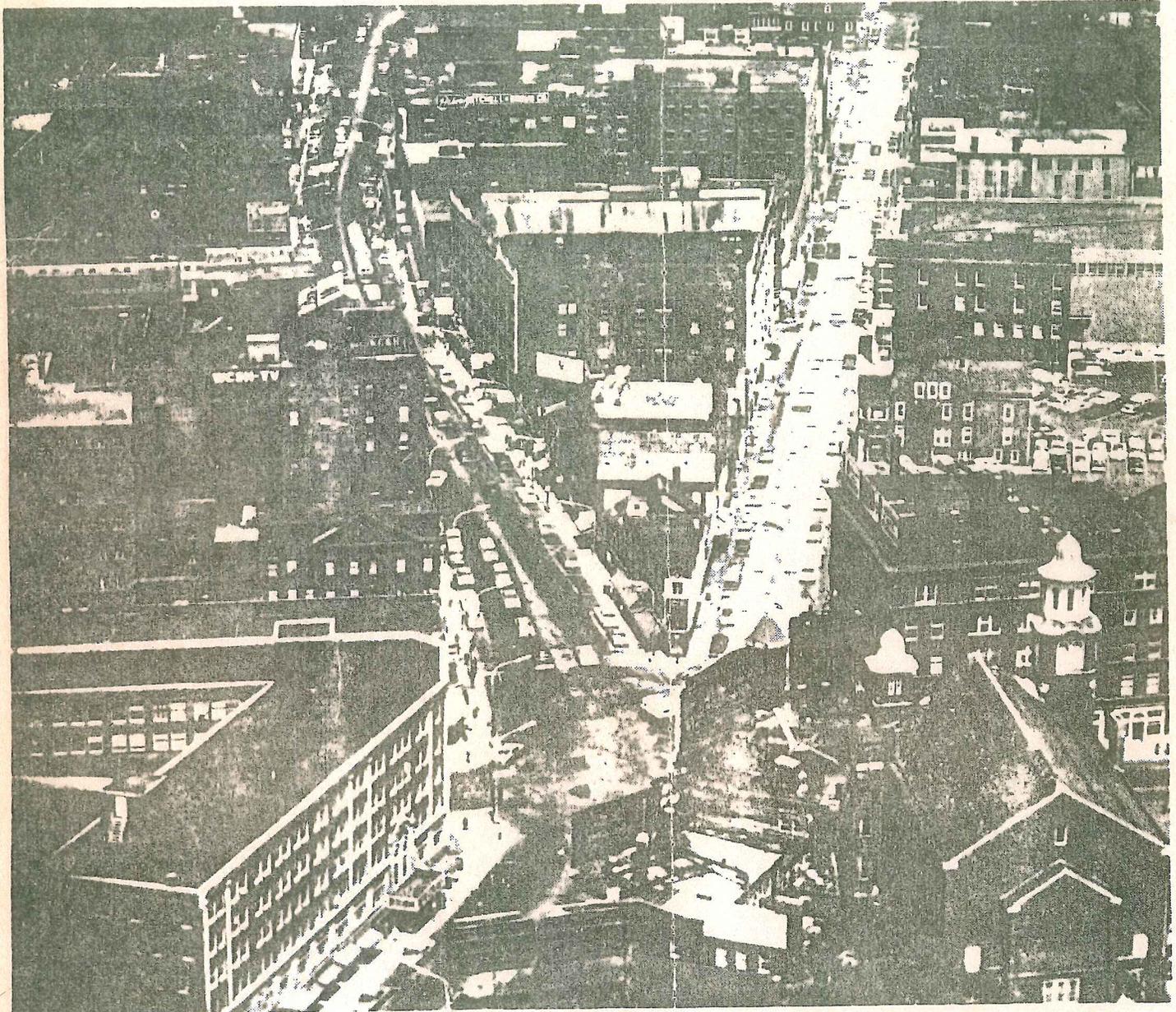


Planning and Urban Development Department
Planning Division
City Hall
389 Congress Street, 4th Floor
Portland ME 04101

URBAN DEVELOPMENT ACTION GRANT



CITY OF PORTLAND MAINE

OCTOBER 1979

URBAN DEVELOPMENT ACTION GRANT PROGRAM

CITY OF PORTLAND, MAINE

OCTOBER 1979

PREPARED BY:
PORTLAND PLANNING DEPARTMENT

The preparation of this document is an eligible expense under the Housing and Community Development Act of 1977 and is intended to be paid for out of Federal Community Development Funds.

URBAN DEVELOPMENT ACTION GRANT PROGRAM

CITY OF PORTLAND, MAINE

PORTLAND CITY COUNCIL

Llewellyn C. Smith, Mayor

Edward I. Bernstein

John J. O'Leary, Jr.

J. Donald MacWilliams

Matthew I. Barron

Joseph D. Casale

Pamela P. Plumb

Clifford A. Richardson

Paul C. Tucci

A. J. Wilson, City Manager

CITY OF PORTLAND, MAINE
URBAN DEVELOPMENT ACTION GRANT PROGRAM

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CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART I

STANDARD FORM 424

FEDERAL ASSISTANCE		2. APPLICANT'S APPLICATION	a. NUMBER	3. STATE APPLICATION IDENTIFIER	e. NUMBER														
1. TYPE OF ACTION <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION <small>(Mark appropriate box)</small> <input type="checkbox"/> NOTIFICATION OF INTENT (Opt.) <input type="checkbox"/> REPORT OF FEDERAL ACTION		b. DATE 19 <u> </u> Year month day		ME - 794020 b. DATE Year month day ASSIGNED 19 <u> </u>															
4. LEGAL APPLICANT/RECIPIENT Applicant Name : City of Portland, Maine Organization Unit : City Manager Street/P.O. Box : City Hall, c89 Congress St. City : Portland State : Maine Contact Person (Name & telephone No.) : Thomas Valleau 207-775-5451 County : Cumberland ZIP Code : 04101			5. FEDERAL EMPLOYER IDENTIFICATION NO. 01-600032W 6. PRO. PROGRAM (From Federal Catalog) a. NUMBER 1 4 0 2 2 1 b. TITLE Urban Development Action Grant Program																
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT Congress Square UDAG The project involves the rehabilitation of hotel facilities, new parking facilities, the construction of a new wing to the Portland Museum of Art, rehabilitation of major buildings, the construction of a new office complex, new pedestrian plazas and public improvements.			8. TYPE OF APPLICANT/RECIPIENT A-State B-Interstate C-Substate D-District E-County F-City G-School District H-Community Action Agency I-Higher Educational Institution J-Indian Tribe K-Other (Specify) Enter appropriate letter <input checked="" type="checkbox"/> E																
10. AREA OF PROJECT IMPACT (Name of cities, counties, States, etc.) City of Portland, Maine		11. ESTIMATED NUMBER OF PERSONS BENEFITING 65,116 (1970)		9. TYPE OF ASSISTANCE A-Basic Grant B-Supplemental Grant C-Loan D-Insurance E-Other Enter appropriate letter(s) <input checked="" type="checkbox"/> A															
13. PROPOSED FUNDING <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>FEDERAL</td> <td>\$ 8,000,000.00</td> </tr> <tr> <td>APPLICANT</td> <td>.00</td> </tr> <tr> <td>STATE</td> <td>.00</td> </tr> <tr> <td>LOCAL</td> <td>1,300,000.00</td> </tr> <tr> <td>OTHER</td> <td>33,725,000.00</td> </tr> <tr> <td>TOTAL</td> <td>\$ 43,025,000.00</td> </tr> </table>		FEDERAL	\$ 8,000,000.00	APPLICANT	.00	STATE	.00	LOCAL	1,300,000.00	OTHER	33,725,000.00	TOTAL	\$ 43,025,000.00	14. CONGRESSIONAL DISTRICTS OF a. APPLICANT First b. PROJECT First		12. TYPE OF APPLICATION A-New B-Renewal C-Revision D-Continuation E-Augmentation Enter appropriate letter <input checked="" type="checkbox"/> A			
FEDERAL	\$ 8,000,000.00																		
APPLICANT	.00																		
STATE	.00																		
LOCAL	1,300,000.00																		
OTHER	33,725,000.00																		
TOTAL	\$ 43,025,000.00																		
16. PROJECT START DATE 19 80 6 1		17. PROJECT DURATION 36 Months		15. TYPE OF CHANGE (For 12c or 12d) A-Increase Dollars B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Cancellation F-Other (Specify) Enter appropriate letter(s) <input type="checkbox"/>															
18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY 19 79 10 31			19. EXISTING FEDERAL IDENTIFICATION NUMBER																
20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code) U.S. Dept. of Housing & Urban Development, Manchester, N.H.				21. REMARKS ADDED <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No															
22. THE APPLICANT CERTIFIES THAT a To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.		b If required by OMB Circular A-95 this application was submitted, pursuant to its instructions therein, to appropriate clearinghouses and all responses are attached. (1) Greater Portland Council of Governments <input checked="" type="checkbox"/> Response attached (2) State Planning Office <input checked="" type="checkbox"/> (3) <input type="checkbox"/>																	
23. CERTIFYING REPRESENTATIVE A. J. Wilson, City Manager		b. SIGNATURE		c. DATE SIGNED Year month day 19 79 10 31															
24. AGENCY NAME			25. APPLICATION RECEIVED 19 <u> </u>																
26. ORGANIZATIONAL UNIT		27. ADMINISTRATIVE OFFICE		28. FEDERAL APPLICATION IDENTIFICATION															
29. ADDRESS			30. FEDERAL GRANT IDENTIFICATION																
31. ACTION TAKEN <input type="checkbox"/> AWARDED <input type="checkbox"/> REJECTED <input type="checkbox"/> RETURNED FOR AMENDMENT <input type="checkbox"/> DEFERRED <input type="checkbox"/> WITHDRAWN		32. FUNDING <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>FEDERAL</td> <td>\$.00</td> </tr> <tr> <td>APPLICANT</td> <td>.00</td> </tr> <tr> <td>STATE</td> <td>.00</td> </tr> <tr> <td>LOCAL</td> <td>.00</td> </tr> <tr> <td>OTHER</td> <td>.00</td> </tr> <tr> <td>TOTAL</td> <td>\$.00</td> </tr> </table>		FEDERAL	\$.00	APPLICANT	.00	STATE	.00	LOCAL	.00	OTHER	.00	TOTAL	\$.00	33. ACTION DATE 19 <u> </u>		34. STARTING DATE 19 <u> </u>	
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STATE	.00																		
LOCAL	.00																		
OTHER	.00																		
TOTAL	\$.00																		
35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)		36. ENDING DATE 19 <u> </u>		37. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No															
38. FEDERAL AGENCY A-95 ACTION a In taking above action, any comments received from clearinghouses were considered if agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made.		b FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)																	

SECTION IV-REMARKS (Please reference the proper item number from Sections I, II or III, if applicable)

CITY OF PORTLAND, MAINE
URBAN DEVELOPMENT ACTION GRANT - CONGRESS SQUARE

	<u>PROPOSED BUDGET</u>	<u>Totals</u>
1. Facade Easement Program		\$1,000,000
UDAG Funds	\$250,000	
Matching Private Retail Investment	<u>750,000</u>	
2. Portland Museum of Art		19,000,000
UDAG Funds	<u>2,000,000</u>	
Private Collections, New Construction & Endowment	<u>17,000,000</u>	12,000,000
3. Eastland Hotel Conversion		7,500,000
UDAG Funds for Urban Plaza & New Hotel Entry	1,500,000	
UDAG Funds for Second Mtge Financing	1,000,000	
Private Financing - Industrial Revenue Bonding	4,275,000	
Private Market Financing	<u>725,000</u>	
4. Municipal Parking Garage - 650 vehicles & Commercial Space		5,675,000
UDAG Funds	1,200,000	
Local Bonds	1,300,000	
Private Financing - Ind. Rev. Bonding	<u>3,175,000</u>	
5. Renovations to H.H.Hay Building		200,000
Private Financing	<u>200,000</u>	
6. Renovations to Former Baxter Library		350,000
UDAG Funds (facade improvements)	50,000	
Private Financing	<u>300,000</u>	
7. Public Improvements - street, sidewalk and pedestrian improvements to Congress Street to stimulate facade improvements and to improve accessibility to the Portland Museum of Art and Hotel/Garage facilities		500,000
UDAG Funds	<u>500,000</u>	
8. Sun Savings Office Tower & 300 Car Parking Facility		8,800,000
UDAG Funds for Second Mortgage Financing	1,500,000	
Private Market Financing	<u>7,300,000</u>	
Project Total - CITY	1,300,000 -	
Project Total - UDAG	8,000,000 -	
Project Total - Combined	33,725,000*	
PROJECT TOTAL COMBINED	<u>\$43,025,000</u> —	
TOTAL PRIVATE TO UDAG RATIO	<u>4.2:1*</u>	

* Does not include repayment of \$2,500,000 of second mortgage loans to City by private investors which will be credited as private investment using standard discounting procedures as dictated by HUD.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART II

DESCRIPTION OF PROPOSED PROJECT

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART II

SECTION A

BRIEF SUMMARY OF PROJECT & PARTICIPANTS

City of Portland, Maine

Congress Square Urban Development Action Program

PART: II - Description of Proposed Project

SECTION: A - Brief Summary of Project and its Participants

Submitted to the U. S. Department of Housing and Urban Development
October 1979

PROGRAM SUMMARY

The Congress Square Urban Development Action Grant project consists of eight transactions. The first is assistance to neighborhood businesses along the two block Congress Street shopping spine. Second is financial assistance for an addition to the Portland Museum of Art, which anchors the neighborhood on its eastern boundary. Third is the rehabilitation of a large underutilized hotel which creates a blighting influence currently and acquisition of several buildings to create an urban pedestrian plaza. The fourth transaction will provide improved parking facilities in support of the uses in the UDAG area. The fifth is substantial renovation to the H. H. Hay Building to be undertaken by a private developer. The sixth involves substantial rehabilitation of the old public library with a facade improvement grant. The seventh activity is public improvements to Congress and High Streets to improve accessibility and attractiveness to the street scope involved in the project. The final activity involves the construction of a 120,000 s.f. office tower for \$6.5 million of private investment tied into a 300 car parking facility funded with \$1.5 million of UDAG second mortgage financing.

The first transaction, assistance to businesses in the neighborhood, would use the vehicle of facade easement. UDAG funds in the amount of \$250,000 are requested. The leveraging ratio is three to one. For each three dollars which a landlord or tenant invests in the improvement of a retail property, one dollar in action grant funds would be available for facade improvements subject to design approval by the City and the recording of a seven year easement. Rehabilitation standards would be developed. Approximately twenty storefronts would be improved.

The second transaction would provide grant assistance in the amount of \$2 million to the Portland Museum of Art to construct a new building for the display of a collection of Winslow Homer paintings and other important proposed donations of art. This transaction would cost approximately \$19 million including a required endowment. The donation of the Homer paintings and other collections is contingent upon the new building being constructed and endowed.

The third transaction would convert an underutilized 500 room hotel into a modern, economically productive facility by (1) constructing 150 modern hotel rooms to support a growing tourism and convention industry, (2) creating 15,000 s.f. of modern office space, (3) constructing modern apartments from obsolete hotel space, and (4) constructing a modern hotel entrance by acquiring and demolishing blighted structures at the corner of High and Congress Streets. Property acquisition, relocation of eight businesses, demolition and site improvements at the corner of High and Congress Streets are estimated at \$1,500,000 to be provided by the action grant for the construction of an urban pedestrian plaza.

