises, and other such enterprises. Entrepreneurs building creative enterprises are attracted to cities like Portland, Maine that have the magnetic qualities of a vibrant and well known creative spirit, and a rich physical, social and cultural environment. Therefore, to foster growth of creative enterprises first requires maintaining and enhancing the presence of arts and cultural organizations and individual artists, and the protection and enhancement of the community cultural, environmental, architectural and natural assets. The affirmative action required to attract, nurture, and grow creative enterprises is to get the word out nationwide through community branding and marketing that Portland has what it takes to sustain and support these enterprises to capitalize on this growth industry for Portland.

Guiding Principles + Vision

Value innovation, entrepreneurship, creativity, arts, culture, and entertainment to improve the economy and enhance Portland's uniqueness and diversity

Goals + Implementation Strategies

Increase collaboration, coordination, and communication among those involved in the arts, cultural, creative and innovation sectors

(Relevant Scorecard Indicators: None)

Work Plan:

Recognize and utilize the Creative Portland Corporation ("Creative Portland") as the lead organization to drive strategies and implementation for Portland's creative economy efforts

Work Plan:

Inform the public on what the creative economy encompasses and its importance to the local cultural and economic environment

Action | Measurement:

- The Creative Portland Corporation will develop an operative definition and baseline metric of the existing creative enterprise economy in Portland, and periodically update this metric to assess progress in order to revise strategic initiatives and grow this sector.

Market Portland to increase recognition nationally and internationally that this is a City where arts, culture and entertainment, innovation, and creativity thrive

(Relevant Scorecard Indicators: Visitors to Greater Portland/Casco Bay Region and Regional Food Services & Drinking Places Sales Growth)

Work Plan:

Creative Portland will convene a meeting of all entities involved in marketing and branding Portland to collaborate on message and strategy implementation, determine roles and responsibilities, adopt a common brand and related sub-messages, and adopt a process for moving forward and implementing the strategy

Work Plan:

Take Creative Portland's web platform, LiveWorkPortland, and develop a web and social media plan on a national level; make sure that all related organizations' (City, Chamber, Greater Portland Economic Development Corporation, Portland Downtown District, Convention and Visitors Bureau, and Creative Portland Corporation) marketing and messaging align

Action | Measurement:

- Creative Portland will convene a meeting of all entities involved in marketing and branding Portland to collaborate on message and strategy implementation and determine roles and responsibilities
- A marketing strategy with a common brand and related sub-messages and a process for moving forward and implementing will be developed
- Citizens, businesses, and those involved in economic development services will easily recognize and utilize a united brand and messaging to promote business and economic development

Include within business attraction efforts a targeted strategy to attract creative and entrepreneurial individuals and businesses

Include in attraction efforts targeting visitors to Portland

Create incentives to establish and grow Portland's creative enterprises

(Relevant Scorecard Indicators: Venture Capital Investment indicator); add Business and Employment Growth in Creative Sectors

Work Plan:

Provide assistance to secure funding for organizations that support creativity, entrepreneurship, and innovation

Develop creative financing mechanisms, such as tax increment financing, which can help support major new, expanded, or rehabilitated cultural facilities

Work Plan:

Propose revisions to the City's creative economy revolving loan fund program to meet market demand

Work Plan:

Create incentives to attract and retain artists and entrepreneurs for development of live/work residences or common workspace and housing

Action | Measurement:

- Creative Portland to assess City loan and assistance programs and propose revisions
- CP will assess the feasibility of establishing a facility to house artists

Support individuals, workers, and businesses that are innovative, creative and entrepreneurial as a means of growing and diversifying the local economy

(Relevant Scorecard Indicators: None); add Business and Employment Growth in Creative Sectors

Research best practices among cities nationally to support the arts, entertainment, creativity, entrepreneurship, and innovation, and incorporate into Portland's strategy for creativity, entrepreneurship, and innovation

Obtain additional research/information regarding what drives creative persons and entrepreneurs to choose Portland by interviewing recent in-migrants

Survey creative economy businesses and ask what they need to grow their businesses, then develop action steps

Action | Measurement:

- Conduct initial research
- Track inputs, outputs and outcomes on specific programs and services established, including dollars spent to support, entities supported, dollars leveraged, satisfaction with the programs, and impact of funding

Recognize and support individual artists, and arts and cultural-related venues and organizations

(Relevant Scorecard Indicators: None)

Develop a "how to" online city resource to get events approved by the city

Feature one creative economy business per month on the City's eco-development web platform

Coordinate entrepreneurship services to ensure that Portland entrepreneurs are being supported for start-up, retention, and growth

CORE ECONOMIC DEVELOPMENT FOCUS SUPPORT BUSINESS

Guiding Principles + Vision

Portland will be recognized as a city where the business community is valued and nurtured through support services which are relevant, helpful, welcoming, and delivered in a timely manner with superior “customer service”

The City will continue to strive towards a more simplified and streamlined process of interacting with all current and future businesses in Portland

Goals + Implementation Strategies

Interactions with City departments, agencies and staff will be handled with accuracy, timeliness and a positive customer service attitude.

(Relevant Scorecard Indicators: None)

Work Plan:

The City will produce an updated “Doing Business Guide” to assist businesses with obtaining services, including, for example, a timeline describing the process for approval and associated fees when licenses and permits are needed.

Work Plan:

The City will maintain a “Hotline” and focused web services/pages for business assistance, to connect businesses with needed services.

Work Plan:

Computer software will be implemented to improve communication, tracking, and follow-through among City departments and those seeking planning, development, licensing, codes, and permitting

Work Plan:

High level of accessibility will be maintained through all aspects of communications, included web and social media

Work Plan:

City staff that are interfacing with business will be provided additional customer service training

Action | Measurement:

- The City will put in place by July 1, 2012 a customer service feedback system to obtain feedback from those clients served by the City's business and development-related programs and services.

Work Plan:

The Development Review process will be clear, consistent, predictable and timely.

(Relevant Scorecard Indicators: None)

Action | Measurement:

- The 2010 updates to the City's Development Review process are intended to fulfill the goal expressed above. The Chamber and the City will undertake an annual review of development applications to verify that the updates are achieving their intended purpose, and will make recommendations for further refinement if so warranted.

The business community, in partnership with the City, will nurture the growth and prosperity of Portland businesses.

(Relevant Scorecard Indicators: Private Sector Employment Growth, Regional Earnings per Employee, Gross Metro Product Growth)

Specific assistance to be offered includes:

- Workforce Development – Align education and trade skills with business needs
- Visitation – Support visitation programs
- Marketing – Promote Portland as a place to work, play, shop and conduct business
- Networking – Support Portland business-to-business interactions
- Advocacy – Through regular briefings of elected officials, strengthen the voice of Portland businesses at all government levels, including those that have a regulatory impact and those that affect resource allocation

Utilize Federal, State and Local support to help Portland businesses of all sizes grow, add employment, and generate new net tax revenue as well as attract new businesses

(Relevant Scorecard Indicators: Employment Growth, Property Tax Rate, and Property Valuation)

- The City will review and revise its Tax Increment Financing Policy, as needed, to support the goal of expanding jobs and the municipal tax base associated with targeted economic and business development
- Maintain adequate funding for City-sponsored commercial and industrial loan and grant programs, and market the availability of such programs to the business community
- Monitor State and Federal business assistance programs and communicate with Portland businesses about those programs, advocating for program changes as needed
- Promote availability of all tax credit programs (Federal and State), including use of Historic tax credits for building rehabilitation in Portland's historic commercial districts

Appendices

APPENDIX A: TASK FORCE MEMBERS + SUPPORT

Members

Richard Aronson
Century Tire Co.

Ed Bradley
Vessel Services, Inc.

Roxane Cole
Roxane Cole Commercial Real Estate

Corson Ellis
Kepware Technologies

Fred Forsley
Shipyards Brewery

Brenda Garrand
Garrand Marketing

Gary Goodrich
BioProcessing, Inc.

Andy Graham
Portland Color & Creative Portland

Joseph Gray
City of Portland

Chip Harris
Kilbride & Harris Insurance

Gerard Kiladjiian
Portland Harbor Hotel

Gary Koocher
Applicator Sales & Services

Jack Lufkin
Gorham Savings Bank & Portland Community Chamber

Gregory Mitchell
City of Portland

Paul Peck
Drummond & Drummond

Brian Petrovek
Portland Pirates & Portland's Downtown District

Charles Poole
Proprietors of Union Wharf

Nathan Smith
Bernstein Shur

Paul Stevens
SMRT

Support

Greg Mitchell and Nelle Hanig
City of Portland Economic Development Division

Alex Jaegerman
City of Portland Planning Department

Jack Lufkin
Portland Community Chamber

Jim Damicis
Project Consultant, Camoin Associates

Jeff Breece
Project Consultant, Camoin Associates

Jennifer S. Muller
Graphic Designer

Andy Graham
Portland Color

Laurie Banks
Perry & Banks

APPENDIX B: LISTING OF PAST REPORTS REVIEWED

“Knowledge in Cities” by Todd Gabe, University of Maine, et al, September 2010 - Portland has a “thinking” economy.

Memorandum from the Metro Coalition Subcommittee regarding the Greater Portland Economic Development Corporation Formation - June 22, 2010

MIT Master’s Class in Economic Development Planning
Spring 2010 Report Portland in Focus – a Demographic/
Economic Profile

Portland’s Downtown District (PDD) Strategic Plan –
March 2010 (Portland’s Downtown District)

Portland’s Economic Scorecard 2010 (Portland Community
Chamber in partnership with Portland Regional Chamber)

Development of a Regional Economic Development
Organization for the Greater Portland Region – October
2009 (PolicyOne Research, Inc.)

Creative Economy Steering Committee – Report of
Recommendations to the Portland City Council -
October 2008

Looking Out for Portland and the Region 2007
(Portland Community Chamber)

Portland’s Creative Economy Summit Report –
May 31, 2006 (City of Portland)

A New Vision for Bayside, Book One: The Plan –
April 2000 (City of Portland)

A New Vision for Bayside, Book Two: Implementation –
April 2000 (City of Portland)

A Plan for Portland’s Arts District – Executive Summary
Prepared by the City of Portland Planning Division January
1996 (from the November 1995 Report just below)

A Plan for Portland’s Arts District – November 1995 (Herbert
Sprouse Consulting and The Wolf Organization, Inc.)

Downtown Vision – March 11, 1991 (City of Portland)
Vision 2000 – A Vision for the Future of the Greater Portland
Region, c1989.

City of Portland’s Comprehensive Plan

APPENDIX C: OUTREACH MEETINGS + PRESENTATIONS COMPLETED

MIT Graduate Class stakeholder meetings and business interviews held during January to April 2010.

December 1, 2010 Creative Portland Corporation Board meeting – Reviewed the Draft Creative Economy Section.

January 20, 2011 Downtown Portland Corporation Board public meeting - Reviewed January 10, 2011 Draft Portland Economic Development Plan for input.

January 26, 2011 Community Development Committee public meeting - Reviewed January 10, 2011 Draft Portland Economic Development Plan for input.

February 9, 2011 Creative Portland Corporation Board public meeting - Reviewed February 8, 2011 Draft Portland Economic Development Plan for input with emphasis on the Creative Economy Chapter.

March 8, 2011 Portland Business Advisory Council meeting – Reviewed February 14, 2011 Draft Portland Economic Development Plan for input.

March 10, 2011 Portland Mayor's Local Cable TV Call-in Program – Greg Mitchell, Jack Lufkin and Andy Graham were interviewed by Portland Mayor Mavodones to discuss the Draft Portland Economic Development Plan.

APPENDIX D: DESCRIPTION OF ECONOMIC DEVELOPMENT PLAN COMPONENTS

Guiding Principles + Vision Statements

These are high level statements designed to guide policy, ordinances, and activity, by the City and stakeholders. They represent what Portland stands for and wants to achieve and/or become over the long term.

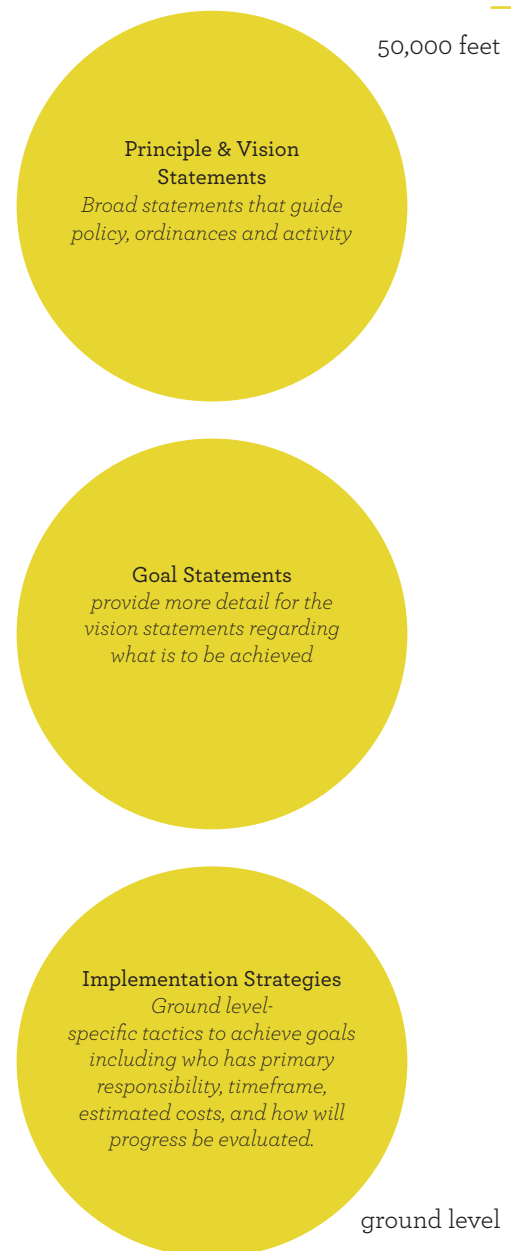
Goal Statements

These are primary economic development goals to be achieved over the next three years and beyond – They provide more detail for the vision statements. Multiple goals should be identified for each vision/principle and address specific subject areas such as: planning & development process, regional cooperation, targeted industries, infrastructure, and quality of place.

Implementation Strategies

These are specific tactics that will be undertaken to achieve goals, including who has primary responsibility, timeframe, estimated costs, and how progress will be evaluated.

Economic Development Plan Components



PORTLAND, MAINE ECONOMIC DEVELOPMENT PLAN 2011 + 2012 WORK PLAN

The 2011 + 2012 WORK PLAN is the document which will guide the economic development activities to be undertaken over the next twelve to eighteen months. The full list of strategies and goals can be found in the ECONOMIC DEVELOPMENT VISION + PLAN for Portland Maine, August 2012. The WORK PLAN is intended to be revised annually as goals are accomplished and new priorities arise. The ECONOMIC DEVELOPMENT VISION + PLAN provides a shared vision for guiding Portland's future economic prosperity. It was prepared under the direction of the Portland Economic Development Task Force, and lead partners involved with its creation include the City of Portland Economic Development Office, Portland Community Chamber, Portland's Downtown District, Downtown Portland Corporation, Creative Portland Corporation, Convention and Visitors Bureau, and others. The Portland Economic Development Task Force will oversee the WORK PLAN activities; and annual measurement of progress towards the ECONOMIC DEVELOPMENT VISION + PLAN will be accomplished through the Portland Community Chamber's annual Portland's Economic Scorecard. For more information regarding the WORK PLAN, the ECONOMIC DEVELOPMENT VISION + PLAN, or Portland's Economic Scorecard, please contact the City of Portland Economic Development Office or the Portland Community Chamber.

Portland Corporation, Creative Portland Corporation, Convention and Visitors Bureau, and others. The Portland Economic Development Task Force will oversee the WORK PLAN activities; and annual measurement of progress towards the ECONOMIC DEVELOPMENT VISION + PLAN will be accomplished through the Portland Community Chamber's annual Portland's Economic Scorecard. For more information regarding the WORK PLAN, the ECONOMIC DEVELOPMENT VISION + PLAN, or Portland's Economic Scorecard, please contact the City of Portland Economic Development Office or the Portland Community Chamber.

GROW THE ECONOMY

Principle and Vision Statement: The City is committed to creating economic prosperity through growing its tax and employment base.

Goals:

1. Understand the needs and concerns of existing business to support their retention and expansion.
2. Support industry sectors that are innovative and have high job growth, high value potential to provide future economic development opportunities.
3. Coordinate business and higher education needs to support regional workforce development.

Activities:	Budget/Resources:	Responsibilities:	Timeline/Measurement:
Business Visitation Program Development	\$8,000 direct expenses and in-kind.	City + Chamber	Design and complete program by Nov., 2012
Industry Sector Research	\$15,000-20,000 for consultant and in-kind.	City + Chamber	Form working groups, select industry sector focus and complete research by Dec., 2012.
Workforce Education Advocacy + Coordination	In-kind	City + Chamber	Work through the Greater Portland Economic Development Corporation.

PORTLAND, MAINE ECONOMIC DEVELOPMENT PLAN 2011 + 2012 WORK PLAN

ENRICH THE CREATIVE ECONOMY

Principle and Vision Statement: Value innovation, entrepreneurship, creativity, arts, culture, and entertainment to improve the economy and enhance Portland's uniqueness and diversity.

Goals:

1. Increase collaboration, coordination, and communication among those involved in the arts, culture, creative and innovative sectors.
2. Market Portland and increase recognition nationally and internationally that Portland is a City where the arts, culture, entertainment, innovation and creativity thrive.
3. Create incentives to establish and grow Portland's creative enterprises.