One million dollars in UDAG funds will provide a below market rate second mortgage for the hotel conversion. Additionally, private financing in the amount of \$5 million will be provided through industrial revenue bonds and private market financing. The developers of the building, Eastland Associates, are purchasing the hotel as part of a larger real estate venture. The purchase terms require the operation of the hotel facility. It is the intent of the developers to redevelop the hotel space in a manner which will allow for the efficient renewed operation of a first class hotel. This will require the conversion of the Eastland building into the following mix of uses:

- first class hotel rooms - 150
- moderate rate apartments - 65
- office rentals - 15,000 s.f. in the newer wing
- restaurant, banquet, and retail facilities on the ground floor

It is critical to the hotel conversion project, however, that the area presently occupied by lower buildings at the intersection of Congress and High Streets be made available to an urban pedestrian plaza so that the hotel itself may be tied more closely to the principal commercial street - Congress Street. It is possible that the plaza may be covered by a canopy or partially covered. In this manner, a pedestrian may move along a comfortable and inviting walkway from Congress Street to the shops and restaurants of the hotel, or move on to the offices and the proposed garage and theaters beyond through an arcade, canopy or covered pedestrian plaza

It is expected that the project described above will require the following levels of investment:

Acquisition and Existing Inventory	- \$	650,000
Upgrading of Rooms and Basic Systems	-	3,000,000
Conversion of Rooms to Apartments	-	1,625,000
Rehabilitation of Rooms for Offices and Upgrading of Entrances	-	725,000
		\$ 6,000,000

The City of Portland will be asked to approve the issuance of tax-exempt revenue bonds for this hotel conversion project. This bonding will not affect the City's tax rate nor its bonding debt limit.

The developer notes that a lowered rate of financing must be available to this project in order to provide a break-even status by mid 1984 (during its third year of operation). A UDAG second mortgage is being sought to bring the effective financing constant to the level of approximately 7% in the third year, thereby producing some annual return on equity by that time. A loan of \$1,000,000 in UDAG funds is being sought for this purpose

The property will be acquired and held by Eastland Associates, a partnership the general partners of which are Mr. Warren Sawyer and Mr. Gerald Gouchberg. The hotel, apartments, and offices will be managed by an entity titled the Eastland Realty Company.

The fourth transaction is a 650 car municipally-owned garage and commercial space. The estimated cost is \$5 million. It will be financed through an action grant of \$1,200,000 municipal general obligation bonds of \$1,300,000 and \$3,175,000 of private financing.

The acquisition of the Eastland Hotel property by Eastland Associates will include the portion of that parcel presently occupied by a small garage and surface parking. The number of cars which can be accommodated on this parcel presently is about 130. There are two businesses which will be relocated from this site.

It is imperative that additional off-street parking be developed if the projects under development at present in the Congress Square area are to be successful. The location is ideal as it fronts on Cumberland Avenue, High Street and Forest Avenue, all major streets in the downtown. A projection of the day-time parking needs of the commercial neighborhood is as follows:

- Eastland office rentals	- 75 spaces
- State Office Building	- 150 spaces
- Eastland apartments	- 65 spaces
- Eastland Hotel	- 150 spaces
- Eastland restaurants & lounges	- 55 spaces
- Neighborhood commercial & offices	- 150 spaces
	<u>645 spaces</u>

In considering a means to meet this identified and established need, there has been developed the concept of additional commercial activity at this site. An agreement has been reached with a major theater group which wishes to lease 20,000 s.f. within a garage complex for new movie theaters. Another 30,000 s.f. of retail space is being considered for indoor sports facilities of other commercial retail uses as lessees of the developer. Both of these uses will require the availability of evening parking spaces. In fact, the evening parking requirements projected for the site are as follows:

- theaters	- 300 spaces
- Eastland apartments	- 65 spaces
- Eastland Hotel	- 150 spaces
- New commercial or sports-related	- 50 spaces

It is assumed that approximately 190 cars can be accommodated at the site on each level of a multi-level parking facility. The majority of these spaces (150) will be provided within the main parking structure and 40 spaces will be decked over the ground floor parking to be provided off Forest Avenue for the tenants of the adjacent Congress Square Housing for the Elderly. Not only will this approach provide covered parking for the elderly neighbors but it will reduce proportionately the number of levels which must be constructed to meet the parking need. A 3½ level garage structure above ground floor commercial space will produce an optimum development for this parcel and a complementary facility for the entire Congress Square area.

The garage and associated commercial space can be anticipated to cost slightly more than \$5 million. This assumes costs per space of about \$4,000 and approximately \$3.2 million for the commercial ground floor. The ground floor area would be owned and developed by an entity taking title from Eastland Associates. Another corporate management entity would be formed as well. The use of tax-exempt revenue bonds is anticipated for the financing of the commercial space. The garage would be developed above this space using a combination of \$1.2 million in UDAG monies and \$1.3 million in municipal obligation bonds.

Once constructed, the garage facility would be managed and the repayment of the bonds made the responsibility of the management entity. The City would have no financial responsibility for either capital or operating expenses for the facility.

The fifth transaction involves restoration of the so-called Upper Hays Building. Currently Greater Portland Landmarks is initiating exterior improvements to the H. H. Hay Building using C.D. Block Grant funds. A private developer, CARBO, Inc., is willing to invest \$200,000 into the H. H. Hay facility as part of the UDAG project. No UDAG monies are being sought for the H. H. Hay Building but the demolition of adjacent buildings and parking are clearly the important incentives to this investment.

The sixth transaction focuses on the old Baxter Library which is now vacant. Proposals have been received and it is estimated to require \$350,000 for improvements to have the building adaptively re-used. Facade improvements are necessary, but are likely to be infeasible for private investment. UDAG funds for facade improvements are proposed to leverage the private investment needed into this important structure.

In transaction number seven, public improvements are proposed for Congress Street, between High and State Streets and, should funds be adequate, for High Street. These improvements will improve needed access to the Museum, offices, apartments, the hotel and garage. They will also make the area more attractive, thus stimulating rehabilitation and development. Congress Street is congested. Public improvements will include sidewalks, improved travel lanes, street furniture, landscaping as appropriate, and other amenities.

Transaction number eight, the final component, will be a major new office tower for Sun Savings and Warren Sawyer Associates adjacent to the Congress Square/Eastland Hotel site on a 58,000 s.f. parcel. Proposed is a 120,000 s.f. office complex. Needed for this facility is a 300 car parking facility adjacent to and connecting with the office building. This complex will cost \$9 million. It is proposed to fund this component with \$1.5 million second mortgage financing from UDAG funds and \$7.3 million of private financing.

The proposal includes the construction of 120,000 s.f. of first class commercial, office and residential condominium uses. The breakdown of these uses is as follows:

- 30,000 square feet of banking space for the Sun Savings and Loan Association
- 60,000 square feet of condominium and rental office space
- 13,000 square feet of commercial space of the Congress Street and Forest Avenue facades
- 10,000 to 20,000 square feet of residential condominiums

It is assumed that the ground floor coverage of the building to include these uses will be approximately 25,000 s.f. In addition, a drive-up window for the bank and some atrium space will require an additional 10,000 s.f. This will permit the development of an associated parking facility to the rear of the parcel with

approximately 75 spaces on each level of the four level structure.

The projected cost for this project is \$8,800,000. The elements of this cost is presented below:

- retail space	\$ 500,000
- Sun Savings space	1,800,000
- office condominiums	3,400,000
- residential condominiums	1,500,000
- parking facility	<u>1,600,000</u>
	\$ 8,000,000

In addition, the purchase of the land and demolition of existing buildings is anticipated at \$750,000.

The developers of this project will be the same persons committed to the Eastland Hotel and Garage project to the west. Mr. Warren Sawyer and Mr. Gerald Gouchberg will be the principals in a limited partnership taking title to the property and undertaking the development. A management entity also will be created.

It is expected that this project will be developed through conventional financing, and the pre-sale of condominiums or the pre-commitment to the rental of space will produce the basis for the financing of all but the ground floor retail space. That comparatively small amount of building area will be produced by the developers on speculation of eventual rentals.

It will be difficult to obtain commitments to the space in the complex, however, if the cost of garage production is added to the sale or rental levels. Consequently it is requested that UDAG financing be made to this project to effectively reduce the parking production costs. A UDAG 2nd mortgage loan of \$1,500,000 is sought for this purpose. This loan would reduce the amount to be financed conventionally to \$7,300,000.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART II

SECTION B

DETAILED PROJECT DESCRIPTION

City of Portland, Maine

Congress Square Urban Development Action Program

PART: II - Description of Proposed
Project

SECTION: B - Detailed Project
Description

Submitted to the U. S. Department of Housing and
Urban Development October 1979

1. a Statement of Problems and Objectives

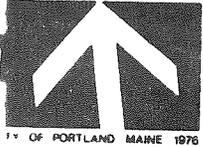
A copy of Portland's 1979 Housing and Community Development Application is attached which addresses the general community needs and overall strategies articulated to address these needs.

PROBLEMS

With respect to the project area, however, specific problems exist. These are identified as follows:

(1) Physical Problems

- (a) Building deterioration - with few exceptions, commercial and residential buildings in the project area are 50 years old or older. As a result of economic and other problems in the project area, maintenance on many of the structures has been deferred beyond a stage where minor investments of capital are adequate to resolve deficiencies. Significant investment into rehabilitation of structures must be encouraged.
- (b) Lack of off-street parking - As in many older cities, the supplies of adequate off-street parking fall far below the demand. This condition places a heavy burden on streets to accommodate parking. As a result, legal and illegal on-street parking create traffic congestion, hinder pedestrian safety and present a perception of clutter and chaos. Lack of parking is believed to be a factor in economic disinvestment present in the area.
- (c) Traffic congestion - congestion remains in the project area, although less so as a consequence of improvements to Congress Street east of High Street and traffic control improvements on State and High Streets. Congestion continues to be a problem on Congress Street between High and State Street, primarily because of the absence of channelization and parking control measures. As noted, the lack of adequate off-street parking is a contributing factor.



CITY OF PORTLAND MAINE 1976

Urban Development Action Grant Program

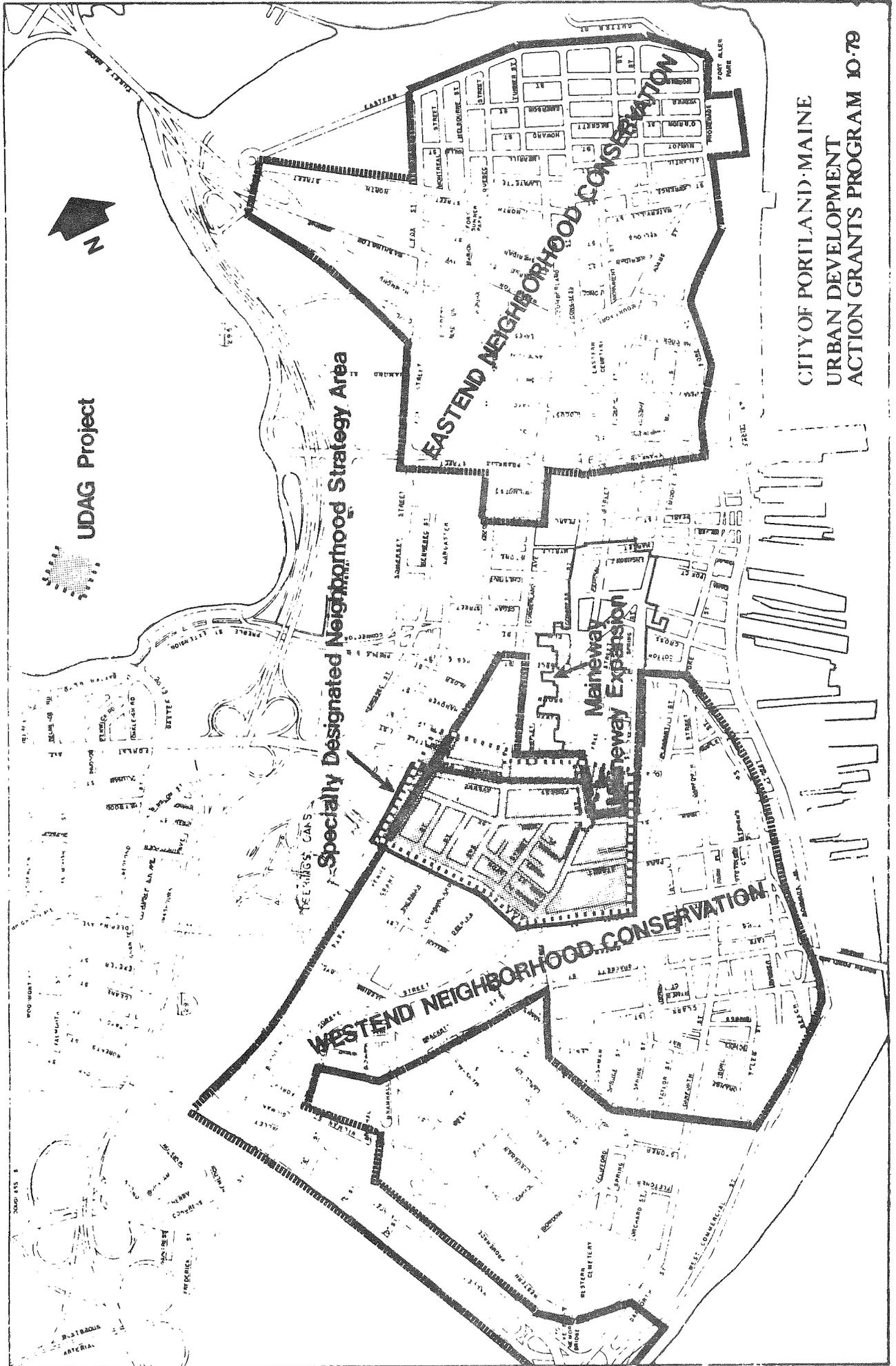
CITY OF PORTLAND MAINE 10-79



U.S. Housing and Community Development Act and H.U.D. regulations define a predominantly low and moderate income census tract as one where the median income of families and unrelated individuals does not exceed 80% of the median income for the metropolitan area. The most recent income data for city census tracts is that published as part of the U.S. Census of 1970. According to that data, the median income of families and unrelated individuals for the Portland SMSA was \$7,598. Any Portland census tract whose median income was less than \$6078 would qualify as a predominantly low and moderate income area.

-  CENSUS TRACTS
-  CITY OF PORTLAND NEIGHBORHOOD CONSERVATION AREAS
-  Concentration of low to moderate income persons

UDAG Project Area



UDAG Project



Specially Designated Neighborhood Strategy Area

EASTEND NEIGHBORHOOD CONSERVATION

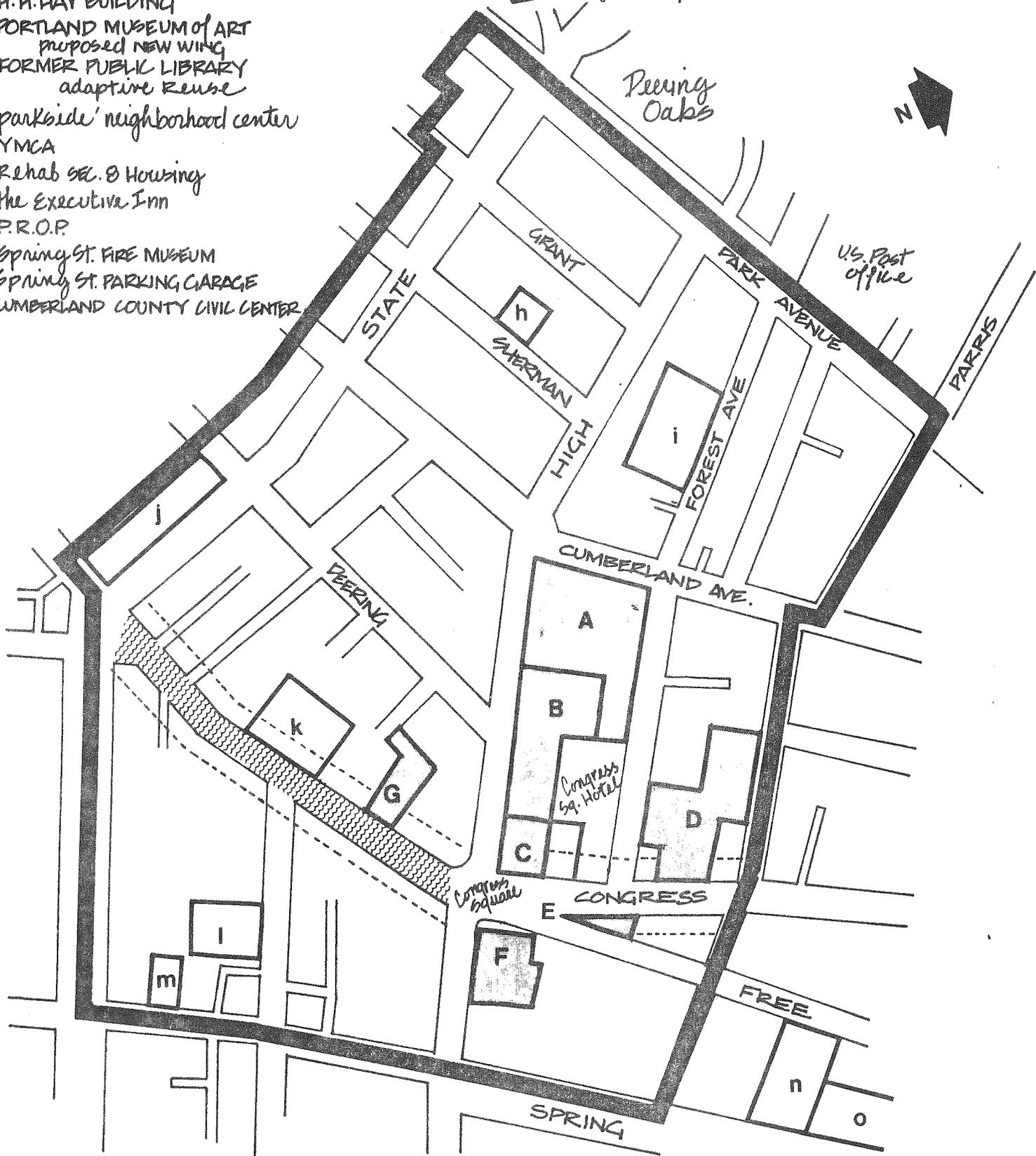
Mainway Expansion

WESTEND NEIGHBORHOOD CONSERVATION

CITY OF PORTLAND - MAINE
 URBAN DEVELOPMENT
 ACTION GRANTS PROGRAM 10-79

- A 650 VEHICLE PARKING GARAGE Proposed
- B The EASTLAND HOTEL
- C URBAN PLAZA PROPERTY ACQUISITION
DEMOLITION PROPOSED
- D Proposed NEW OFFICE TOWER - Sun Savings
- E H. H. HAY BUILDING
- F PORTLAND MUSEUM OF ART
proposed NEW WING
- G FORMER PUBLIC LIBRARY
adaptive Reuse
- h 'parkside' neighborhood center
- i YMCA
- j Rehab sec. 8 Housing
- k The Executive Inn
- l P.R.O.P.
- m Spring St. FIRE MUSEUM
- n Spring St. PARKING GARAGE
- o CUMBERLAND COUNTY CIVIL CENTER

- MAJOR UDAG PROJECT TRANSACTION
- AREA OF FACADE IMPROVEMENT PROGRAM
- PUBLIC IMPROVEMENTS
- Congress Square UDAG NEIGHBORHOOD BOUNDARY



Urban Development Action Grant Program

CONGRESS SQUARE REVITALIZATION

An existing structure (C) will be acquired by the City and demolished to create an urban plaza/park. The H.H. Hay Building (E) is a major historical structure with a unique central location at Congress Square. The exterior is being restored by Greater Portland Landmarks. Upon restoration, the structure will be sold to The CARBO Company, a private company, for interior rehabilitation of three floors into commercial space. The Libby Building (F) will be demolished and replaced by the Portland Museum of Art extension. All three structures shown above have major frontage on Congress Square and serve as a central focus of all activities in the area.



- (d) Absence of pedestrian areas and amenities - Although Mainway improvements east of High Street have eased this deficiency, there is a significant need for pedestrian facilities in the project area. Those installed in the Mainway area, particularly in Monument Square, have become very popular and similar improvements are necessary in the project area. They should be designed in a way which enhances pedestrian safety.
- (e) Deterioration of public areas - streets, sidewalks, curbing, lighting and signage have deteriorated over the years. This deterioration has been highlighted by the major improvements recently installed east of High Street. Areas west of High appear blighted in contrast with the attractive Mainway improvements now in place.

(2) Economic Problems

- (a) Economic disinvestment - this problem is reflected in numerous ways:
- vacant and deteriorated residential structures in the project area
 - the vacant Congress Square Hotel (approved for Sec. 8)
 - deterioration of the Eastland Hotel
 - conversion of Lafayette Hotel into housing units
 - general deferred maintenance of many commercial structures in project area
 - commercial vacancy - ground & upper floors
 - preponderance of adult book stores, massage parlors and pornographic theaters in project area
- (b) Existence of "obsolete" buildings - because of the age of commercial structures, many are not as suitable for commercial uses in contemporary times. For example, the existing hotel buildings are not easily adaptable to serve the hotel demands of today's visitor or conference attendee. Existing retail and office space in the project area do not have the conveniences of their counterparts in shopping centers. Modern retail parking demands cannot easily be met. Incentives are necessary to help these "obsolete" buildings to better compete
- (c) Shift of the geographic center of commercial core - Beginning in the 18th century in the waterfront, the center of the commercial core reached Congress Square about 1920. Since then it has receded. During the past ten years, the pace of the shift back toward the waterfront has quickened. The Congress Square area's future as an economic component of the City is vital, but a revised perception of its functional role - coupled with financial incentives and public investments - is necessary for complete revitalization to be realized. Much of the character of the area is residential and it is expected that residence will continue and expand; it is this neighborhood where intown residence and core commercial uses could coexist harmoniously and prosper.

(3) Financial Problems

Because of economic disinvestment during the past few decades, the project area has not attracted significant investment interest of financial institutions. Existing hotels in the area are the most visible examples of this condition. With the exception of the Executive Inn, they have been unable to attract investment capital sufficient to maintain them as high quality hotel facilities. A need exists for financial incentives to attract investment capital.

(4) Social Problems

Lack of stability accurately describes the project area. The Neighborhood Strategy Area Program was targeted to this neighborhood to upgrade the physical condition of the residential buildings and, therefore, enhance neighborhood stability. It will also improve residents' ability to afford decent housing.

Because of the excellent access to medical and shopping facilities, the project area has become a desirable place to elderly persons as a place to live. On the other hand, the economic disinvestment prevalent and some of the more recent activities in the neighborhood (adult entertainment) have attracted a more transient population. Prostitution is more active in the project area than in any other place in the City and the crime rate is relatively high.

A social conflict currently exists between City efforts to stabilize the neighborhood, the growing elderly population, and the attraction of the area to more transient crime-prone and less savory elements. While neighborhood stabilization and concentrated elderly residence can be compatible, an emphasis on the reversal of economic trends in the neighborhood is necessary to eliminate this social problem. Neighborhood problems stem from a weak economic base in the Congress Square area and a strengthening of the economy will be felt throughout the neighborhood.

The proposed Urban Development Action Program expects to alleviate the above problems by providing a stimulus for the reversal of economic trends in the project area. Housing issues are being effectively addressed by the City's Neighborhood Conservation Program (CD and Sec. 312 funding) and by the Neighborhood Strategy Area Program (special allocation Section 8 assistance). An intensive program of economic development and public investment, however, is needed to get at the root causes of the physical, economic, financial problems identified above.

A sound economic function for the neighborhood plus public improvements should eliminate physical deficiencies in the area. By definition, the economic problems should vanish and, as a result, financial investment capital should be relatively easy to obtain. Finally, the social problems noted above clearly are related to economic issues and should recede as the economy of the project area strengthens.

1. b Specific Objectives to Overcome Problems

(1) Elimination of Building Deterioration

The City has been successful in accomplishing this objective in a number of areas in the City. It is expected that the Neighborhood Strategy Area Program, coupled with the proposed UDAG, will eliminate all but incidental deterioration in 4 to 5 years.

The UDAG project will foster private rehabilitation of structures through the facade improvement grant program. It will reverse the long term deterioration of the Eastland Hotel by revitalizing it to an efficient Hotel/Commercial complex. The Sun Savings Office tower and the new wing to the museum will replace obsolescent and deteriorated commercial buildings with modern facilities. The parking facilities will provide new economic life to

FACADE EASEMENT PROGRAM

Property owners along Congress Street (approximately 20 businesses) will be eligible to receive grants to improve their structures, a portion of which will be spent on facade improvements. An easement will be maintained by the City on the facade for a seven year period to assure that no changes in the facade will occur which are detrimental to the streetscape. Energy conservation improvements may be part of the improvement. A design review committee will be established of local businessmen, a city representative, and an ar-hitect as part of this program.



buildings in near proximity. The H. H. Hay building and the former Baxter Library, both victims of deterioration, are stated for adaptive re-use. In general, all elements of the project will have a significant impact on reversing structural deterioration.

(2) Provision of off-street parking for 950 vehicles within two years

The proposed UDAG will assist in providing the parking which will go a long way in abating the parking problem. There has been a long standing need for parking facilities on the Cumberland Avenue side of Congress Street and the proposed project will accomplish this goal. It is hoped that the residual parking needs beyond that served by this project will be served within 5 to 6 years by both public and private means.

(3) Reduction of traffic congestion in four years

Because of the intown location of this neighborhood, it is unreasonable to expect that all traffic congestion will be eliminated. The City is taking steps to reduce congestion and the safety hazards presented by the following actions:

- (a) Recent HUD funded improvements at the corner of Congress Street and High Street better channelize traffic and provide pedestrian areas and safety zones.
- (b) The proposed UDAG project will reconstruct Congress Street between High and State Streets to upgrade public way conditions in the area of the facade improvement program and to also provide a safer and more attractive entrance to the Congress Square Area. Pedestrian facilities will be improved, channelization of traffic will be accomplished and on-street parking (and its access) will be made more orderly.
- (c) The Portland Area Comprehensive Transportation Study (PACTS) and the Maine Department of Transportation (MDOT) have identified the intersection of State and Congress Streets (Longfellow Square) as a priority for improvement.
- (d) The section of Spring Street between State and High Streets was reconstructed during 1979 to allow for two-way traffic. This change in traffic flow should reduce congestion on Congress Street but because travel habits change slowly, it is too early to perceive any significant change at this time.
- (e) Cumberland Avenue is now the remaining unimproved link in the so-called "ring road" system - a system comprised of Franklin Street arterial, Spring/Middle Streets, State, High Streets and Cumberland Avenue which circle the City's core and are planned to eliminate congestion on Congress Street and its entrances. It is expected that Cumberland Avenue will be reconstructed in the early 1980's to four lanes so that the goal of eliminating the need for cars to be on Congress Street can be realized. The proposed parking facilities on and near Cumberland Avenue wholly conform to the City's plan to have parking facilities on the "ring road" system and will actually spur the system's completion.

(4) Installation of pedestrian areas and an urban plaza for pedestrians in two years -

While the HUD Mainway project has provided ample pedestrian areas in other sectors of the City core, they are sorely lacking in the portion between High and State Street. The proposed project involves the construction of much

improved sidewalk, pedestrian crossings and widened areas on the Congress Street for pedestrians. Street trees and street furniture are also planned. As a result, the facilities for pedestrians on Congress Street will be greatly improved.

The "pedestrianization" of Monument Square has had an important beneficial effect on human activity and buildings in that area of the core. A similar facility is needed in the Congress Square area. The UDAG project proposes to acquire 13,000 sq. ft. at the corner of High and Congress Streets for this purpose and to better connect the Eastland Hotel complex and parking with Congress Street. Making this space a controlled public area will add a significant amount of vitality to the project area. Pedestrian and visual amenities will be installed to make it a showplace of the City.

(5) Elimination of deteriorated public areas in four years -

The proposed project will go a long way in achieving this objective by adaptively re-using the former public library and by reconstructing Congress Street. Forest Avenue, High Street and Park Street are also in need of improvement and the City intends to upgrade these rights of way with other funds available to the City in the early 1980's.

(6) Elimination of economic disinvestment in two years -

The proposed project alone will reverse this serious trend. The infusion of \$33 million of private investment, as well as concentrated public attention, will demonstrate an important and intensive commitment by private and public sectors alike. Other private investment into the area will naturally follow.

(7) Modernization and adaptive re-use of all buildings in the project area within five years -

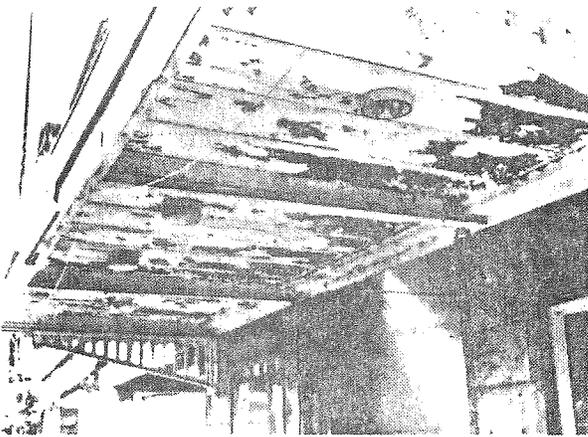
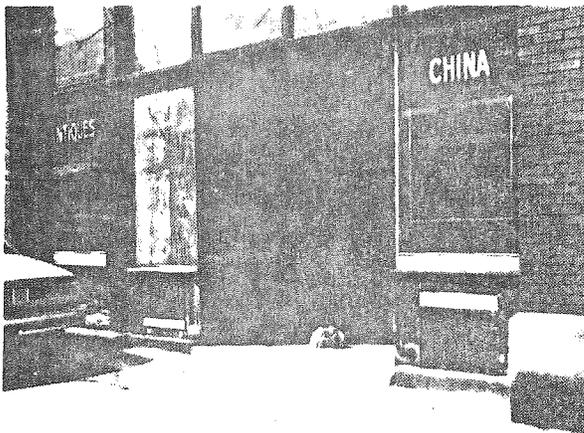
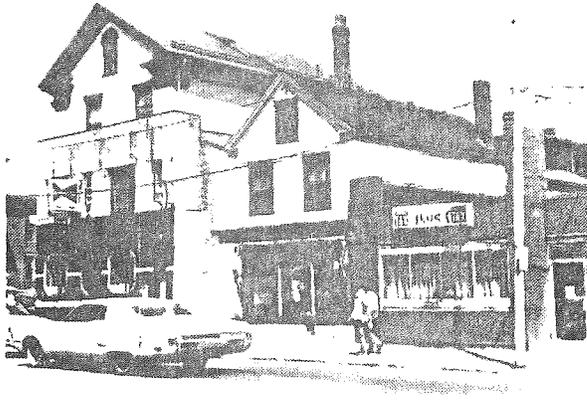
Structures slated to remain in the project area are expected to attract significant investment. As part of the project alone, the H. H. Hay building, the former Baxter Library and the Eastland Hotel will be modernized and adaptively re-used. Energy conservation measures will be installed. Various structures along Congress Street will benefit from the facade improvement program. The museum will attract additional private donations to complete restoration of its existing and historic facility.

The NSA program will also have an important impact - in addition to various residential structures participating in the program, substantial improvements will be made to the Congress Square Hotel to accommodate 160 units. Both these programs will shift the current of the investment climate in the area and set it on a path where deteriorated structures in the project area will be modernized and adaptively re-used.

(8) Stabilization of the core's geographic center -

Improvements which have taken place in the Old Port Exchange and Monument Square sectors of the core have shifted the geographic center away from the Congress Square area. Disinvestment in the Congress Square area has been self-defeating; that is, disinvestment has spurred the shifting of this center away from the area and this shift has resulted in further disinvestment. The proposed project will eliminate economic disinvestment, make the project area an attractive and vital place to be, and allow it to compete on an equal basis with other sectors of the core. It is expected that the shift of the geographic center will be perceived to reverse and then stabilize two years after project completion at a balance point where all sectors

EXAMPLES OF ECONOMIC DISINVESTMENT IN THE AREA



can be vital and can prosper.

(9) Commitment of financial investment in the project area immediately -

The UDAG program involves the commitment of \$33 million into the project area immediately. This kind of investment commitment will naturally beget other investment and financial institutions will be expected to look at the project area more favorably in selecting investment alternatives

(10) Alleviation of social problems in two years -

It has been noted earlier that the social problems existing in the Congress Square neighborhood principally stem from the economic problems in the area. Reversal of economic trends will have a direct impact on the social problems. Some will remain, such as the unusual concentration of elderly persons in the area. This will be partly alleviated by the economic reversal, but the City will have to also give the area special consideration in its funneling of concentrated elderly social services to neighborhood residents. Further, the need for special facilities and centers to serve elderly residents will need to be addressed.