Activities:

Creative economy education

Develop Portland Marketing + Branding Program

Create incentives to retain and attract artists and entrepreneurs.

Budget/Resources:

Annual TIF funding

\$25,000

In-kind

Responsibilities:

Creative Portland

CP, City, PDD, Chamber and CVB

CP, City and Chamber

Timeline/Measurement:

On-going

Convene meeting and complete by Dec., 2012.

Complete program evaluation and propose action by Jan., 2012.

SUPPORT BUSINESS

Principle and Vision Statement: Portland will be recognized as a city where the business community is valued and nurtured through support services which are relevant, helpful, welcoming, and delivered in a timely manner with superior "customer service." The City will continue to strive towards a more simplified and streamlined process of interacting with all current and future businesses of Portland.

Goals:

1. Interactions with City departments, agencies and staff will be handled with accuracy, timeliness and a positive customer service attitude.
2. The Department Review process will be clear, consistent, predictable and timely.

Activities:

"Update Doing Business Guide", maintain business assistance services, improve use of web/social media and commit to customer service" training.

Review 2010 Site Plan Standards effectiveness

Budget/Resources:

Annual appropriations

In-kind

Responsibilities:

City ED Staff

City + Chamber

Timeline/Measurement:

Update Guide by Winter 2012.

Remainder activities are on-going.

Chamber and City staff to meet annually.

PORTLAND, MAINE ECONOMIC DEVELOPMENT PLAN
2014 & 2015 WORK PLAN

GROW THE ECONOMY

Principle and Vision Statement: *The City is committed to creating economic prosperity through growing its tax and employment base.*

Goals:

1. Understand the needs and concerns of existing business to support their retention and expansion.
2. Support industry sectors that are innovative and have high job growth, high value potential to provide future economic development opportunities.
3. Coordinate business, higher education, and research and development needs to support regional workforce development.

<u>Activities</u>	<u>Responsibility/Lead Org. First *</u>	<u>Status/Details</u>
Business Retention and Attraction		
- Business Visitation Program	City, Chamber, GPEDC	Ongoing/Retention, wkforce dev. & expansion, grow global exports, incl. food sector
- Growing Portland Initiative	GP, City, Chamber, CP, GPEDC	Ongoing/"Research Triangle" rollout & sector work groups deployment
- Industry Sector Research	Chamber, GP, City, GPEDC	Ongoing/Growth Strategy for specific industries in Portland Region
- Portland Technology Park	City, Chamber, GPEDC	Ongoing/Market park to businesses and plan for future phase
- PDC Commercial Loan and Grant Programs	City, PDC	Ongoing/Assistance to new and growing businesses
- Minority and Women-Owned Business Development	City, Chamber, CEI, and USSBA	Proposed /Inventory businesses, clarify growth challenges, incl. creative eco.; business forums incl workforce dev/industry-sector partnership opportunities; promote current financial and business development offerings; provide managerial, technical, and business consulting assistance; create connections to entrepreneurial and vocational training.
Workforce Development		
- Overcoming Barriers to Employment: Develop strategies, programs, and services to support workforce entry	GP, CVB, Chamber, City, PAEd	Proposed /Convene working groups to coordinate specific strategies.
- Utilize CDBG resources for workforce development	City, Chamber	Implement new CDBG program
Tourism		
- Raise Tourism Awareness	CVB, City, PDD, ME Office of Tourism	Proposed /Jetport; Cruise Portland, ME; cultural heritage; global mkts
-Create a cultural heritage tourism initiative	CVB, City, ME Office of Tourism	Proposed /Inventory and market cultural heritage projects, sites, and educational programs; identify cultural heritage tourism projects ready for marketing; include the cultural history of Portland on City website with links to CVB/tourism opportunities.
- Summit on Convention Center and Funding Sources	CVB, Civic Ctr., City, Hospitality Ind., Chamber	Proposed /
- Collaboration on People and Business Relocation Package(s)	CVB, Chamber, CP, City	Proposed /To assist businesses and individuals moving to Portland
Public Infrastructure/Transportation		
- Re-Establish Ferry Between Portland & Yarmouth, NS	City, State, MITC	Ongoing
- Extend Rail to Support Eimskip & Growth of Int'l Cargo Shipping	ME Port Authority, MEDOT, City	Ongoing/Strenthen partnership with Eimskip; State Bond Issue support
- Intermodal Planning and Infrastructure at Thompson's Point	MEDOT, EDA, City	Ongoing/State Bond Issue support
- Harbor Dredging	City, MEDOT, Wharf Owners	Ongoing/State Bond Issue support
- Establish a TIF strategy for transportation and downtown public infrastructure	City	Proposed /Discuss establishment of a downtown transportation oriented TIF district.
Metrics		
- Portland's Economic Scorecard	Chamber, City, CP, PDD, CVB	Ongoing/Enhance Integration with ED Plan

* Lead organization has primary responsibility for resources and implementation.

ENRICH THE CREATIVE ECONOMY

Principle and Vision Statement: Value innovation, entrepreneurship, creativity, arts, culture, and entertainment to improve the economy and enhance Portland's uniqueness and diversity.

- Goals:**
1. Increase collaboration, coordination, and communication among those involved in the arts, culture, creative and innovative sectors.
 2. Market Portland and increase recognition nationally and internationally that Portland is a City where the arts, culture, entertainment, innovation and creativity thrive.
 3. Create incentives to establish and grow Portland's creative enterprises.

<u>Activities</u>	<u>Responsibility/Lead Org. First *</u>	<u>Status/Details</u>
Portland Marketing & Branding Program: Advance Implementation	CP, City, Chamber, PDD, CVB, WAC	Ongoing/Increase nat'l & int'l recognition of Portland, ME
Refine Recruitment Strategies & Programs for Creative Entrepreneurs	CP, City, Chamber	Ongoing/
Creative Space Development	CP	Ongoing/Inventory, database, additional space dev.

SUPPORT BUSINESS

Principle and Vision Statement: Portland will be recognized as a city where the business community is valued and nurtured through support services which are relevant, helpful, welcoming, and delivered in a timely manner with superior "customer service". The City will continue to strive towards a more simplified and streamlined process of interacting with all current and future businesses of Portland.

- Goals:**
1. Interactions with City departments, agencies and staff will be handled with accuracy, timeliness and a positive customer service attitude.
 2. The Department Review process will be clear, consistent, predictable and timely.

<u>Activities</u>	<u>Responsibility/Lead Org. First *</u>	<u>Status/Details</u>
Update City Website as Customer Service Portal.	City	Ongoing/December 2014
Review 2010 Site Plan Standards Effectiveness	City & Chamber	Ongoing/Chamber and City staff meet annually
Streamlining Permitting	City	Ongoing

* Lead organization has primary responsibility for resources and implementation.

Acronym Definitions:

CDBG = Community Development Block Grant
CP = Creative Portland
CVB = Convention and Visitors Bureau
EDA = U.S. Department of Commerce/Economic Development Admin.
GP = Growing Portland
GPEDC = Greater Portland Economic Development Corporation
MEDOT = Maine Department of Transportation
MITC = Maine International Trade Center
PAEd = Portland Adult Ed.
PDC = Portland Development Corporation
PDD = Portland's Downtown District
SMCC = Southern Maine Community College
USM = University of Southern Maine
USSBA = U.S. Small Business Administration
WAC = World Affairs Council

PORTLAND, MAINE ECONOMIC DEVELOPMENT PLAN

2016 & 2017 WORK PLAN

GROW THE ECONOMY

Principle and Vision Statement : The City is committed to creating economic prosperity through growing its tax and employment base.

Goals:

> Support industry sectors that are innovative and have high job growth, high value potential to provide future economic development opportunities.

> Coordinate business, higher education, and research and development needs to support regional workforce development.

> Recognize that infrastructure - be it roads, sewer, water, energy, communication networks or transportation - is the underpinning of economic growth and development. It must be maintained and improved to support the goals and strategies contained in this plan.