(11) Quantifiable objectives to be accomplished in the next three years:

- retain 150 jobs presently existing within the Eastland hotel
- retain 105 jobs presently existing within the Sun Savings bank to be replaced
- provide a total of 220 new jobs within the proposed office, commercial, museum and theater spaces
- eliminate the visual blight presently existing in Congress Square and its immediate area
- provide 65 new apartments and 15 residential condominiums for private market rental and sales.
- provide 75,000 square feet of new office space
- provide 20,000 square feet of rehabilitated office space
- provide 65,000 square feet of new commercial space
- provide 15,000 square feet of rehabilitated commercial space
- provide 35,000 square feet of new banking space
- upgrade 150 hotel rooms
- construct 950 new parking places
- bring nearly \$300,000 more property taxes to the city annually
- retain banquet and meeting room space for the City, including the well-known State of Maine ballroom
- provisions of 57,600 square feet of new art museum space, principally for the display of nationally important collections
- the adaptive re-use of 20,000 square feet of former library space into tax paying commercial use

The proposed UDAG program provides the City with a unique and critically important opportunity to address some serious problems affecting the community as a result of the deterioration of the Congress Square/Long-fellow Square area. The project will allow the City to gain a foothold and complete the stabilization of its core. This stabilization and improvement will be felt throughout the peninsula and the region as a whole. Already Portland is perceived nationally as an example of urban revitalization. The proposed project should place the city as a national model.

1.c. Community Strategies/UNIQUE OPPORTUNITY

The 1979 Housing and Community Development Program articulates a variety of strategies by which the City of Portland plans to improve its living and working environment. A copy of the 1979 Grant Application is attached which contains these strategies. The following itemizes the strategies which relate to the objectives of the proposed project.

(1) General Strategies

The 1979 Housing & Community Development program listed thirteen general strategies for community development. (Pages IV-2 and IV-3 of the CD Application) Of the thirteen, nine relate directly with City efforts to improve the Congress Square/Longfellow Square area and represent significant conformance of the UDAG Project with established goals of the community. Using the numbers listed in the Housing & Community Development Program application, these general strategies are:

1. Continuation of a broad based Neighborhood Conservation Program in low and moderate income peninsula and inner-ring, off-peninsula neighborhoods.
2. Provide necessary public facilities in central areas to upgrade the city's ability to serve its residents and to have them easily accessible to low and moderate income people.
3. Continuation of the revitalization of the central business district and downtown core, including the Old Port Exchange, by providing attractive public improvements and municipal parking and by using public funds to stimulate private development and investment in the central core area. Growth in this sector will provide necessary employment for residents of adjacent neighborhoods.
5. Elimination of traffic congestion and traffic safety hazards on major corridors and at major intersections in order to improve the accessibility and to reduce barriers between neighborhoods.
7. Provision of support and encouragement for additional housing subsidy assistance in the city to help make decent housing affordable to low and moderate income persons and to assist in neighborhood revitalization efforts
8. Preservation of Portland's historic heritage, the realization of which is now a major factor in fostering community pride.
9. Encourage and develop the expansion of the city's convention and tourist industry since this type of activity provides significant entry level employment for low and moderate income people.
10. Continue efforts to beautify the city so as to increase community pride. The focus should be on the inner city neighborhoods where trees, plantings, sculpture, murals and park improvements are recommended.
12. Cooperation with and use of private resources whenever possible to effect the revitalization of the community in order to keep public costs low.

General Strategies 2,3,5,8,9,10 and 12 relate directly with the proposed UDAG project. Strategies 1 and 7 support UDAG activities but relate more

directly with City efforts under the special designation NSA program operating in the Congress Square/Longfellow Square area.

(2) Neighborhood Revitalization Strategies

These were subdivided into long term and short-term elements. (see pages IV-8 through IV-11). Long-term objectives are general and are subdivided into off-peninsula, on-peninsula and island areas. The long-term strategy for on-peninsula neighborhoods states:

"Attain neighborhood revitalization in Peninsula neighborhoods to a level where neighborhood stability can be sustained with a reduced public Neighborhood Conservation effort. Neighborhoods include: Munjoy Hill/East End, Downtown, West End."

The proposed UDAG program is consistent with this strategy since the purpose is to stimulate private revitalization efforts aimed at neighborhood stability in the downtown neighborhood.

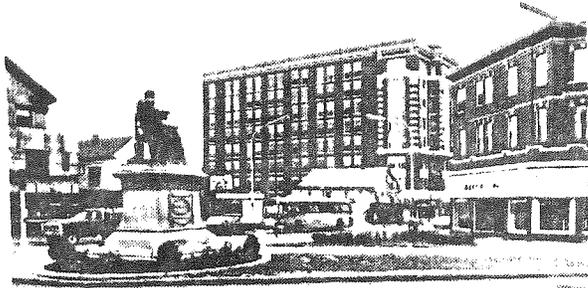
Short-term strategies identify continuation of City Neighborhood Conservation efforts in the project area. With regard to specifics, the following listing of activities were included as part of the short-term strategy and set a foundation for the proposed UDAG Program:

- Streets - improve and rehabilitate approximately 15 miles of streets in the Neighborhood Conservation Areas
- Sidewalks - rehabilitate approximately 4 miles of sidewalks (mostly brick) and curbs in Neighborhood Conservation Areas
- Street Trees - Plant approximately 1000 street trees in Neighborhood Conservation Areas and Islands
- Major Street and intersection improvements - with priorities to the St. John/Valley/Park/Congress Street set of intersections, Preble/Elm Connector, State Street Intersections, Forest Avenue Corridor, Congress Street corridor in Libbytown, the Million Dollar Approach, Fore Street, Woodfords Corner and Deering Corner in Oakdale.
- Continued physical improvements to the central business district on which many of the neighborhoods depend.
- Provide rehabilitation assistance to important neighborhood structures, such as historic buildings and community facilities, in order to enhance the neighborhood vitality.
- Upgrade public improvements as specified in the city's NSA application to HUD.

(3) Community-wide Strategy for the Provision of Public Facilities and Improvements

Of the 28 sub-strategies listed, 6 relate directly with the proposed UDAG Program. (Pages IV-12 through IV-13) They are:

1. Maintain streets, sewers and sidewalks in good, safe physical condition.
4. Continue the improvements to public and private historic buildings, to preserve Portland's historic heritage.
5. Maintain and improve the physical appearance of the central core which was substantially revitalized with HUD Urban Renewal Funds. UDAG funds will assist the City in this and CIP funds to design improvements to the area between Congress Square and Longfellow Square are proposed.



LONGFELLOW SQUARE REHABILITATION

At the westerly end of the project area, Longfellow Square, at State and Congress Street, is now undergoing revitalization by the private sector with Longfellow Elderly Housing Project (not shown in photo). This historic square will receive street improvement and beautification UDAG funding and facade improvements on structures shown in the photo. This area is located within the specially designated HUD neighborhood strategy boundaries.



8. Provide additional public parking in areas of high commercial and residential density.
10. Determine an appropriate re-use for the Old Central Portland Public Library and implement findings.
11. Encourage the expansion of the Portland Museum of Art. City and museum officials are now investigating ways in which expansion can be effectuated.

(4) Community-wide Housing Strategy

Because the UDAG Project area is also a special designation NSA and since housing will be created directly by the UDAG (80 units +), certain housing strategies support the UDAG Project. They are:

1. Continuation of Neighborhood Conservation Rehabilitation efforts in designated neighborhoods using the tools of City/Bank low-interest loans, to low and moderate income persons City rehabilitation grants to very low income households and section 312 loans.
5. Accelerated procurement of Section 8 Existing Housing Subsidy Assistance to assist low and moderate income city residents in competing for decent housing, to ease their ability to afford decent housing and to complement neighborhood rehabilitation efforts.
6. Selective use of Section 8 Substantial Rehabilitation Rent Subsidy Assistance to house low and moderate income persons in buildings and neighborhoods suitable to their needs.
9. Encourage the use of Section 8 assistance in stable neighborhoods where isolation will be minimal and where adequate community facilities and services exist.
10. Continue physical improvements in all city neighborhoods to foster neighborhood stability.
13. Encourage the expansion of housing supply through the continuation of residential growth in Portland's downtown area.
14. Encourage the adaptive re-use of suitable buildings for residential use in order to increase the housing supply.

(5) Economic Development Strategy

Portland's Economic Development Strategy is multi-faceted and subdivided into eight general goals (pages IV-17 to IV-29). Six of these eight goals, and parts thereof, directly support the Congress Square UDAG project. These goals and specific sub-sets directly related are as follows:

GOAL 1: RETAIN EXISTING COMMERCE AND INDUSTRY IN THE CITY AND ENCOURAGE THEIR GROWTH AND PROSPERITY

- c. Maintain public facilities for and services to the economic community at existing or improved levels.
- d. Undertake special projects which encourage improvements to and private investment in deteriorated business and industrial areas. Business areas include: Congress Square to Longfellow Square, Woodfords Corner, East End Business District, West End Business District and Forest Avenue. The Congress Square/Longfellow Square area is a priority for action during the three year period.
- f. Develop additional municipal or public parking in the downtown and Old Port Exchange areas to serve existing and projected demand (see Goal 5).

- h. Undertake efforts to rehabilitate deteriorated hotels in the downtown.

GOAL 3: ENCOURAGE THE CONTINUING GROWTH OF THE SERVICE SECTOR SINCE THE TREND AND OPPORTUNITIES TO EXPAND THIS SECTOR IN THE CENTRAL CITY APPEARS HIGHLY FAVORABLE

- a. Promote the development of additional office buildings in the downtown.
- c. Provide additional municipal or public parking in the downtown core (Goal 5)
- e. Promote the adaptive re-use of vacant buildings and vacant upper floor areas in the downtown area for office and service uses.

GOAL 4: ENCOURAGE THE EXPANSION OF TOURIST AND CONVENTION TRADE BECAUSE THIS SECTOR PROVIDES A HIGH PROPORTION OF JOBS AVAILABLE TO LESSER SKILLED, LOW AND MODERATE INCOME PERSONS

- a. Support state and private sector efforts to expand the Maine tourist industry.
- b. Promote and actively market the city as a site for the construction of one or more convention-size hotels.
- c. In line with b., above, the city also hopes to provide incentives and support to the substantial rehabilitation of existing hotel space in the central core. As a rejuvenation of the downtown continues, the rehabilitation of these facilities will become more crucial to the area's economic health

GOAL 5: MAINTAIN THE CITY'S CENTRAL BUSINESS DISTRICT ROLE AS A COMPETITIVE RETAIL CENTER OFFERING A MORE DIVERSE AND ATTRACTIVE ALTERNATIVE SHOPPING AREA IN COMPARISON TO THAT OFFERED AT SUBURBAN SHOPPING MALLS

- a. Extend "Mainway" improvements to Longfellow Square. The city's core has had a massive rehabilitation through the "Mainway" Urban Renewal project which has now been expanded to reach as far as Congress Square at the intersection of High and Congress Streets. The city should extend similar improvements along Congress Street up to Longfellow Square, and on the side streets from Congress Street down to Cumberland Avenue. It is this area of the downtown where deterioration and economic disinvestment is most pronounced. It is also here where a significant population of low income elderly live. Public effort is necessary to buoy the economy of the area and to make it a more desirable living area for low and moderate income people. \$50,000 of city funds has been proposed for initial design for Mainway-style improvements to this area in 1979/1980.
- b. Provision of additional municipal and/or public parking.
- c. Provide incentives for new convention hotel facilities and rehabilitated existing hotels in the central core, as previously discussed.
- f. Promote the re-use of building in the downtown for residence. This is a trend which is already underway. A resident population in the downtown has positive economic impacts to its vitality. The downtown retains its activity in the evening hours and this activity is healthy in attracting patrons from outside.

GOAL 6: MAINTAIN AND IMPROVE THE WIDE RANGE OF CULTURAL AND PUBLIC FACILITIES PROVIDED IN THE CITY IN ORDER THAT INDUSTRY AND COMMERCE CAN BE ATTRACTED TO THE CITY.

- a. Maintain and improve public facilities identified in the Community-wide Public Facilities and Improvements Strategy.
- b. Preserve Portland's historic and architectural heritage by providing moral and financial support to various historic preservation projects and by supporting the designation of National Register Landmarks, Districts and Properties. Historic preservation has proven to have an important economic value to the city, the Old Port Exchange is an excellent example.
- c. Support and assist efforts to expand the Portland Museum of Art in the Congress Square area. This important expansion should have significant, positive economic effects on the Congress Square area.
- d. Support the vitality of various cultural activities including museums, music, theatrical and festival events.

GOAL 7: IMPROVE REGIONAL ACCESS TO THE CITY TO ENHANCE EXISTING COMMERCE AND INDUSTRY AND TO ATTRACT NEW FIRMS

- b. Complete the "ring-road" system in the downtown core. With Franklin, State/High and Spring Street elements complete, the remaining link is Cumberland Avenue.
- c. Improve existing corridors into the Central Core, including Preble/Elm Connector, Tukey's Bridge, the Million Dollar Bridge Approach, Forest Avenue, and Congress Street.

It is clearly evident that the proposed project is a major component of the City's strategy to achieve economic revitalization. It will retain existing commerce (currently on the downswing in Congress Square), expand the service sector and its employment in the city, substantially enhance tourist and convention trade opportunities, bolster the competitive role of the core as a retail center, improve public and cultural facilities, and improve central city access. Moreover, specific references to the Congress Square/Longfellow Square area and project components are noted specifically in the Economic Development Strategy

The proposed UDAG project is not one which has miraculously appeared and has been whimsically adopted by the City. The Portland City Council and the Portland Planning Board have consistently sought ways in which the unsatisfactory economic trends in this portion of the City's core could be reversed. It is important to note the variety of actions taken by the City Council to upgrade the Congress Square/Longfellow Square area and promote economic revitalization:

- Expansion of Mainway Urban Renewal public improvements, between Oak Streets and High Street (1978)
- Spring Street Reconstruction between High and State Streets - MDOT and Portland Capital Improvement Funds (1978-79)
- Exterior rehabilitation improvements to H. H. Hay Building - HCD Funds (1979)
- Rehabilitation improvements to existing historic properties of the Portland Museum of Art - HCD Funds (1977 and 1979)
- Establishment of the project area as a special designation NSA for Section 8 Substantial Rehabilitation (1978)

- Approval of the re-use of the Congress Square Hotel for housing (1978)
- Appropriation of Capital Improvement Program monies to initiate design and engineering for improvements to Congress Street between Congress Square and Longfellow Square.
- Application for EDA funds to undertake hotel feasibility studies to determine market for existing, and new hotel services (1978 & 1979)
- A vote of the City Council requesting owners of the Eastland Hotel to defer plans to use the facility for housing and investigate ways in which the structure could continue as a hotel (1978)
- Rehabilitation improvements to the Spring Street Fire Museum -HCD funds (1979)
- Public Improvements to State Street in the project area - HCD funds (1979)
- Re-use study of the former Baxter Library - NEA funds (1978-79)

(6) Unique Opportunity

It is clear from the above discussion that the problems in the Congress Square/Longfellow Square area have been a serious concern for the City during the past few years. In the early 1970's, the City's economic focus was on the central portion of the downtown core and the Mainway Urban Renewal program has been the successful solution. The mid 1970's focused more on the waterfront and the Old Port Exchange to reverse economic and structural decay in the former and to support private revitalization efforts in the latter; while more public attention will be necessary in future years in these areas, their future appears relatively secure.

The Congress Square/Longfellow Square commercial and residential remained as the remaining area of the City's core where the need for some sort of stimulant to reverse a downward trend existed. The City's focus shifted to Congress Square in 1976/77 and the above discussion notes the many initiatives set forth by the City to upgrade the area. These initiatives have improved the area, but they have more addressed symptoms than root causes of the area's problems.

The basic problem in the area is the virtual absence of economic investment. Without this element initiatives to improve the area physically are literally and figuratively superficial and are bound for only marginal success. The initiatives of the City in the past two to three years, however, were not wasted if the City can grasp at an important and critical opportunity.

The stage is now set. The City's efforts in the past few years have demonstrated the public sector's commitment to the area. This has not gone unnoticed. As a direct result of this commitment, the City has been able to entice private sector investment to seriously consider the Congress Square area. The City now has a good reputation in being able to reverse Urban decay and a strong partnership is now able to be struck for Congress Square if the City, and its public sector resources, can effectively participate.

The commitment of private investment toward Congress Square was not an easy task. As previously noted, it was the Eastland Hotel developer who originally proposed to turn the structure into Sec. 8 elderly housing; if not for the City Council's strong direction to the developer to investigate the revitalization of the hotel space, subsidized housing might now be found in the building. Had it not been for previous City financial support

(2 grants) of rehabilitation efforts to the Portland Museum of Art, the opportunity for a donation of an important Winslow Homer collection and a major new museum wing may never have come about.

The City has brought the private sector to the point of making the substantial investment in the Congress Square area necessary to root out the most severe and causative problem in the neighborhood - economic disinvestment- providing the public sector can deliver on its commitment. This "coming together" of major private sector investment opportunities is extremely unique since it may never exist again. The City of Portland believes the time to act is immediately and is certain the UDAG project is necessary at this time to have the project implemented.

It is a unique, one-of-a-kind opportunity to attract the kind of private investment necessary to revitalize this area of the City and to complete the City's rejuvenation efforts in Portland's central city core. Since the Congress Square/Longfellow Square project area is a mixed commercial/residential neighborhood and, in fact, a Section 8 NSA, the proposed UDAG will support and stimulate the restoration and stabilization of neighborhood housing as well as expand private market housing in the area; as such, the project is a unique opportunity to "piggy-back" UDAG efforts with NSA efforts so that a concentrated program of neighborhood revitalization can be achieved. Finally, it is not only a unique opportunity but also probably the only opportunity to solve the critical problem of economic disinvestment in the near future in order that the declining Congress Square area tax base can be substantially improved.

1.d. EVIDENCE OF THE NEED FOR GOVERNMENTAL ASSISTANCE

It is essential that governmental assistance be provided to reverse deteriorating physical and economic trends in the Congress Square/Longfellow Square area. The City has prepared much of the groundwork for this project by seeding public monies and effort into the area, as noted elsewhere in this document. This seed has attracted the interest of private investment but the investment will not proceed unless public efforts are significantly escalated.

The project proposed will capture this much needed investment so that the basic cause of most of the area's problems - economic disinvestment - can be eliminated. A substantially stepped up public investment posture is necessary, however. The City, and its local financial resources, are incapable of providing the funds alone and the receipt of an Action Grant for the project is vital. The City will be contributing a share - Capital Improvement General Obligation Bonds will fund portions of Congress Street improvements and the proposed 650 vehicle garage. The City will also be passing a resolution authorizing the sale of approximately \$7 million of Industrial Revenue Bonds for two of the project elements.

With regard to the specific projects, the argument for Action Grant monies to supplement two of the private projects as second mortgage financing can best be demonstrated by the pro formas for each project and by the resulting argument that conventional or even IRB financing techniques without Action Grant and City funds produce costs per square foot that are beyond the present markets.

In the hotel, for example, the operations of the hotel are shown to be losing money until the third year of operation, and then only bringing in sufficient revenues to provide a basic break-even situation.

The garage is arguable also from a comparative pro forma basis contrasting

the financing under conventional or UDAG/GOB sources and comparing these to the projected income stream. Previous analysis by the City have proven that it is economically infeasible to develop a public parking garage in Portland solely under either conventional or revenue bond financing. Direct public assistance for such a project is vital under current and projected market conditions.

The Sun Savings relates to the need for parking in order to make the project attractive to potential investors in the condominium space. The projected cost to these investors for the building space alone is \$11/square foot. This rate is at the top of the Portland market, and adding another \$1.50 per square foot for parking would bring the cost beyond the present market.

The Portland Museum of Art is a very important community facility in the project area, the City and the region as a whole. Its proposed major new initiative has already received national attention and its importance to Portland will increase geometrically. The need for the proper expansion of this vital component directly into Congress Square exceeds the financing capacity of the private sector. The City, in two previous rehabilitation grants to the Museum's existing plant, has recognized the necessity of a public/private partnership in property maintaining this community facility. So too, the City believes it is critical that the partnership continue during this major new initiative or it will not proceed. Local funds are not available to fill the gap between expansion needs and available private monies. Action Grant funds are proposed to do the job.

The Congress Street reconstruction element of the project involves the provision of major street, sidewalk and amenity improvements to Congress Street from Congress Square to Longfellow Square. Project elements including the former Baxter Library, the facade improvement program, the Portland Museum of Art and the Eastland Hotel revitalization depend upon this improvement. Due to the fact that it is a City Street, private investment funds cannot be used. Public funds are necessary to install the improvements. Action Grant monies are proposed for this important element, although City funds for design and engineering have already been appropriated.

The urban plaza element of the project involves the acquisition and demolition of a structure at the corner of Congress and High Streets (popularly known as the Dunkin Donuts building), the relocation of its tenants and improvements to the resultant 13,000 s.f. of land as an urban plaza. The space is proposed to be public open space with a total cost estimated at \$1.5 million. Due to the nature of the proposed re-use, private investment funds cannot be used. Public funds are necessary to create this public space. UDAG funds are proposed to accomplish this task as no other local or state funds are available at this magnitude to achieve the objective.

The Baxter Library now lays vacant. The structure is not only architecturally significant but also important as part of the streetscape of Congress Street. Its re-use is critical in upgrading the confidence in the project area. It is likely that the City will end up subsidizing the purchase of the building by selling it below its assessed or appraised value. An additional incentive is necessary to stimulate its development and Action Grant funds of \$50,000 for major facade restoration are proposed.

City of Portland, Maine
Congress Square Urban Development Action Program

PART: II - Description of Proposed
Project

SECTION B:- Detailed Project
Description

Submitted to the U.S. Department of Housing and Urban Development October 1979

2. OEDP Conformance

Although EDA financing of project components is not anticipated at this time, the revitalization of Congress Square is a concern of the Greater Portland Overall Economic Development Plan Committee. A letter from the Chairman of the Greater Portland OEDP Committee follows which expresses the Project's consistency with the OEDP.



Greater Portland Overall Economic Development Program

October 29, 1979

Mr. A. J. Wilson
Portland City Manager
389 Congress Street
Portland, ME 04101

Dear A.J.:

I am pleased to inform you that the proposals by the City of Portland for an Urban Development Action Grant in Congress Square are wholly consistent with the Greater Portland Overall Economic Development Plan.

Specifically stated in the most recent Overall Economic Development Plan are Mainway expansion improvements between Congress Square and Longfellow Square, the further development of Downtown parking facilities, Cumberland Avenue improvements which your UDAG program will support, and expansion of hotel facilities in Portland's downtown which the OEDP proposes to analyze.

In general, the OEDP Committee supports efforts to revitalize the region's central city core. The City's proposal will do so and, thus, directly conforms with Committee policies.

I wish you every success in obtaining the UDAG funds for this important project.

Sincerely,

John E. Menario
Chairman

JEM/ynl



Located At: Greater Portland Council of Governments
331 Veranda Street · Portland, Maine 04103 · 207-774-9891

CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART: II - Description of
Proposed Project

SECTION: B - Detailed Project
Description

Submitted to the U. S. Department of Housing and Urban Development
October 1979

3 Project Feasibility Analysis

A discussion of the feasibility of each project component follows:

a. Facade Improvement Program:

The facade easement program will be available to approximately twenty property owners along the two-block area of Congress Street between Oak and State Streets. The property owners will be eligible to receive a grant which can be used only for facade improvement up to 25% of the total costs.

A design review committee will be organized consisting of property owners, an architect and a City representative. This committee will be responsible for setting design standards as well as choosing grant recipients. An applicant must show the financial capacity for each facade improvement before funds will be granted.

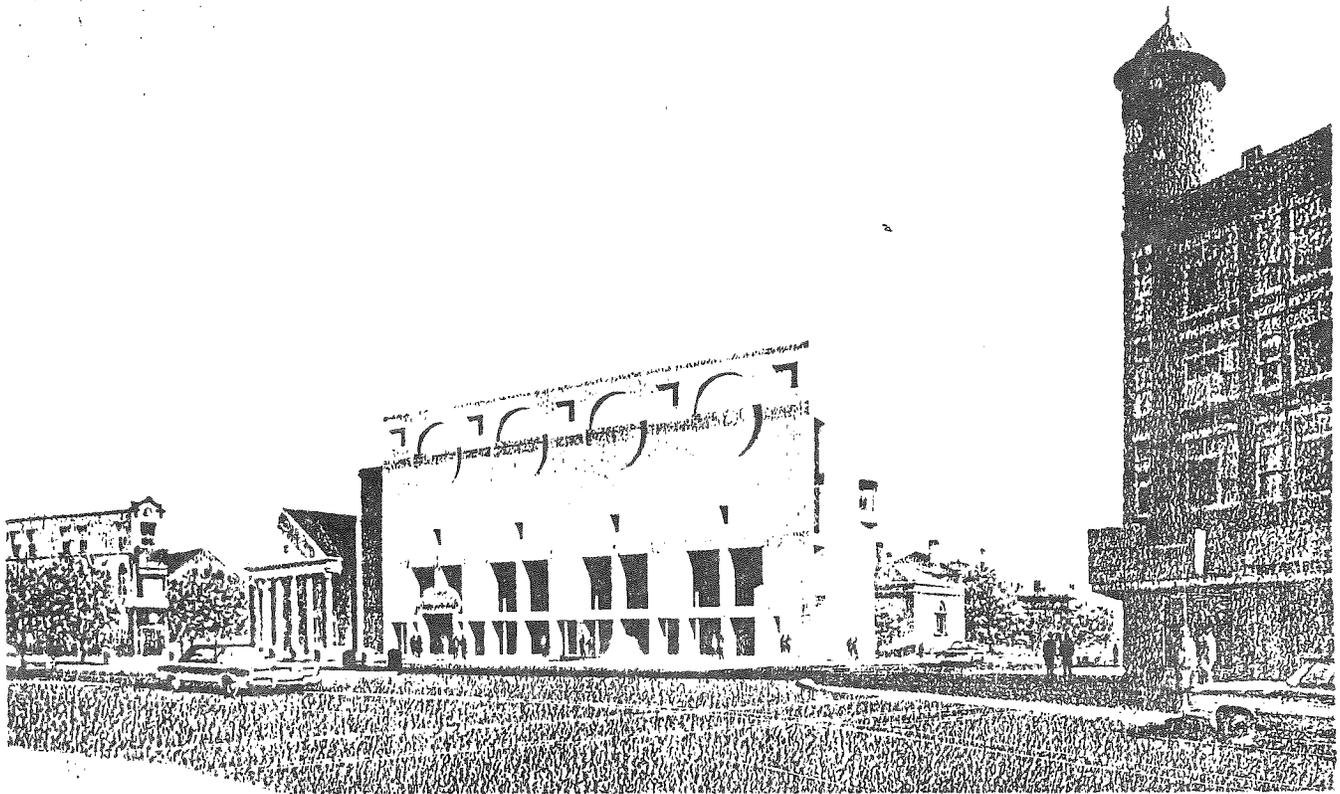
b. Portland Museum of Art Expansion:

(1) Market

The Portland Museum of Art is a private non-profit institution dedicated to the collection, preservation, exhibition and elucidation of works of art. As such, its market and economic feasibility cannot be demonstrated and judged by the same standards applied to a for-profit commercial venture.

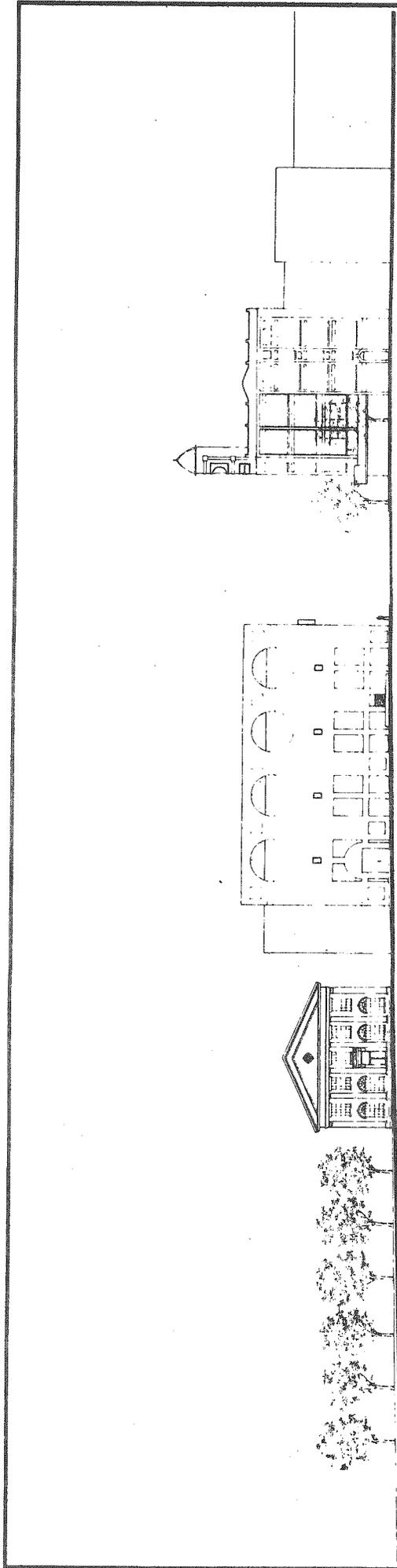
As stated in the original by-laws of its parent organization, the purpose of the Museum is to "promote scholarship in the arts, to foster and develop an environment which will fully stimulate the resources of creative expression, and develop and enhance the public understanding of the arts". Its market, then, consists of (1) artists and art scholars, who learn from studying the works of other artists represented in the Museum's collection and special exhibitions, and (2) the general public, both resident and transient, who, through exhibits and educational programs and materials enjoy viewing art as a "recreational" experience and enhance their appreciation of art forms, techniques and messages.

Portland is the cultural center of the State of Maine and is generally recognized as a city in the midst of a broadly-based cultural renaissance. As noted in a special February 1979 issue of "DOWNEAST" magazine: "Portland has the best metropolitan symphony orchestra north of Boston, for example. It has a huge new city library.

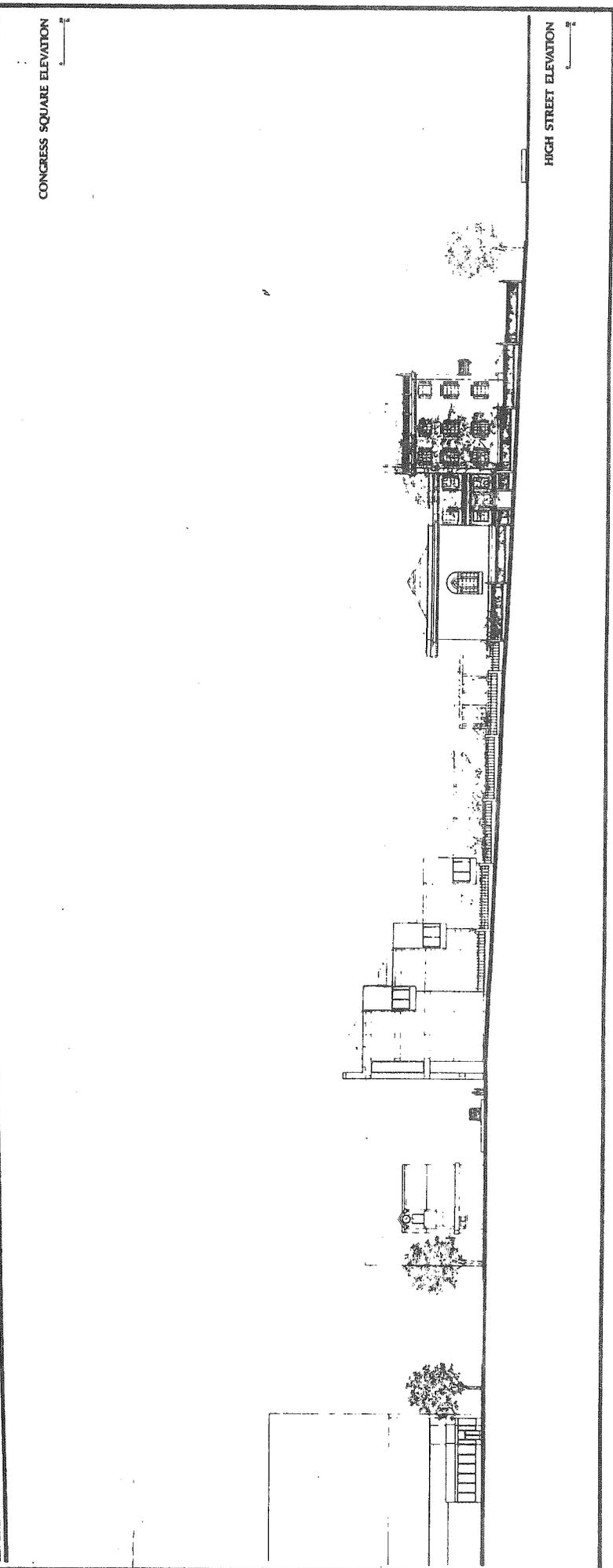


PORTLAND MUSEUM OF ART

Artist's sketch of the new gallery wing as seen looking east into Congress Square. The Museum facade — 60 feet high and 120 feet long — encloses Congress Square at a scale commensurate with the dimensions of the space, the heights of surrounding buildings and the prominence of the location as seen from considerable distances along Congress and High Streets. The lower two floors of the Museum building are recessed to form a shallow porch behind a screen wall/colonnade, with the main entrance marked by a semicircular lintel at the far end, opposite the prow of the H. H. Hay Building. Small windows in the wall above provide glimpses into Congress Square from the principal third-floor galleries housing the State of Maine Collection. The Museum facade extends above the roof to assert its special role in defining and ornamenting Congress Square. Exterior walls of the new wing are painted brick with granite string-courses, parapets, lintels and posts. On the far right corner of the building is the uppermost "lighthouse" stair landing, which commands a panoramic view of downtown Portland and Portland Harbor. The existing Museum complex (L. D. M. Sweat Memorial, McLellan-Sweat Mansion, Copper Beech Tree) can be glimpsed down High Street beyond the new building.