<u>ACTIONS</u>	<u>Responsibility/Lead Organization Listed First*</u>	<u>STATUS/DETAILS</u>
Business Recruitment		
Planning for Arctic Council Forum in October	MITC, City, CP, CVB, Chamber, PD	Ongoing
Industry Sector Research	Chamber, City, GPEDC, MITC	Proposed/TBD
Invest in Maine International Business Recruitment Program	GPEDC, City and Partners (Scarborough, Westbrook, South Portland, Falmouth, Cape Eliz.)	Ongoing/Focused on biosciences, food sector manuf. and advanced manuf
Market Portland Technology Park	City	Ongoing/Marketing and planning for future phase
Educate Community on Case for Growth of Portland	Chamber, PD, CP, CVB, City	Ongoing
Workforce Development and Talent Attraction		
Evaluate Development of Office for New Americans	City	Ongoing/Research into facilitating existing and new programs/services
Overcome Barriers to Employment with Strategies, Programs, and Services	Chamber, City	Ongoing/
Utilize CDBG Resources for Workforce Development	City	Ongoing/Jobs for immigrants, low income individuals, single head of hshd., homeless
Administer Business Assistance Program for Job Creation	City, PDC	Ongoing/Business grants for creation of jobs for low/mod income Portlanders
Talent Attraction	CP, Chamber, Business Community	Ongoing
Tourism		
Develop Tourism Awareness Campaign Directed to Citizens, Students and Area Businesses	CVB	Proposed
Support Tourism Education Programs at Colleges and Universities	CVB, Chamber, City, PD, CP, USM, SMCC	Ongoing
Pursue Development of Convention Center	CVB, Chamber	Proposed
Metric: Survey of Visitor Experience	CVB	Proposed
Public Infrastructure		
Expand Portland Transportation Center	City, MDOT	Proposed
Enhance Service at Portland Jetport	City	Ongoing/Maintain and improve passenger service
Facilitate Broadband Access	City, Chamber	Proposed
Support Cold Storage Distribution Facility at International Marine Terminal	MPA, City	Ongoing/Americold, the company that will build the facility, is in the design phase
Support Harbor Dredging	City, Harbor Commission, MDOT	Ongoing/Assessment Study and Design/Permitting
Eastern Waterfront		
> Increase Usage of Portland Ocean Terminal/Maine State Pier	City, CBITD	Proposed/ Reconfigure waterfront property located between Ocean Gateway & Pier
> Redevelop Amethyst Lot With Open Space Development	City, MDOT, Portland Trails, Sail Maine	Proposed
> Plan and Construct Thames St. Extension and new Fore St. Connector	City, Private Property Owners	Ongoing/ Preliminary Design Underway
> Maintain and Improve Ocean Gateway for Cruise Ship and NS Ferry Srv.	City	Ongoing/
Improve Public Parking Downtown	PD, City	Proposed
Strengthen Public Transit Downtown	PD, City, METRO	Proposed
Metric: Portland Economic Scorecard	Chamber, City, CP, CVB, PD	Ongoing/Enhance Presentation/Layout

ENRICH THE CREATIVE ECONOMY

Principle and Vision Statement : *Value innovation, entrepreneurship, creativity, arts, culture, and entertainment to improve the economy and enhance Portland’s uniqueness and diversity.*

Goals:

- > *Market Portland and increase recognition nationally and internationally that Portland is a City where the arts, culture, entertainment, innovation and creativity thrive.*
- > *Support individuals, workers and businesses that are innovative, creative and entrepreneurial as a means of growing and diversifying the local economy.*

<u>ACTIONS</u>	<u>Responsibility/Lead Organization Listed First *</u>	<u>Status/Details</u>
Promote Portland's Brand - Portland, Maine: Yes. Life's Good Here	CP, City, Chamber, PD, CVB	Ongoing/Increase nat'l & int'l recognition of Portland, ME
Update City's Cultural Plan	CP, CVB, DP	Proposed
Develop People and Business Relocation Package(s)	CP, CVB, Chamber, City	Proposed /To assist businesses and individuals moving to Portland
Metric: Remote Worker Survey	CP	Ongoing
Metric: Survey of Economic Impact of the Arts	CP	Ongoing

SUPPORT BUSINESS

Principle and Vision Statement : *Portland will be recognized as a city where the business community is valued and nurtured through support services which are relevant, helpful, welcoming, and delivered in a timely manner with superior “customer service”. The City will continue to strive towards a more simplified and streamlined process of interacting with all current and future businesses of Portland.*

Goals:

- > *Interactions with City departments, agencies and staff will be handled with accuracy, timeliness and a positive customer service attitude.*
- > *The business community, in partnership with the City, will nurture the growth and prosperity of Portland businesses.*

<u>ACTIONS</u>	<u>Responsibility/Lead Organization Listed First *</u>	<u>Status/Details</u>
<u>Business Permitting</u>		
Streamline Permitting Process and Strengthen Customer Service	City	Ongoing/Creation of new department for licensing and permitting.
<u>Business Retention</u>		
Sector Specific Business Visitation Program	City, Chamber, GPEDC	Ongoing/Workforce development & export growth for biotech, food sector manufacturing
Launch Round Three of Façade Improvement Program	City, Chamber	Proposed /Targeting Washington Ave. and St. John Street
Metric: Measure Success of Business Visitation Program	City, Chamber	Proposed

* Lead organization has primary responsibility for resources and implementation.

<u>Acronym Definitions:</u>
CBITD = Casco Bay Island Transit District
CDBG = Community Development Block Grant
CP = Creative Portland
CVB = Convention and Visitors Bureau
GPEDC = Greater Portland Economic Development Corporation
MDOT = Maine Department of Transportation
METRO = Greater Portland Transit District
MITC = Maine International Trade Center
MPA = Maine Port Authority
PDC = Portland Development Corporation
PD = Portland Downtown
SMCC = Southern Maine Community College
USM = University of Southern Maine



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Economic Development Committee
FROM: Gregory A. Mitchell, Economic Development Director
DATE: February 15, 2018
SUBJECT: Communication Item –
FYE2017 Tax Increment Financing Annual Report

I. SUMMARY OF ISSUE

City Tax Increment Financing (TIF) Policy requires the preparation and presentation of an annual TIF district activity report. The FYE2017 TIF Annual Report represents the fifth year of reporting.

Highlights of this year's Report notes City Council TIF actions during FY2017. This includes:

- Approval of the ImmuCell TIF District for a term of 12 years in support of its expansion at 45 Evergreen Drive to construct a two-story, 12,625 sq. ft. production facility for its Mast Out drug development for treatment of mastitis in lactating dairy cows;
- referring possible TIF Policy amendments to the Economic Development Committee for review and recommendation back to the Council (post FYE2017 – the City Council approved the amended TIF Policy at its November 20, 2017 meeting, which Amended TIF Policy is an attachment to the FYE2017 Report); and,
- authorizing the assignment of the McAuley Place TIF District CEA from McAuley Place at Baxter Woods to Retirement Community, Inc., to Sea Coast at Baxter Woods Associates, Inc. and Motherhouse Associates, LP.

The Report also has a table showing the past five-year trend, as well as an Appendix which lists all the current TIFs and the activity numbers associated with them.

II. REASON FOR SUBMISSION

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

III. INTENDED RESULT

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

IV. FINANCIAL IMPACT

There is no financial impact with this item.

V. STAFF ANALYSIS AND RECOMMENDATION

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

Attachment:

- FYE2017 TIF Annual Report



Tax Increment Financing

Fiscal Year End (FYE) 2017 Annual Report
(July 1, 2016 through June 30, 2017)

Prepared by the Economic Development Department

(Report prepared 2/2018)

Table of Contents

1.	Introduction	3
2.	Definitions.....	3
3.	Tax Increment Financing Overview and Value	4
4.	TIF District Approval Process	5
5.	City Council Action During FY2017.....	5
6.	Statutory Limitations for TIF Districts	6
7.	Tax Sheltering Benefits.....	7
8.	TIF Districts in Portland	7
9.	TIF District Financial Overview for Fiscal Year End 2017.....	9
10.	Examples of a Performing TIF and a Non-Performing TIF.....	10
11.	Strategies and Recommendations to Optimize use of TIF Districts	12
12.	Summary	12
13.	Appendix:	
	a. TIF Policy Adopted November 20, 2017 (Post FYE2017)	
	b. Summary of All Approved TIF Districts	
	c. Map Highlighting Current TIF Districts	
	d. Spreadsheet Showing Individual TIF Districts and Area Wide Amounts	

1. Introduction

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

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

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

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

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

The EDC began its review for possible amendments to the current TIF policy April 2017. By the end of FY2017 (June 30, 2017), that review was ongoing, with expectations to bring its recommendations to the City Council in November 2017. (Post FYE2017 Note: The City Council approved the amended TIF Policy on November 20, 2017, and this is included as Appendix A of this Report.)

2. Definitions

Commonly used terms, included in this Report, include:

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

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

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

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

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

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

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

“**Original Assessed Value (OAV)**” means the assessed value of the property in the TIF District as of March 31 of the year that it was created. For instance, if a TIF District was approved as of the date of this report, or November 2017, the OAV would be the assessed value of the property on March 31, 2017. All taxes from the OAV go into the City’s General Fund for any City use.

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

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

“**Tax Year**” means April 1 to March 31.

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

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

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

The two property tax components associated with TIF Districts include:

- A. **New Property Taxes.** TIF revenue is generated from new increased municipal assessed value and associated new property taxes. TIFs can be established for up to thirty (30)

years and new or “captured assessed value” in the TIF District can range from 1% to 100% of the amount of new property taxes.

- B. ***Original Assessed Property Value (OAV)***. The taxes from property base or “Original Assessed Value” reverts to the municipal general fund and is not captured in a TIF District.
- C. ***Flow of TIF CEA Funds***: The flow of taxes to return to the developer through a CEA is as follows.
 - i. The City sends its yearly tax bills for payments due in September and March of each fiscal year;
 - ii. Developer pays the taxes;
 - iii. In April and May of each year, for each CEA, a check is made to be sure the Developer’s taxes are current. If current, the Economic Development Department proceeds to process that fiscal year TIF payment to return a portion of the taxes to the developer according to the CEA. If not current, the Economic Development Department will not move forward with the payment until current.