CONGRESS SQUARE ELEVATION



HIGH STREET ELEVATION



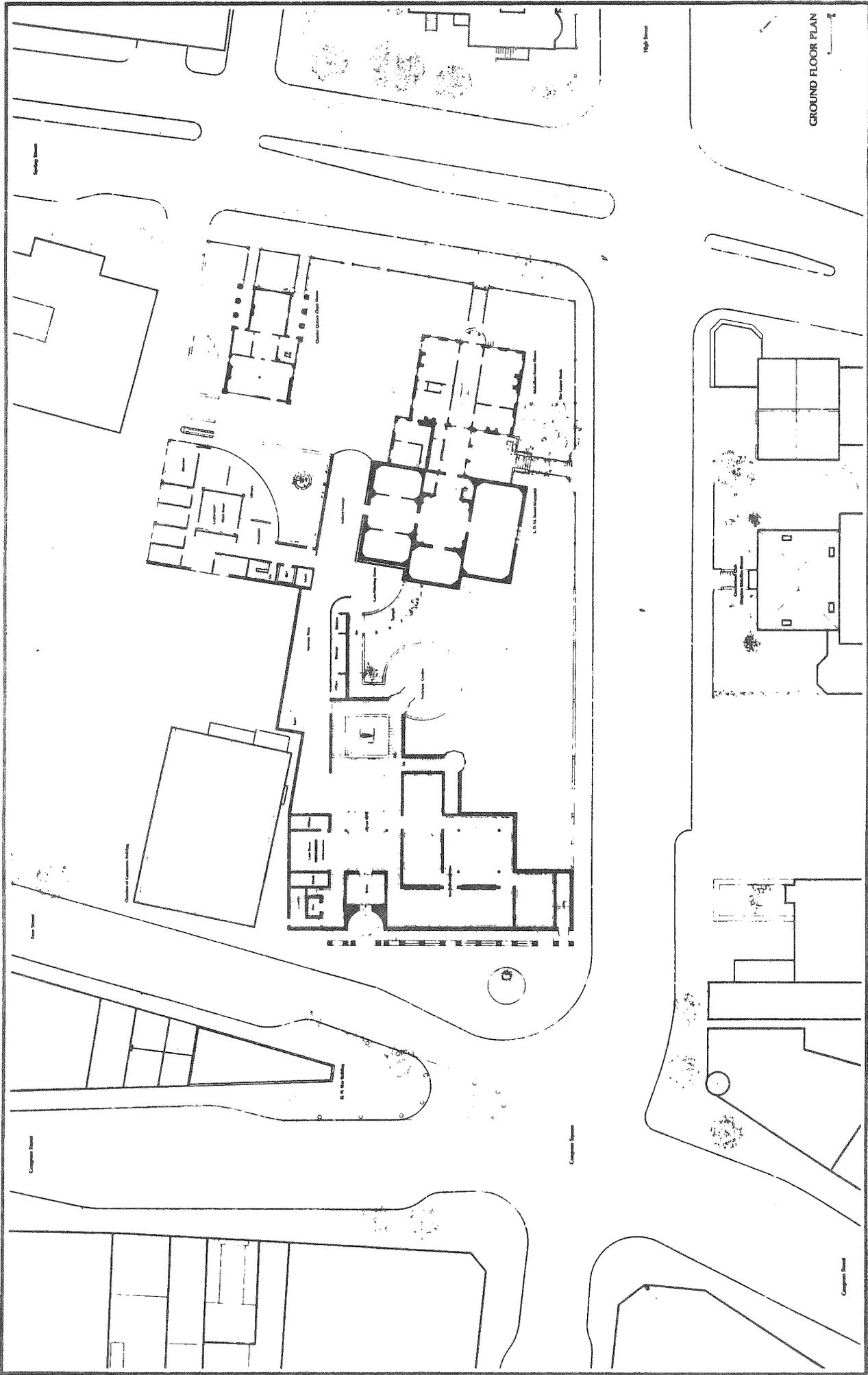
PORTLAND ARCHITECTURAL ART

Portland, Maine

111 Park Street, Portland, Maine

Henry H. H. & Co., Design Office

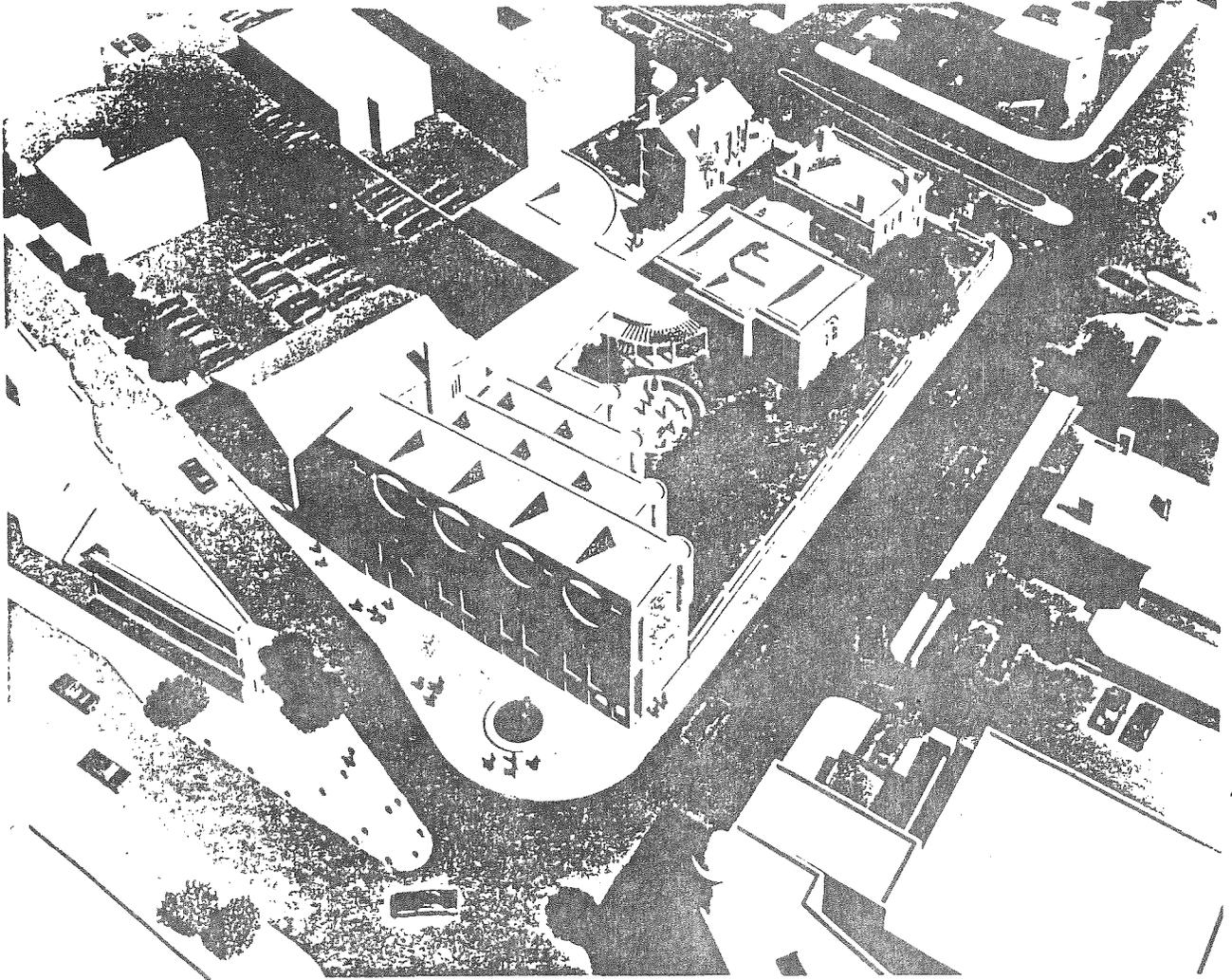
March 1904



GROUND FLOOR PLAN

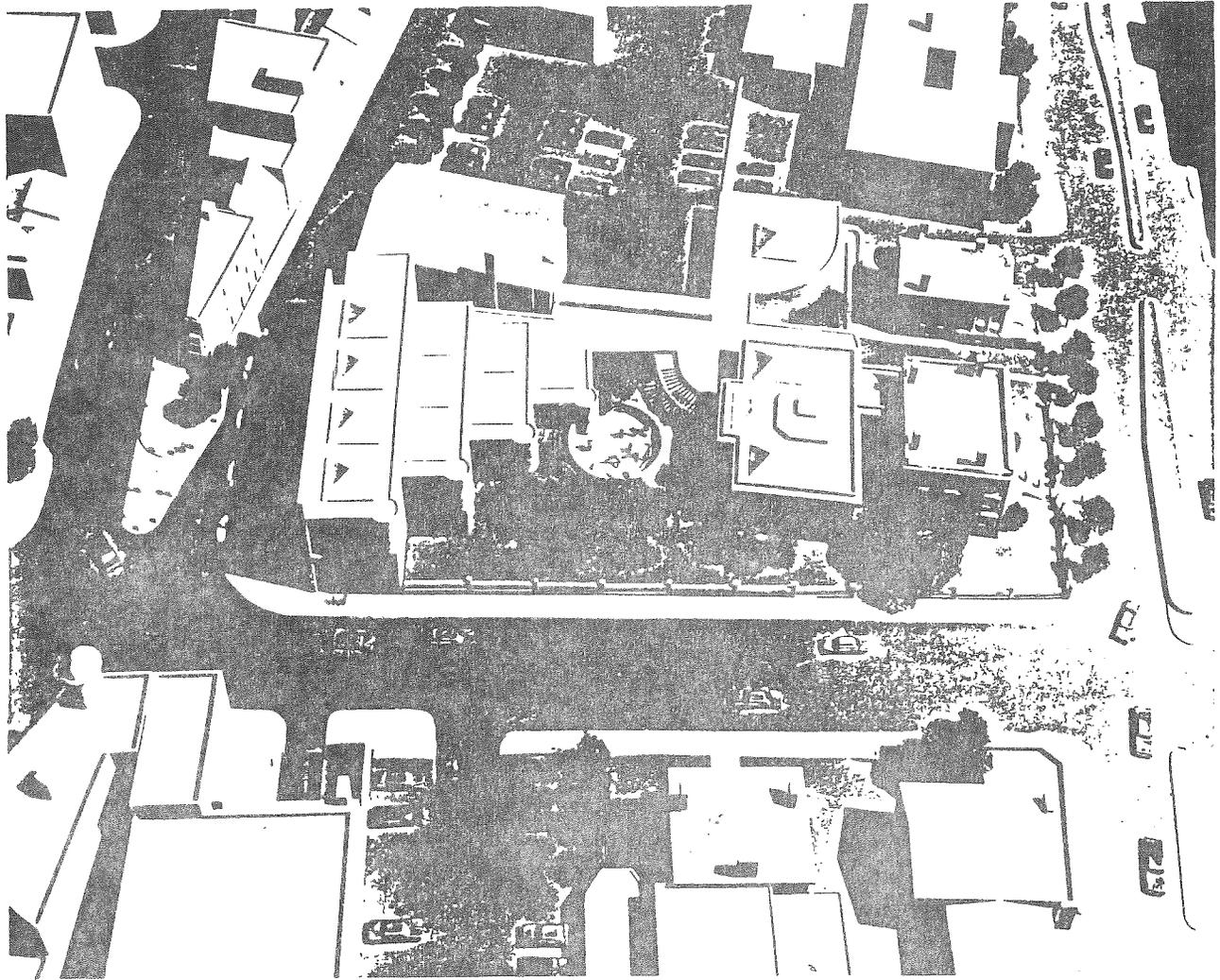
PORTLAND MUSEUM OF ART

1115 N. 7th Street, Portland, Ore.
 Design: Portland Art Center Foundation
 1968-1970



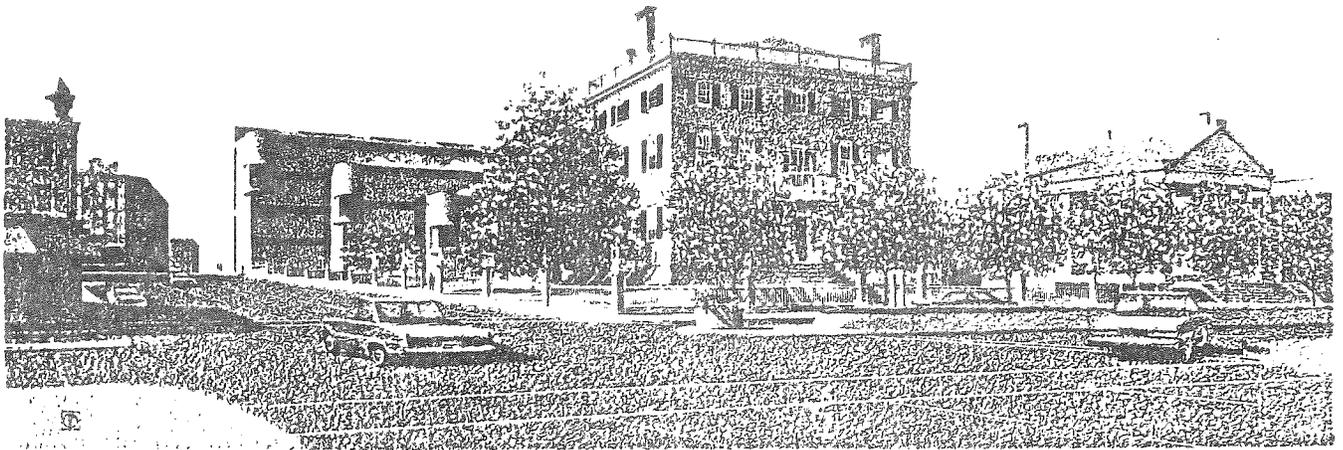
PORTLAND MUSEUM OF ART

Bird's-eye view of architect's model looking east. Congress Square is in the foreground with the H. H. Hay Building at left between Congress and Free Streets. The new gallery wing of the Museum steps up from one to four stories and is faced with a 60-foot high screen wall with recessed colonnade fronting onto Congress Square. A small plaza with pool and fountain embellishes the Square and provides a forecourt to the Museum's main entrance. Within the Museum garden, a curved trellis shelters an outdoor terrace opening off the Museum café.