4. **TIF District Approval Process**

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

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

5. **City Council Actions During FY2017**

City Council actions taken during FY2017 include:

- A. On September 19, 2016, the City Council reviewed and approved a TIF and CEA for ImmuCell for a term of 12 years, and percentage capture back to ImmuCell as 65% years 1 through 11, and 30% year 12; the NCV goes into the City’s General Fund, as does the taxes from the OAV. This TIF and CEA supported ImmuCell’s expansion near its 45 Evergreen Drive facility to construct a two-story, 12,625 sq. ft. production facility for its **Mast Out** drug development for treatment of mastitis in lactating dairy cows.

- B. As noted earlier in Section I, Introduction, at the same September 19, 2016, meeting the Council referred possible TIF Policy amendments to its Economic Development Committee. That review remained on going as of FYE2017, with expectations of a recommendation to the City Council in November 2017. (Post FYE2017 Note: The City Council approved the amended TIF Policy on November 20, 2017, and this is included as Appendix A of this Report.)
- C. On November 21, 2016, the City Council authorized the assignment of the McAuley Place TIF District CEA from McAuley Place at Baxter Woods Retirement Community, Inc., to Sea Coast at Baxter Woods Associates, Inc. and Motherhouse Associates, LP.

6. **Statutory Limits for TIF Districts**

There are two State statutory limitations which include:

- A. **Acreage:** No single TIF District, including Affordable Housing Districts, can be larger than 2% of a municipality's total acreage, or in the case of Portland, 2% of Portland's 12,386 acres is 247 acres. Also, all active TIF Districts have to be less than 5% of a municipality's total acreage, or in the case of Portland, 5% is 619 acres. Based upon active TIF Districts, including Affordable Housing TIF Districts, as of FYE2017, Portland has the ability to include 470 additional acres in TIF Districts.
- B. **Value:**
 - i. **Commercial/Area Wide TIF Districts:** The OAV of all these TIF Districts in a municipality cannot be more than 5% of its total aggregate value (FY17 aggregate value: \$8,501,550,000, or in the case of Portland, 5% is \$425,077,500. Based upon active TIF Districts as of FYE2017, Portland has the ability to include an additional \$291.7 Million of property value in TIF Districts.
 - ii. **Affordable Housing TIF Districts:** The OAV of all Affordable Housing TIF Districts cannot be more than 5% of the total aggregate value (FY17 aggregate value: \$8,501,550,000), or in the case of Portland, 5% is \$425,077,500. Based upon active Affordable Housing Districts as of FYE2017, Portland has the ability to include an additional \$423.5 Million of property value in Affordable Housing TIF Districts.

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

There are exemptions from State limitations for Transit Oriented Development (TOD) and Downtown TIF Districts, for which Portland now has two: Thompson's Point TOD TIF, and the Downtown TOD and Omnibus TIF, the latter created in FY15 and activated in FY16.

7. **Tax Sheltering Benefits**

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

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

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

For Portland, tax shelter savings is conservatively estimated at 30%, meaning that for every new tax dollar, Portland saves 30 cents which would otherwise be lost for property tax value not included in a TIF district. Portland’s estimated total tax shelter savings for all active TIF Districts is just over \$829,000 for FYE2017.

8. **TIF Districts in Portland**

A listing of all approved TIF Districts is provided as Item B in the Report Appendix. This listing includes four expired TIF Districts – Auto Europe, Shipyard Brewery, Nichols Portland, and UNUM. This listing also includes two TIF Districts which were terminated by the City Council during FY15 – those being the Village at Oceangate (Bay House), and the Fore India Middle LLC TIF District.

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

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

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

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

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

Active Approved Individual Site Specific TIF Districts

As of FYE2017, the City has eight, single site active TIF Districts with associated CEAs, namely:

- Holt Hall
- Riverwalk/Ocean Gateway
- PowerPay/Portland Public Market
- Baxter Library
- Avesta/Pearl Place Affordable Housing TIF
- 409 Cumberland Avenue Affordable Housing TIF
- 134 Washington Avenue Affordable Housing TIF
- 17 Carleton Street Affordable Housing TIF

Active Approved Area Wide TIF Districts and Associated CEAs

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

- Bayside
 - Capital LLC CEA
 - Bayside Student Housing CEA
- Waterfront (Appendix D and E)
 - Waterfront Maine CEA

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

- Downtown TOD TIF

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

- Thompson's Point TOD TIF and CEA

For the Thompson's Point TOD TIF, the City retains a portion of TIF Funds for transit projects. This TOD TIF also has an associated CEA with Thompson's Point Development Company, Inc. for development of Thompson's Point, which is not yet active. Activation of this TIF CEA will occur when the Increased Assessed Value is at least \$5 Million.

Non-Active Approved TIF District

In FY09, the City Council approved the McAuley Place TIF District, which has been non-active until this fiscal year 2017. As noted previously, on November 21, 2016, the Council approved the assignment of this TIF. It is expected that this TIF will be active within the next year or two as development plans proceed for a senior housing project.

Terminated TIF Districts

The City Council has terminated two TIF Districts, namely:

- Fore India Middle LLC – This TIF project had not come to fruition and, therefore, was terminated by the City Council in November 2014; and,
- The Village at Oceangate, LLC (Bay House) – This TIF District was also terminated by the City Council in November 2014 due to this District’s use being converted into residential condominiums which is not an allowable TIF District use.

9. TIF District Financial Overview for FYE2017, including FY2013, FY2014, FY15, and FY16:

See below for financial comparison of FYE2017, FYE2016, FYE2015, FYE2014, and FY2013 for then active TIF Districts:

	FYE2013	FYE2014	FYE2015	FYE2016	FYE2017
City General Fund-Taxes from OAV	\$5.8 Million	\$6.1 Million	\$6.3 Million	\$22.8 Million	\$23.38 Million
City General Fund-Taxes from Non-Captured Value	\$1.1 Million	\$341,000	\$720,000	\$2.4 Million	\$2.2 Million
Total TIF Taxes From Captured Value	\$2.7 Million	\$3.5 Million	\$3.2 Million	\$1.8 Million	\$2.09 Million
- TIF Taxes to CEAs	\$1.9 Million	\$2.0 Million	\$2.0 Million	\$1 Million	\$1.08 Million
- TIF Taxes to Public Infrastructure/Arts	\$.8 Million	\$1.5 Million	\$1.2 Million	\$.8 Million	\$1.01 Million
Total Tax Sheltering Value	\$143 Million	\$180 Million	\$160 Million	\$87 Million	\$99.6 Million
Estimated Annual Average Tax Sheltering Savings	\$1.3 Million	\$1.6 Million	\$1.3 Million	\$.7 Million	\$.831 Million

Table Explanations:

City General Fund-Taxes from OAV - The above table shows a yearly increase in taxes from the OAV into the General Fund. For FYE 2013 through FYE2015, this is based on increases in tax rates. FYE2016’s higher increase is due to the Downtown TOD TIF Activation, where the OAV is just under \$1 Billion, and associated taxes with that OAV at \$20 Million. As noted earlier in the definition section, all taxes from the OAVs go to the General Fund.

City General Fund-Taxes from Non-Captured Value – The number fluctuates based on each CEA, as well as the City’s budget needs for public infrastructure/Economic Development Department staff salaries/debt service. The captured value percentages for the area wide TIF

Districts - Bayside and Waterfront - are adjusted yearly based on those needs. The captured value percentage for the Downtown TOD TIF was set at 12% for the first year (FY2016) and then set at 22% for years 2 through 30. The decrease in this table for FYE2017 is due to capturing 22% from the Downtown TOD TIF and having the remaining non-captured 78% go into the General Fund. Non-captured increased assessed value taxes flow into the General Fund.

Total TIF Taxes From Captured Value – The percentage of captured value varies yearly based on CEAs and the City’s financial needs. This TIF Revenue is then allotted to the various CEAs, and then to the City public infrastructure projects/arts.

Total Tax Sheltering Value – This number represents the total percentage of the increased assessed of value (IAV) all TIF Districts that has been captured. This value increased from FYE2016 largely due to the to the increase of the capture rate for the Downtown TOD TIF from 12% in FY2016 to 22% in FY2017. It is also noted that the captured value percentage for area TIFs is adjusted yearly based on City use of TIF funds needed for public infrastructure projects, as well as debt service for payment of the Bayside HUD loan and for Ocean Gateway associated debt expenses.

Estimated Tax Sheltering Savings – This number increased by just over \$100K from FYE2016. This is due to the Downtown TOD TIF increased captured value from 12% in FY2016 to 22% in FY2017.

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

10. Examples of a Performing TIF and a Non-Performing TIF

Examples will be provided annually.