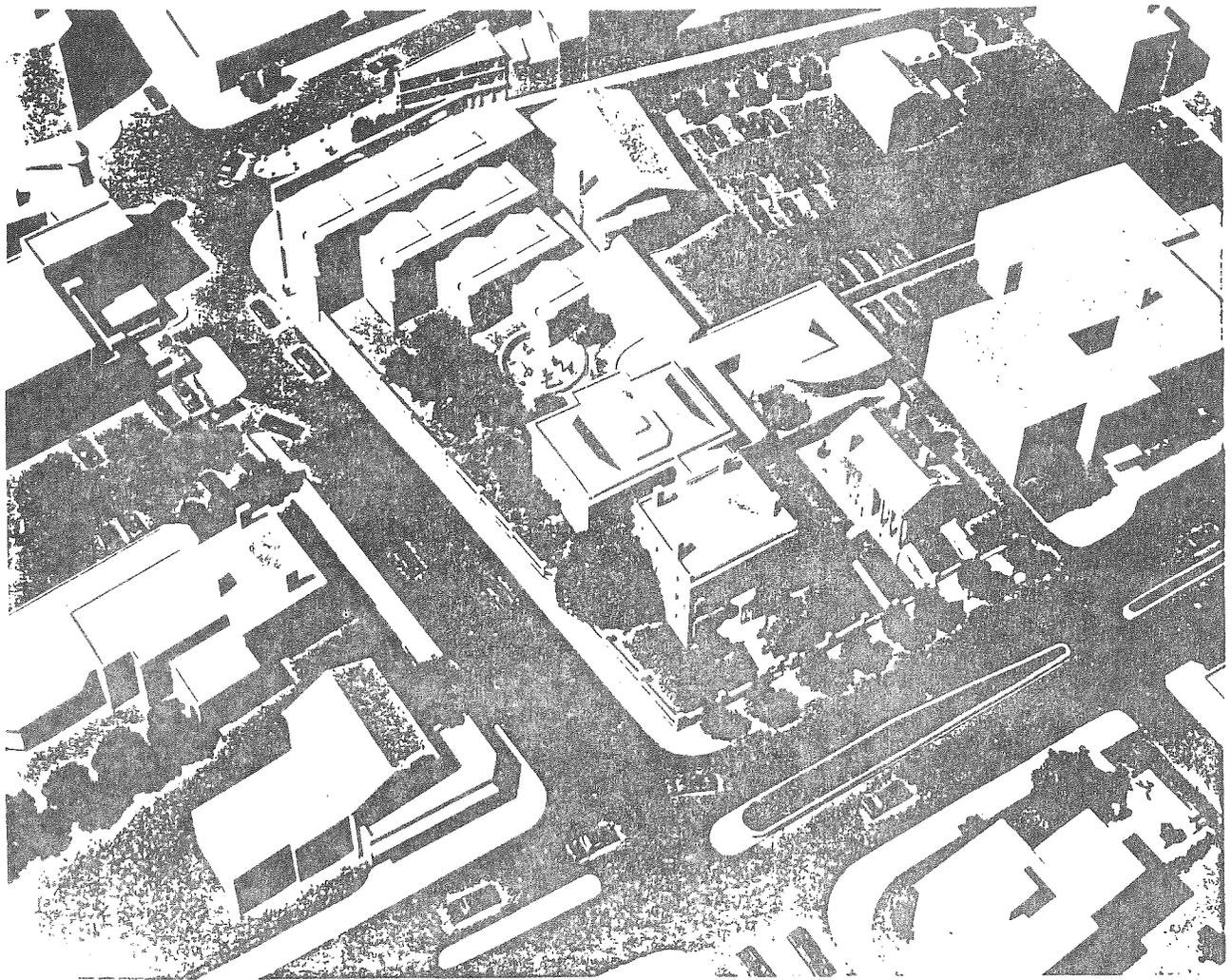
PORTLAND MUSEUM OF ART

Bird's-eye view of architect's model looking northeast. High Street is in the foreground, with Congress Square on the left and Spring Street on the right. New exhibition galleries are housed in the stepped structure facing Congress Square. A one-storey infill building connects the new galleries to the existing L. D. M. Sweat Memorial and extends behind the Clapp House to provide administrative and service space. Circular courtyard at center is a sculpture garden. Cylindrical projections at the corners of the stepped gallery wing are "lighthouse" stair landings which offer views into the Museum garden and down High Street to Portland Harbor. Pyramidal forms on roofs are skylights bringing controlled daylight into exhibition galleries below.



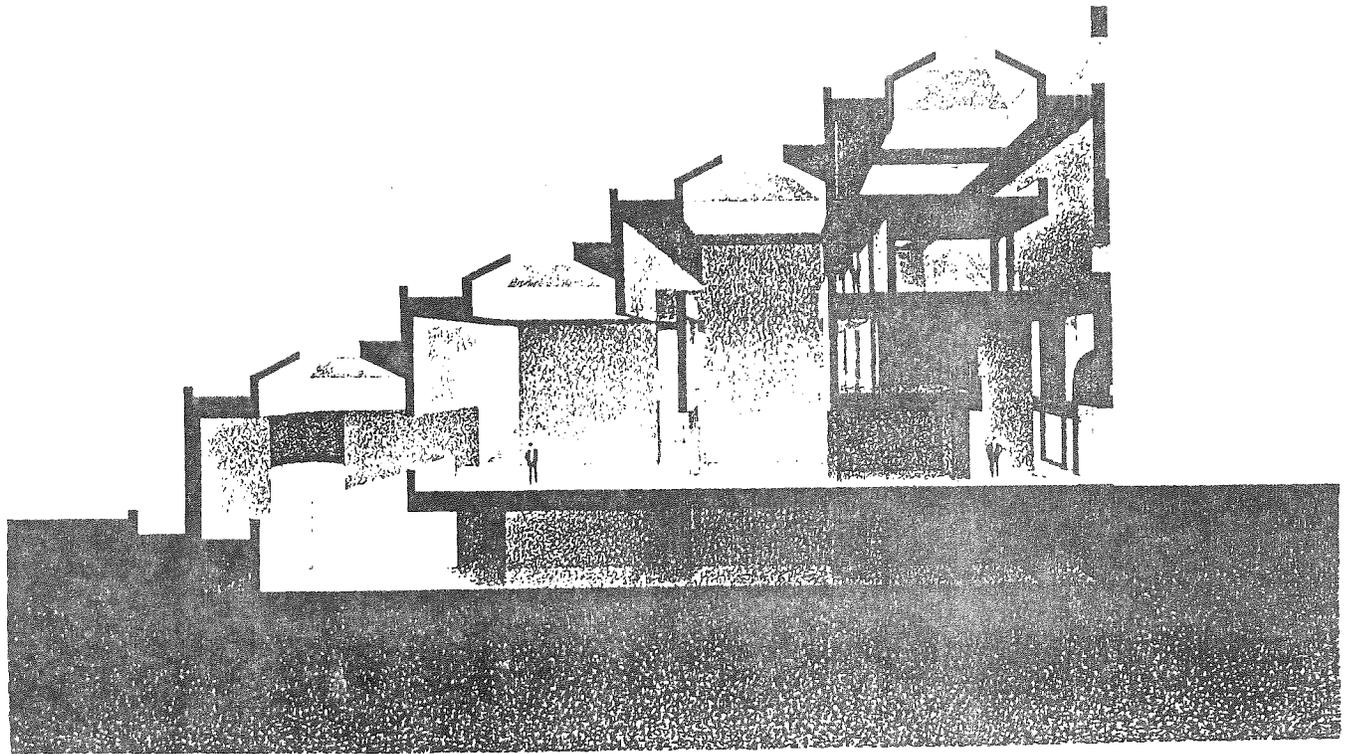
PORTLAND MUSEUM OF ART

Artist's sketch of the Museum complex looking north from the intersection of High and Spring Streets. The McLellan-Sweat Mansion and its Copper Beech Tree are in the center foreground; the Charles Quincy Clapp House (Portland School of Art) is on the right. Although the new gallery wing seen in the background is many times larger than these existing buildings, its stepped form belies its volume and grants primacy to the two historic houses as significant architectural monuments within the Museum precinct. Painted brick and Maine granite — materials used in the two houses — are also the principal exterior wall materials of the new Museum building.



PORTLAND MUSEUM OF ART

Bird's-eye view of architect's model looking north. The intersection of Spring and High Streets is in the foreground, with the McLellan-Sweat Mansion and L. D. M. Sweat Memorial at center. The Charles Quincy Clapp House (Portland School of Art) is at right facing Spring Street, with the Museum's new administrative wing in the quarter-circular building behind. The new gallery wing of the Museum rises from one to four storeys on land between the existing galleries and Congress Square. More than half the total site is left open to create a garden setting from the two historic houses within the Museum precinct.



PORTLAND MUSEUM OF ART

Section-perspective cut through the front entry and Great Hall of the new gallery wing. Visitors enter from Congress Square through the screen wall/colonnade on the right, passing through a semicircular porch carved into the body of the building, thence into a low vestibule from which they emerge into a three-storey-high skylit space — the Great Hall. The Great Hall with its cascading roof is the major reception and orientation space of the new wing, providing a common point of reference at all gallery levels. From the street level of the Great Hall one may go down to the auditorium level, up to the several gallery levels, or horizontally through the connecting link to the administrative offices, L. D. M. Sweat Memorial and McLellan-Sweat Mansion.

Its once moribund art museum is now undertaking major expansion Its art school has doubled in size. The small, elegant Payson Art Gallery on the campus of Westbrook College houses one of Maine's finest collections. The Portland String Quartet is acknowledged to be one of the best in the northeast; and professional dance and theatre companies are encouraged by the city" (emphasis added).

Public excitement generated by Mr. Charles Shipman Payson's general monetary gifts and bequest of his remarkable collection of seventeen Winslow Homer paintings (discussed in more detail in IIB6a below), together with resulting plans to expand the Museum facility, has already significantly increased attendance at the Museum and membership in the Portland Society of Art, the Museum's governing body (up approximately 75%). This increased interest in the Museum has also been reflected in higher levels of annual financial support by individuals, corporations, municipalities, and state and federal governmental agencies. The ever-increasing enthusiasm for the Museum's potential is indicated by the experience of the individuals who have dedicated their talents to the various committees and efforts necessary to bring the expansion to reality (a list of these individuals follows in IIB4b below).

The proposed physical expansion of the Museum onto Congress Square, in a form designed by internationally-known architect Henry Cobb of I M Pei and Partners, is certain to have a catalytic effect on the character of the area. Rather than a place to pass through, with trepidation, because of its unsavory present condition, Congress Square will become a destination point for people drawn to the Museum, to the rehabilitated Eastland Hotel (once one of the City's finest) and to the upgraded retail opportunities in the area. Removal of the Museum's main public entrance from High Street to Congress Square will certainly affect its visibility. In addition, those who come to visit the Homer and Field collections will be attracted to Portland and to Congress Square to see this important proposed I M Pei and Partners building, which is already receiving national attention (See attached article from October 29, 1979 issue of "Newsweek" magazine - included in exhibit section).

Expansion of the Museum's gallery space will allow it to display the magnificent Homer, Field and State of Maine collections, as well as other special exhibits, and provide space for complementary educational programs. The opportunity to expand its display and programs will raise the Museum to a new level of professional excellence which will permit it to compete for major travelling art shows, which have been well-demonstrated by the recent Tutankhamen show, to significantly enhance the local economy. In short, expansion will place the Museum in a whole new market.

As the Museum's reputation grows, it will become an even more important factor in attracting new business and conventions to the greater Portland region. The report of a blue-ribbon Economic Development Committee of the Greater Portland Chamber of Commerce recognizes the importance of the arts in enhancing the quality of life of area residents and in attracting economic development compatible with the character of the region and responsive to its needs: "The assets of the Greater Portland region include open space and a cultural environment that provides diverse recreational outlets and quality of living to the inhabitants. Economic development should not only recognize those assets, but seek to enhance existing cultural and economic considerations. Economic development should acknowledge that

cultural activities and the arts are major year-round employers. Cultural pursuits and the arts are a business unto themselves that enhance highly desirable economic development". Following this logic, economic development is stimulated by the arts and, in turn, the arts are the beneficiaries of a stronger economic base. Louise W. Wiener of the Commerce Department concurs with this view in her study of the economic development potential of the arts, prepared for The White House Conference on Balanced National Growth and Economic Development: "Corporate location decisions increasingly involve quality of life issues including the availability of cultural activities. Unless an industry is directly arts related, and there are many, the existence of a stimulating cultural life is not likely to be the primary consideration. However, the absence of cultural vitality may be decisive in the evaluation of otherwise balanced alternatives."

The Museum's market potential, then, is enhanced by its proposed expansion: (1) resident individuals and corporations are already demonstrating increased interest, attendance and financial support; (2) expansion will upgrade the Museum's excellence and permit it to compete for major, special exhibits, which will increase attendance and attract tourists to the area; (3) a thriving, well-known Museum will be a positive factor in attracting new business to the Greater Portland region and those businesses and their employees will further strengthen the Museum through their attendance and financial support.

(2) Feasibility

The on-going financial feasibility of the Portland Museum of Art is a direct function of its professionalism and public appeal. A non-profit institution with limited endowment, the Museum has been presented with a unique opportunity to enhance dramatically its collections, facility and programs. Excitement generated by the contingent donation of the Homers, Field Collection and other works of art attracts contributions to endowment necessary to support an expanded institution. A special committee has been studying the Museum's budgetary needs through June 30, 1983, and has projected the need for a minimum additional \$5.5 million in endowment to operate the expanded facility and programs. This need will be incorporated in the State of Maine fundraising campaign, together with the necessary capital amount described more fully below

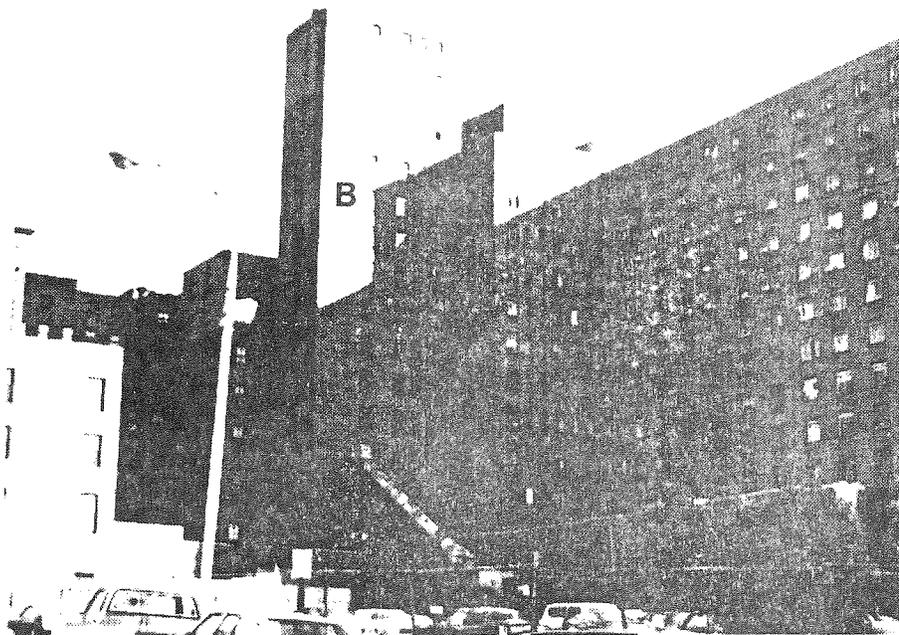
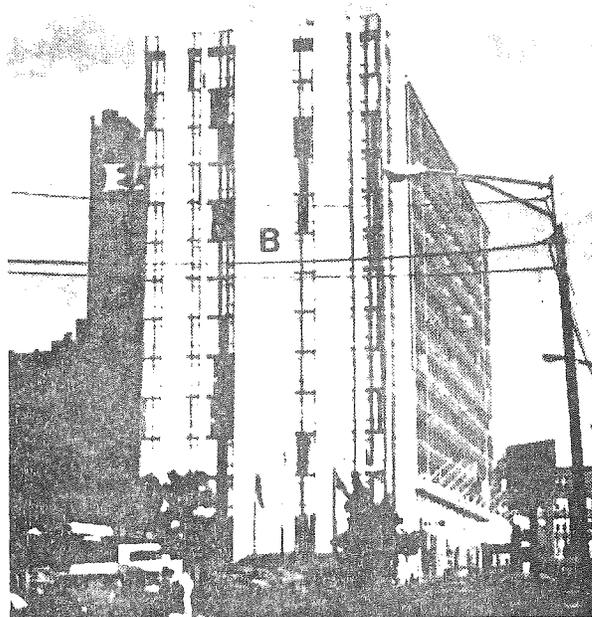
The future of the Portland Museum of Art will be significantly affected by the success - or failure - of this undertaking. Recognizing the critical importance of this undertaking to the Museum, to Congress Square, to the City of Portland, and to the State of Maine, an impressive team has been assembled to pursue this opportunity to a successful conclusion and to assure the on-going financial feasibility of the Portland Museum of Art as an important cultural resource, educational institution and economic development stimulus.

c. Eastland Hotel Conversion:

The developers of the building, Eastland Associates, are purchasing the hotel as part of a larger real estate venture. The purchase terms require the operation of the hotel facility, at a profit or a loss, for three years beyond the date of acquisition. It is the intent of the developers to redevelop the hotel space in a manner which will allow for the efficient renewed operation of a first class hotel. This will require the conversion of the Eastland

EASTLAND HOTEL

The Eastland Hotel will be rehabilitated into 150 hotel rooms and 65 new moderate-rate apartments, approximately 15,000 square feet of rental office space, and approximately 15,000 square feet of restaurant, banquet, and retail facilities. This presently second class hotel will therefore be converted into a first class mix of commercial and residential uses, fronting both on High Street and the urban plaza.



building into the following mix of uses:

- first class hotel rooms - 150
- moderate rate apartments - 65
- office rentals - 15,000 square feet in the newer wing
- restaurant, banquet, and retail facilities on the ground floor

These use proposals are verified as feasible within a report produced by the firm of Laventhal and Horwarth. A copy of that report is included with this submission.