Performing TIF District: Nichols Portland (Expired FY14)

Duration: 20 year term (FY95 through FY14)

Percentages: Years 1 to 5, 90% to Recipient, 10% to City General Fund; years 6 to 10, 75% to Recipient, 25% to City General Fund; years 11 to 20, 50% to Recipient, 50% to City General Fund.

Location: 2400 Congress Street

An example of a performing TIF District would be the very first TIF District approved by the City Council and the Maine Department of Economic Development and Community Development, that being Nichols Portland at 2400 Congress Street. This TIF District was created to support Nichols Portland expansion of its existing manufacturing facility at 2400 Congress Street and to retain 450 jobs. At the time, Nichols had outlined a ten-year capital investment plan totaling \$29.7 Million and requested the 20-year TIF District to help facilitate the expansion.

Nichols Portland was established in 1968 manufacturing precision parts for the automotive industry. Its parent company at the time of the creation of this TIF District was Parker

Hannifin Corporation, which had 143 manufacturing facilities and 26,000 employees worldwide. Nichols Portland was competing with other subsidiaries of Parker Hannifin for capital investment funds. This TIF District helped to convince its parent company that the investment was worth making in the Portland facility.

Nichols Portland needed to add an additional 38,000 sq. ft., to its 160,000 sq. ft. at 2400 Congress Street for expanded manufacturing facilities, as well as enhanced shipping and receiving, automation, and upgrading equipment. New equipment purchases in the coming years were part of the financial picture, as the personal property value outweighed the real estate value and this continued throughout the life of the TIF District. See below chart for the Original Assessed Value (OAV) at the start of this TIF District, and the assessed values every 5 years throughout the TIF:

	Real Estate	Personal Property	Total Assessed Value (TAV)
OAV 4/1/1992	\$5,646,870	\$12,754,650	\$18,401,520
TAV 4/1/1998	\$7,394,490	\$15,364,860	\$22,759,620
TAV 4/1/2003	\$8,627,220	\$27,033,280	\$35,660,500
TAV 4/1/2008	\$7,427,030*	\$27,701,940	\$35,128,970
TAV 4/1/2013	\$6,824,930**	\$19,664,260	\$26,490,190

*Result of Revaluation

**Partial Abatement

As of the current FY2017, its assessed value for

Real Estate:	\$ 6,804,300
Personal Property:	<u>\$20,161,340</u>
TAV:	\$26,965,640

Regarding jobs, Nichols had an estimated 350 jobs in 2017.

Over the life of the TIF, TIF revenues to Nichols were \$2.8 Million, and the City's General Fund realized just under \$9.7 Million.

This TIF District provided economic stability in a local manufacturing business as it expanded, improved, and automated its business and continues to do so today.

Example of a Non-Performing TIF:

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

Duration: 4 year term (FY14 through FY17)

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

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

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

This TIF was terminated by the City Council on November 3, 2014 due to the project not coming to fruition. TIF Districts perform when value is added over and above the OAV. If no development occurs, it is a non-performing TIF.

11. Strategies and Recommendations to Optimize use of TIF Districts

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

12. Summary

TIF CEAs are driven by development occurring and increasing the assessed value. With no development, the assessed value remains the same and no TIF dollars are returned to the developer. On the other hand, when the development moves forward and the assessed value increases, that is when TIF dollars can be returned to the Developer. It is performance based.

PORTLAND TIF POLICY

November 20, 2017

I. INTRODUCTION

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

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

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

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

II. STATE TIF LIMITATION

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

III. PURPOSE

The primary purposes of the TIF Policy include:

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

IV. GENERAL PRINCIPLES

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

A. Investment

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

B. Jobs Associated with Commercial and Industrial Development

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

C. Maximize Tax Sheltering Benefits

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

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

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

V. APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

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

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

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

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

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

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

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

B. Policy for the Three Approaches

1. **Policy for Municipal Economic Development Programs.**

Requires annual review and City Council financial appropriations.

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

- a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.
- b) City TIF emphasis will be placed upon the following general “Priority Revitalization Areas” to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

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

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

- c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.
- d) Affordable Housing. Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

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

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

Allowable uses of AHTIF revenues are defined by State law.

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

- f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.
- g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastructure.

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

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

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

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

- i) City Green Building Code

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

- ii) Affordable Housing

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

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

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

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

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

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

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

(iv) Equal Employment Opportunities and Nondiscrimination

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

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

i) Financial Necessity.

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

ii) Financial Capacity.

The applicant must demonstrate financial capacity to support their project.

iii) Fees

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

C. Terms for CEA Projects

1) Maximum Percentages.

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

2) Maximum Number of Years.

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

3) Use of Maine Services for CEA Projects Encouraged.

VI. TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

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

B. Approval Process.

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

C. Post-Construction Report to City Council.

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

D. Annual Report to City Council.

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



SUMMARY OF ALL APPROVED
TAX INCREMENT FINANCING (TIF) DISTRICTS
IN THE CITY OF PORTLAND A/O FYE2017 (June 30, 2017)

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

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

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

Duration: 20 year term (FY95 through FY14)

Percentages: Years 1 to 5, 90% to Recipient, 10% to City General Fund; years 6 to 10, 75% to Recipient, 25% to City General Fund; years 11 to 20, 50% to Recipient, 50% to City General Fund.

Location: 2400 Congress Street

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

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

Duration: 12 year term (FY96 through FY07). Please note this TIF has expired and the City General Fund is receiving 100% of the real estate taxes.

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

Location: Newbury Street

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

3. Auto Europe (Economic Development TIF) (Expired FY11)

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

Percentages: 75% to Recipient; 25% to City General Fund

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

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

4. Bramhall/Holt Hall (Economic Development TIF)

Duration: 20 year term (FY00 through FY19)

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

Location: 794 Congress Street

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

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

Duration: 15 year term (FY01 through FY15)

Percentages: 100% capture of increased value with 75% going to the Recipient, and 25% going to economic development projects for the City.

Location: Outer Congress Street.

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

6. Waterfront TIF (Economic Development TIF)

Duration as originally approved March 18, 2002: 10 year term (FY03 to FY12)

Duration Extended as of June 7, 2010 for a 30-year term: FY03 to FY32

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

Location: Selected waterfront properties.

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

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

Duration: 20-year term (FY12 through FY31)

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

Location: 252 Commercial Street on the Portland waterfront.

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

7. **Bayside TIF** (Economic Development TIF)

Duration: 30 year term (FY04 through FY33)

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

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

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

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

Duration: 15 year term (FY09 through FY23)

Percentage: 100% to return, to Developer, to an annual maximum cap of \$355,000 and annual debt service threshold test.

Location: Bayside next to I-295

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

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

Duration: 11 year term (FY08 through FY18)

Percentage: 100% to return, to Developer, to a maximum annual cap of \$120,000 and annual debt services threshold test.

Location: Bayside next to I-295

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

8. **Riverwalk/Ocean Gateway** (Economic Development TIF)

Duration: 13 year term (FY07 through FY19)

Percentages: Formula based percentages in Credit Enhancement Agreement

Location: Hancock and Fore Street area

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

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

Duration: 30 year term (FY08 through FY37)

Percentages: Various percentages captured value to return to Developer based on Maine State Housing Authority Certificate of Approval, to a maximum of \$22,000 annual cap.

Location: Oxford and Pearl Streets

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

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

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

Original Duration: 15-year term (FY10 through FY24); **Term amended as noted above to end FY19.**

Original Percentages: 100% capture; annually, the City Council may adjust this TIF capture rate to place property tax revenue in the City General Fund; **Percentage amended to reflect the 65% capture for the Baxter Library project.**

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

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

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

Duration: 9-year term (FY11 through FY19)

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

Location: 621 Congress Street

The City entered into the CEA in order to assist with the reuse, redevelopment, and preservation of a hallmark downtown building built in 1888, where adaptive reuse of this former library is challenging and expensive. This Project will add \$2.5 Million in new municipal assessed commercial valuation and generate an average of \$16,000 annually, in funds, to support the Creative Economy TIF Program or

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

11. McAuley Place (Economic Development TIF)

Duration: 30 year term (FY10 through FY39)

Percentages: 60% to Recipient; 40% to City General Fund.

Location: 605 Stevens Avenue

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

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

Duration: 30 year term (FY11 through FY40)

Percentages: Years 1 through 8 – 75% to Developer, 25% to City General Fund; Years 9 through 30 – 50% to Developer, 50% to City General Fund.

Location: 25 Preble Street

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

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

Duration: 30 year term (FY15 through FY44).

Percentages:

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

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

Location: Thompson's Point

This Transit-Orient Development (TOD) Tax Increment Financing (TIF) District was created to support Thompson's Point Development Company Inc.'s redevelopment of

Thompson's Point into the **Forefront at Thompson's Point**. Additionally, the TOD will assist to expand and improve transit connections between Thompson's Point and key commercial locations within Portland (i.e. Jetport, Portland Transportation Center and Portland's Downtown) and around the region.

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

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

14. The Village at Oceangate, LLC (Bay House) (Economic Development TIF)

This TIF was terminated by the City Council on November 3, 2014 due to the conversion of market rate apartments into condominiums which is not allowable use of TIF funds.

Duration: 11 year term (FY14 through FY25)

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

Location: Hancock Street, between Newbury and Middle Streets.

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

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

This TIF was terminated by the City Council on November 3, 2014 due to the project not coming to fruition.

Duration: 4 year term (FY14 through FY17)

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

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

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

16. 409 Cumberland Avenue (Affordable Housing TIF)

Duration: 22 year term (FY14 through FY35)

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

Location: 409 Cumberland Avenue

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

17. 134 Washington Avenue (Affordable Housing TIF)

Duration: 20 year term (FY15 through FY34)

Percentages: 50% to Developer; 50% to City General Fund.

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

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

Duration: 30 year term (FY16 through FY45)

Percentages: 12% Year One; 22% years 2 through 30; 88% to General Fund Year One; 78% to General Fund Years Two through Thirty.

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

19. 17 Carleton Street (Affordable Housing TIF)

Duration: 22 year term (FY16 through FY37)

Percentages: Years 1 and 2: 0% to Developer; 100% to City. Years 3 through 22: 65% to Developer; 35% to City General Fund.

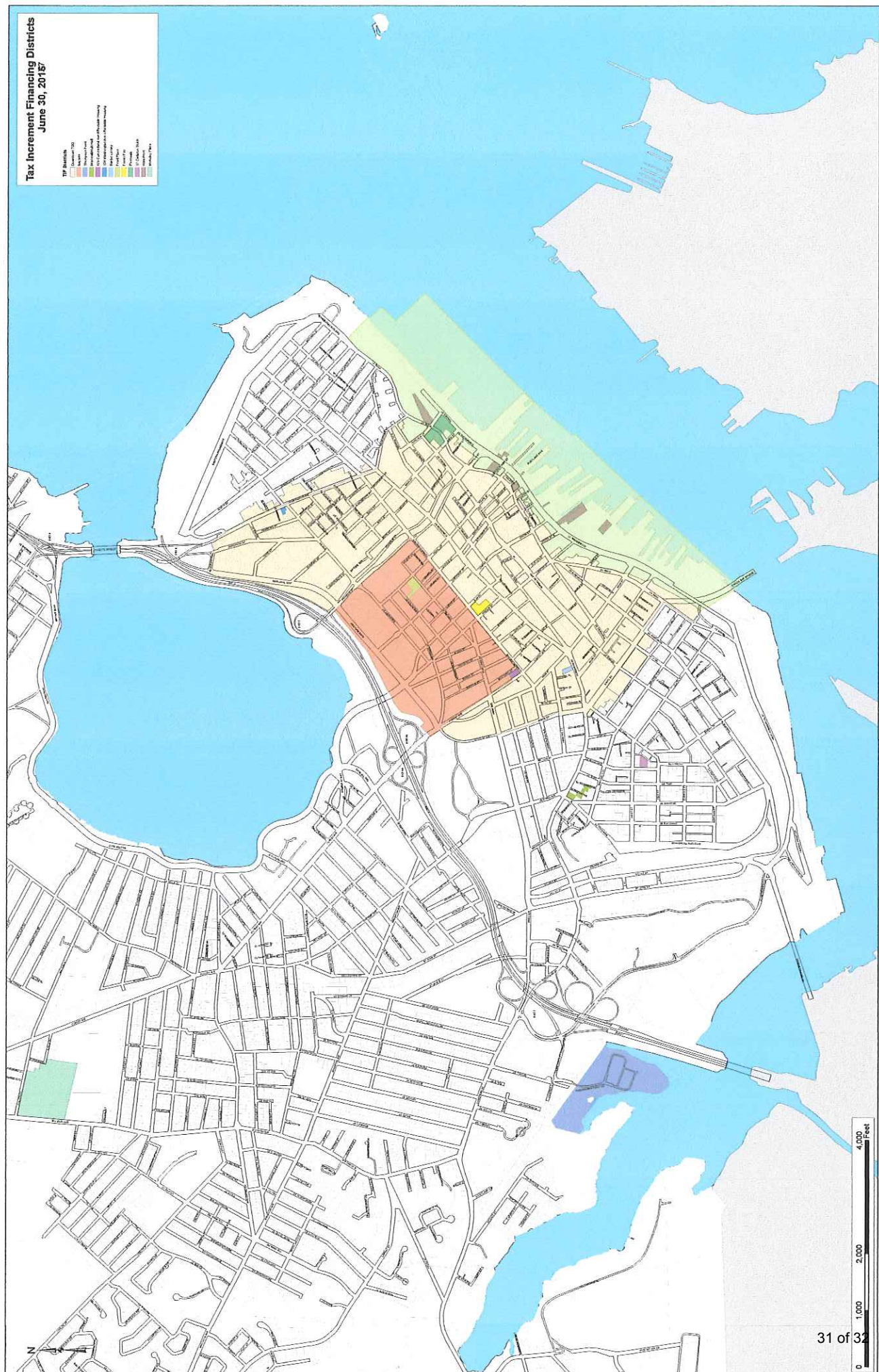
This Affordable Housing TIF District supports the development of a 37-unit residential rental project. TIF revenues will be used by Developer to pay for operating costs for the project.

20. ImmuCell (Economic Development TIF)

Duration: 12 year term (FY18 through FY29)

Percentages: Years 1 through 11: 65% to Developer, 35% to City General Fund; Year 12: 30% to Developer, 70% to General Fund.

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



Appendix D

FYE2017 Report

FY 17 Tax Rate:

0.02111

TIF Name	Starts/		TIF PLAN	TOTAL	ORIGINAL	Increased	PERCENT	Total Cpt.	PROCEEDS	City TIF	City General Fund
SITE Specific with CEA:	Ends-FY	TERM	YEAR	ASSESSED	ASSESSED	Assessed value	APPLIED	Value	TO OWNER	Funds	(OAV and Non-Captured Taxes from IAV)
HOLT HALL	00/19	20 YEARS	18	4,956,760	349,110	4,607,650	67%	3,070,538	64,819	0	39,818
- FY17 Taxes				104,637	7,370	97,267		64,819			
Baxter Library (flk/a Arts)	11/19	9 YEARS	7	2,502,600	0	2,502,600	65%	1,626,690	34,339	0	18,490
- FY17 Taxes				52,830	0	52,830		34,339			
AVESTA/Pearl Place	08/37	30 YEARS	10	3,581,560	646,050	2,935,510	35%	1,027,429	21,689	0	53,918
- FY17 Taxes				75,607	13,638	61,969		21,689			
OCEAN GATEWAY/Riverwalk	07/19	13 YEARS	11	13,319,200	1,085,550	12,233,650	52%	6,410,433	117,443	0	163,725
- FY17 Taxes				281,168	22,916	258,252		135,324			
PowerPay/Ptld Pub Mkt	11/40	30 YEARS	7	6,259,500	1,862,600	4,396,900	75%	3,297,675	69,614	0	62,524
- FY17 Taxes				132,138	39,319	92,819		69,614			
McAuley/Inactive	10/39	30 YEARS	8	0	0	0	60%	0	0	0	0
Thompson's Point TOD	15/44	30 YEARS	3	8,434,470	4,970,470	3,464,000	25%	866,000	0	18,281	159,770
- FY17 Taxes				178,052	104,927	73,125		18,281			
409 Cumberland Ave. AH	14/35	22 YEARS	4	3,717,960	470,200	3,247,760	100%	3,247,760	34,280	34,280	9,926
- FY17 Taxes				78,486	9,926	68,560		68,560			
134 Washington Ave. AH	15/34	20 YEARS	3	1,079,400	155,600	923,800	50%	461,900	9,751	0	13,035
- FY17 Taxes				22,786	3,285	19,501		9,751			
17 Carleton St. AH	16/37	22 YEARS	2	261,600	261,600	0	0%	0	0	0	5,522
- FY17 Taxes					5,522						
Area-Wide TIFs, with CEA											
BAYSIDE	04/33	30 YEARS	14	192,439,970	122,318,180	70,121,790	55%	38,552,960	463,749	350,104	3,248,555
FY17 Taxes				4,062,408	2,582,137			813,853			
- CEA/Atlantic Bayside Trust	09/23	15 YEARS	9	29,268,370	0	29,268,370	Formula		355,000		
- CEA/Blue Atlantic	08/18	11 YEARS	10	16,320,830	0	16,312,380	Formula		108,749		
WATERFRONT	03/32	30 YEARS	15	41,626,840	7,667,340	33,959,500	66%	22,576,276	192,339	284,246	402,157
FY17 Taxes				878,743	161,858			476,585			
- CEA/Waterfront Maine	12/31	20 YEARS	6	15,187,300	950,930	14,236,370	64%	9,111,277	192,339		
DOWNTOWN TOD TIF	16/45	30 YEARS	2	1,052,229,450	968,136,850	84,092,600	22%	18,500,372		390,543	21,822,021
FY17 Taxes				22,212,564	20,437,369	1,775,195		390,543			

Total Value:				1,311,149,460	1,107,923,550	203,487,510		99,638,032			
Total Taxes:				27,678,365	23,388,266	4,295,621		2,103,359	1,008,023	1,077,454	25,999,463



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: February 15, 2018

SUBJECT: 2018 Draft Economic Development Committee Work Plan

As a follow-up to the February 6, 2017, EDC meeting discussion, the Draft 2018 Work Plan includes:

Broadband Access (2017 Mayor and City Council Goal). High speed infrastructure; broad band.

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

Also, it is noted the City issued a News Release on July 19th, 2016, with the topic “City Seeks Citizens to Complete Internet Services Survey” and noting “Selects SiFi Networks to explore potential citywide fiber network”. Staff continues to work with SiFi Networks to move forward with a public-private partnership.

A City Council workshop was held on December 12, 2016 with Council direction to refer negotiations to the EDC to finalize partnership documents for recommendation to the City Council.

At the February 6, 2018 EDC meeting, Jon Jennings updated the Committee that a company is looking to do this on its own at no cost to the City.

Updates will be provided as they become available.

Eastern Waterfront Public Infrastructure Investment/Increase Utilization of the Portland Ocean Terminal (POT) (2017 Mayor and City Council Goal)

Establish direction on the future of the Portland Ocean Terminal, including waterfront concerts and Compass Park. With as much as 70,000 square feet of vacant space, the Portland Ocean Terminal on the Maine State Pier needs a plan for investment and optimized utilization. Existing uses, including City cruise ship port of call support, Portland Tugboat, and Ready Seafood, provide a solid basis for growth; however, the building's age, condition, location within a Federal security area, and lack of

supporting infrastructure (parking, loading, sidewalks ...) severely limit the potential reuse of the building as currently configured.

See sections entitled “Eastern Waterfront Public Infrastructure Investment” and “Establishing New Policy Direction” for more information and inter-relationship with approaches to improving utilization of the POT.

At the September 5, 2017 EDC meeting, City Waterfront Coordinator Bill Needelman provided the Committee with an overview and process to go forward, including conducting an inventory of uses, understanding current conditions, and coordination with existing operations. In the short-term, provide basic circulation and utilities changes and moving utilities into the main building. The second floor provides the most opportunity for increased development; the main floor is used by the City, storage in the winter for cruise ship activities, as well as Ready Seafood’s use and other marine dependent uses.

On October 2, 2017, the City Council held a workshop on suggested plans for the future of the POT, which was then followed by an EDC meeting on November 28, 2017, with staff providing illustrative redevelopment concepts for feedback from the Committee, including a draft updated Policy Statement for the POT. This was favorably received by the Committee, noting that work on this would continue with the 2018 EDC.

Since that time, staff has been working on public outreach and will report back to the Committee on its findings when appropriate.

Tax Increment Financing

Employment Disparity Study and Workforce Job Training Program

The 2017 EDC recommended that the City Manager and/or his/her designee undertake an analysis of the costs associated with the City undertaking an *Employment Disparity Study* and report back to the EDC in January 2018, and to explore the establishment of a *City workforce job training program*, utilizing funds from area-wide TIF Districts to fund the program.

Next Steps: Staff is researching the scope and cost of conducting an employment disparity study. Results of that research are expected to be presented to the EDC in March.

Also, staff will look at other municipal TIF programs regarding utilizing TIF revenue for adult education and workforce job training programs and report back to the Committee on its findings.

FYE2017 Annual TIF Report to City Council: Annually the Economic Development Department issues a City Fiscal Year Report related to Portland TIF District activity. This report is available on the City web page at: <http://www.portlandmaine.gov/529/Tax-Increment-Financing>. The 2017 Annual Report will be presented to the EDC at its February 20, 2018 meeting.

Possible Amendments to Waterfront TIF District: One recommended TIF District amendment to discuss, in 2018, is the possible geographic expansion of the Waterfront TIF District. The areas to consider including in the Waterfront TIF District are East and West Commercial Street properties due to planned private sector investment projects and supporting public infrastructure needs.

Next Steps: Presenting any private TIF District requests to the EDC for direction, along with revisiting the Waterfront TIF District boundaries for possible expansion.

Payment In Lieu of Taxes (PILOT) New City Policy

Staff prepared a draft policy for 2017 EDC consideration for non-profit tax exempt organizations to contribute annually to cover the cost of municipal services.

At the September 5, 2017 EDC meeting, City Finance Director Brendan O’Connell provided a general overview of a proposed policy, and at the November 28 EDC meeting, provided a draft policy for review, discussion, and feedback. It is expected that the 2018 EDC will continue its review and make a recommendation to the City Council.

Establish Development Impact Fees

Staff will work with the EDC to create a formula that standardizes fees - providing certainty to the development community and City resources.

At the September 5, 2017 EDC meeting, Planning and Urban Development Director Jeff Levine provided a general overview of the current City current impact fees, determined through development review. Next step is to bring a proposed overall impact fee policy to the EDC so that both the City and developers know formulas for impact fees and can insert them into pro formas.

Eastern Waterfront Public Infrastructure Investment

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

Implementing Existing Policy:

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

Next Steps. Public/private partnerships to develop public infrastructure improvements and revenues to finance the investments.

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

The 2017 EDC was provided a concept of redevelopment at its August 22, 2017, meeting, with overall consensus of agreement with the concept, which has been informally called “Portland Landing”. The EDC will be kept updated on the continued public process.

Establishing New Policy Direction:

Ocean Gateway to discuss reconfiguration of the “queuing area” located behind the fence to free up property for more diversified marine activity, support for the Portland Ocean Terminal, and expanded access to the water for commercial and public uses. The City Manager met with Custom Border Protection (CBP) personnel to discuss relocating U.S. Customs pre-clearance to Yarmouth, Nova Scotia. Staff is researching options; update forthcoming.

Possible new Pier development between Ocean Gateway and the Maine State Pier to support increased commercial use of the waterfront and support for the marine passenger industry. Staff is exploring Federal funding opportunities and updates will be provided when appropriate.

Portland Ocean Terminal (POT). Evaluate supporting infrastructure to attract increased commercial and marine tenant use of available 25,000 +/- square feet of vacant second floor office space and 70,000 square feet of vacant ground floor marine industrial space, coupled with waterfront concerts use and Compass Park use.

On October 2, 2017, the City Council held a workshop on suggested plans for the future of the POT, which was then followed by an EDC meeting on November 28, 2017, with staff providing illustrative redevelopment concepts for feedback from the Committee, including a draft updated Policy Statement for the POT. Under direction of the EDC, public outreach is planned for March. Staff will update the EDC after completing public outreach.

Portland Transportation Center (PTC)

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

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

Lease of City Properties

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

Ocean Gateway to support ferry operator lease. An amendment to the Bay Ferries Lease is under negotiation to extend ferry service in 2018 subject to conditions.

Portland Ocean Terminal tenant lease for Ready Seafood Companies. Amendments to this Lease will be proposed in 2018.

Spring Street Parking Garage Commercial tenant leases including the former Pirates space, with 2,400 square feet. At the February 6, 2018 EDC meeting, it reviewed proposed Lease and Parking Revenue Sharing Agreement with Portland Hockey, LLC. The EDC voted

unanimously to forward this to the City Council for approval, which is expected at the February 21, 2018 Council Meeting.

Casco Bay Island Transit District (CBITD) Lease: Staff is beginning its review of the existing Lease to recommend, at the appropriate time, amendments. This current 30-year lease expires June 2018.

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

City Properties (Sales and Acquisitions)

Sales

Bayside former Public Works property at 44 Hanover Street. City staff discussed this in executive session at the February 6, 2018 EDC meeting and continues negotiations for a Purchase and Sale Agreement for EDC review and recommendation to the City Council.

Portland Technology Park. Three available sites.

Riverside Street Seven (7) Acre Industrial Property. City staff will continue its marketing this property for sale.

At the February 20, 2018 EDC meeting, staff will discuss in executive session for direction related to buyer interest.

Thames Street Gravel Parking Lot. It is anticipated that during 2018, the EDC will consider options for the possible sale of the remaining portion of the Thames Street gravel parking lot.

Acquisitions

Redlon Woods: The Land Bank Commission is interested in accepting donations and acquiring privately-owned vacant land in this area of the City to be placed into the Land Bank. Because of the property acquisition, this will come before the EDC, as well as the Land Bank Commission (LBC) for recommendations to the City Council.

Outdoor Seating for Food Service Establishments: Review current permitting process/ordinance and any barriers, particularly for older buildings. Staff is working on this topic. Updates will be provided when appropriate.

Open Forum for Restaurateurs: Forum for restaurant owners to talk about what is going well, what is not, and any other issues or comments they may have.