In addition to the \$6,000,000 investment, it is assumed that fixed expenses will total approximately \$395,000 annually. These expenses will include insurance, real estate taxes, reserve for repairs and maintenance, a management fee to the hotel operator, and the payment of a hotel franchise fee, associated services, and the payment toward parking for apartment dwellers in the adjacent garage. There also will be legal and architectural fees incurred which are not included in the total expense figure projected above.

The Laventhal and Horwarth report has developed the projection of \$689,000, \$838,000 and \$1,012,000 as annual earnings of the hotel complex for the years 1982 - 1984 prior to fixed charges, payment of debt and return on equity. The assumptions upon which these projections are based are contained in the attached report.

It is clear that a lowered rate of financing must be available to this project in order to provide a break-even status by mid- 1984 (during its third year of operation). A UDAG second mortgage is being sought to bring the effective financing constant to the level of approximately 7% in the third year, thereby producing some annual return on equity by that time. A loan of \$1,000,000 in UDAG funds is being sought for this purpose.

It is critical to the hotel conversion project, however, that the area presently occupied by lower buildings at the intersection of Congress Street and High Street be made available to open space and plazas so that the hotel itself may be tied more closely to the principal commercial street. This prerequisite is emphasized in the Laventhal and Horwarth report. Proposed is the acquisition of this parcel and its conversion to an urban plaza.

Because this element of the project is proposed to be public open space, an economic feasibility analysis is not relevant in this case. As noted, market analyses for the rejuvenation of the Eastland Hotel have identified the critical need for the hotel's entrance to be directly accessible to Congress Square. It is proposed that major hotel entrance improvements on the hotel side facing on the plaza will be made.

Further the developer of the H. H. Hay Building has identified the elimination of the Dunkin' Donuts building and the creation of the plaza to be an important factor in the success of rejuvenation efforts to that building.

The City of Portland further believes that the proposed urban plaza is necessary to provide the amenities needed for overall neighborhood rejuvenation. The City points to the major impact on core revitalization provided by Monument Square plaza (Mainway Urban Renewal).

SITE OF URBAN PLAZA/PARK

The existing structure (C) will be acquired by the City, demolished, and replaced by a new urban plaza/park. All businesses will be re-located through the City's Neighborhood Conservation Department as required by Federal Law. The Eastland Hotel (B), background, will then have access through the plaza directly onto Congress Street, making Congress Street more readily accessible to hotel residents.



d. Vehicle Garage/Commercial Complex:

It is imperative that additional off-street parking be developed if the projects under development at present in the Congress Square area are to be successful. A projection of the day-time parking needs of the commercial neighborhood is as follows:

- Eastland office rentals	- 75 spaces
- State Office Building	- 150 spaces
- Eastland apartments	- 65 spaces
- Eastland Hotel	- 150 spaces
- Eastland restaurants and lounges	- 55 spaces
- neighborhood commercial & offices	- <u>150 spaces</u>
	645 spaces

In considering a means to meet this identified need, there has been developed the concept of additional commercial activity at this site. An agreement has been reached with a major theater group which wishes to lease 20,000 square feet within a garage complex for six new movie theaters. Another 30,000 square feet of retail space is being considered for indoor sports facilities or a major food store as lessees of the developer. Both of these uses will require the availability of evening parking spaces. In fact, the evening parking requirements projects for the site are as follows:

- theaters	- 300 spaces
- Eastland apartments	- 65 spaces
- Eastland Hotel	- 150 spaces
- new commercial or sports-related	- <u>50 spaces</u>
	620 spaces

These numbers are verified by the projections of the Laventhal and Horwarth report and indicate the unique opportunity at this site to make nearly full use of a parking facility beyond the normal working hour day.

e. H. H. Hay Building Renovations:

A market feasibility analysis was developed for the H. H. Hay Building by Appraisal Associates, Inc. A copy of the report is attached.

f. Former Baxter Library Adaptive Reuse

The City of Portland has requested proposals for the reuse of the Baxter Memorial Library and renovations. These proposals were received and are currently being considered by the City of Portland. With the proposals a cashiers check for 5% of the bid price was enclosed as well as the stipulation that no prospective purchaser would be permitted to withdraw the proposal for a period of 90 days, or until January 12, 1980.

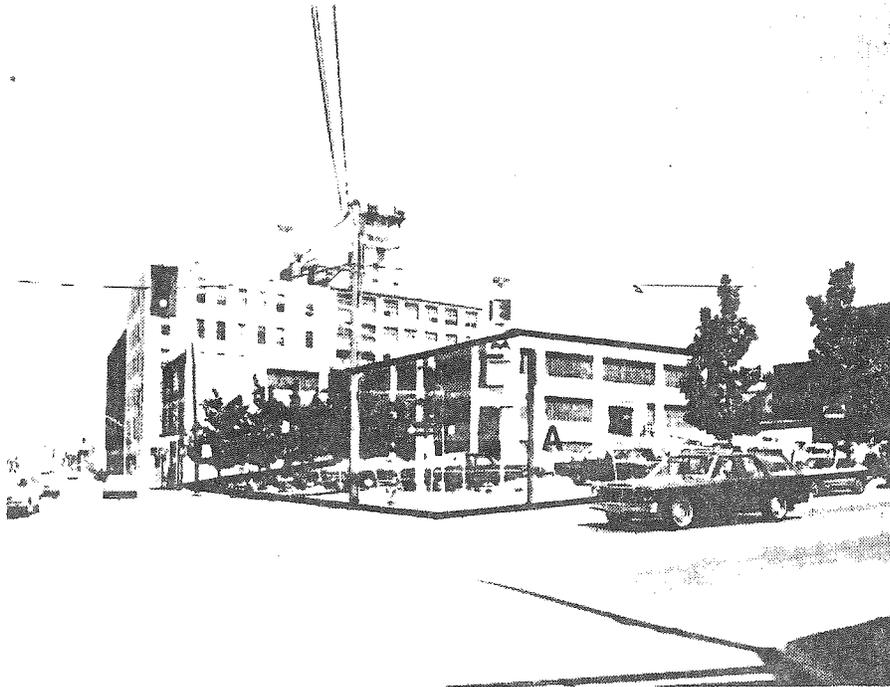
In 1979, the City of Portland undertook a market feasibility study to determine an economic re-use of the former library. A copy of the study is included as an attachment.

g. Congress Street Improvements:

Since this transaction involves improvements to a public right-of-way, economic feasibility is not at issue. The improvements to the Congress Street, however, are very important to the feasibility of the remaining transactions.

SITE OF PROPOSED PARKING GARAGE

The existing obsolete parking garage will be demolished to be replaced by a larger, 650 car parking structure (A) to reduce severe parking problems in the area. In addition, the structure will include six theaters and additional recreational or retail space.



BAXTER LIBRARY

The Baxter Library (G), a major historic structure within the City and located on Congress Street in the project area, will be converted to an art center by private development interests. The facade will be restored with UDAG funds subject to approval of Maine Historic Preservation and U.S. Department of Interior. Adjacent to the building are structures which will be subject to the facade improvement matching grant program. This street area will also receive street improvement and beautification under the UDAG grant. Note the lack of pedestrian amenities.



It will be directly important to the success of the facade improvement element and the development of the former Baxter Library. It is also important to provide a more desirable and safer entrance to Congress Square for the new Museum wing, the revitalized Eastland Hotel, the urban plaza and other proposed improvements.

h. Sun Savings Plaza Tower

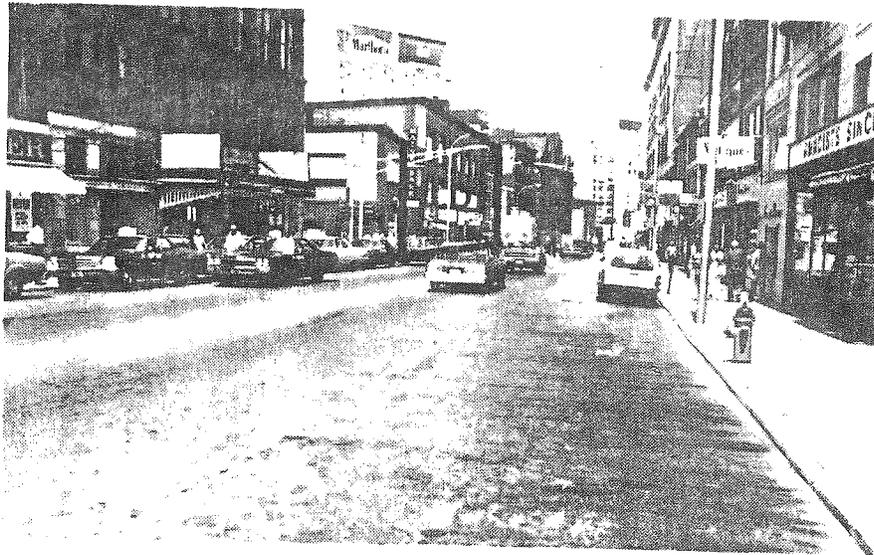
It is expected that this project will be developed through conventional financing, and the pre-sale of condominiums or the pre-commitment to the rental of space will produce the basis for the financing of all but the ground floor retail space. That comparatively small amount of building area will be produced by the developers on speculation of eventual rentals.

It will be difficult to obtain commitments to the space in the complex, however, if the cost of garage production is added to the sale or rental levels. Consequently it is requested that a UDAG injection be made to this project to effectively reduce the parking production costs. A UDAG 2nd mortgage loan of \$1,500,000 is sought for this purpose. This loan would reduce the amount to be financed conventionally to \$7,300,000. Further it would produce the effect of a reasonable overall finance charge of about 10%.

Sun Savings and Loan, the main user of this building's space, has committed to it in an agreement reached between the developers and the Association's Board of Directors. In addition, an agreement for an additional 20,000 to 25,000 square feet of office space is being negotiated presently. A market study of the residential condominiums is underway by the development team.

PROPOSED NEW OFFICE TOWER - SUN SAVINGS

Located on Congress Street (D), the Sun Savings, a private banking firm, proposes a new office tower containing contemporary office, banking, commercial, and residential space, including twenty condominiums. This private development will blend well with the surrounding functions of the older buildings in the area.



CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART: II - Description of
Proposed Project

SECTION: B - Detailed Project
Description

Submitted to the U. S. Department of Housing and Urban Development
October 1979

4 Developer(s) and Other Parties

The following information is provided for each transaction:

a. Facade Improvement Program:

The developers will be the private property owners with structures facing on Congress Street between Oak Street and State Street. Interested participants will submit proposals to a Design Review Committee, proposed to be comprised of area property owners, City officials and a consulting architect.

b. Portland Museum of Art Expansion:

1. Background of the Portland Museum of Art

The Portland Museum of Art is a non-profit institution organized in 1882 as part of the Portland Society of Art. The Museum's permanent collection of art began as early as 1888 with the gift of a marble sculpture by Maine artist, Benjamin Paul Akers. With the bequest of Mrs. Lorenzo de Medici Sweat in 1908, the Museum moved into permanent quarters, the McLellan-Sweat House, a fine Federal period mansion built in 1800 and designated a National Historic Landmark in 1972. An addition designed by noted Maine architect, John Calvin Stevens, was opened in 1911 and entered on the National Register of Historic Places in 1970.

Maine's major public art museum, the Portland Museum of Art, is administered by a Board of Trustees elected by the membership of the Portland Society of Art, which also administers the Portland School of Art, a small but growing accredited four year institution recognized for excellence. The Museum's permanent collection is held in the public trust and has three areas of important strength: contemporary prints, 19th century American painting, and American decorative arts. The collection is nationally-known and loans of art objects have served as ambassadors of Portland to institutions such as the following: The Whitney Museum of American Art, New York City; the University of Arizona; the University of California, Santa Barbara; the National Portrait Gallery, Washington, D. C.; Old Sturbridge Village, Massachusetts; University of New Hampshire; the Pennsylvania Academy of Fine Arts, Philadelphia; and the Los Angeles County Museum. A variety of educational programs, including school tours, tours for other interested groups, special lectures, gallery talks, art sales, special membership programs, and other compatible events, are based on the Museum's permanent collection and special exhibitions. Increasing recognition of its professionalism and stature as a growing regional institution is indicated by loans of art works to the Museum for special exhibitions, by institutions such as the following: The Art Institute

of Chicago; National Collection of Fine Arts, Washington, D C.; Museum of Modern Art, New York, Philadelphia Museum of Art; William Rockhill Nelson Gallery of Art, Kansas City Mo.; Metropolitan Museum of Art, New York; Museum of Fine Arts, Boston

The recent history of the Portland Museum of Art indicates its development potential. In June 1977, the Board of the Portland Society of Art accepted a \$120,000 challenge grant (3 to 1 matching) from the National Endowment for the Humanities and authorized a multi-purpose \$600,000 capital funds campaign. Aided by energetic volunteers working under the direction of a professional fundraiser, the Society successfully reached its goal in April of 1979, supported by an allocation by the City of Portland of \$105,000 of Housing and Community Development funds (for preservation of the existing historic facilities), a \$35,000 grant from the Maine Historic Preservation Commission, and \$340,000 in donations from the Board and individual and corporate friends of the Portland Society of Art

During the course of the campaign, the Museum's future was profoundly altered by the bequest of Mr. Charles Shipman Payson of his major collection of seventeen paintings by Winslow Homer, who painted in nearby Prout's Neck. This collection had been aggressively sought by major, out-of-state museums and its donation to the Portland Museum of Art brings a significant artistic treasure to the City and State. Furthermore, this outstanding gift, which is contingent on the expansion of the existing facilities to adequately display and safeguard it and on effective community (private & public) support in establishing such an expansion, has already attracted a donation, also contingent on expansion, of the Hamilton Easter Field Art Foundation Collection (a diversified collection of the works of well-known Maine artists) and sparked discussion and receipt of other important contributions to the State of Maine Collection, which will demonstrate the dramatic effect of Maine on the artistic spirit - past and present

In addition, pleased by the City of Portland's demonstrated commitment to the Museum, Mr. Payson challenged Museum staff and supporters, in December 1977, to pursue expansion aggressively, by donation of \$400,000 for planning purposes and acquisition of real estate necessary for expansion. In response to that challenge, a Building Committee was organized, a broadly based Architectural Program Subcommittee was established to define the Museum's spatial and program needs in the context of its most appropriate role as a cultural resource (copy attached as an exhibit), and Architect Selection Subcommittee was appointed. A Fundraising Committee was named to develop the State of Maine Campaign to bring the goal of the other committees to reality. A complete listing of these committees follows below.

2. Experience with Similar Projects

As indicated above, the Portland Museum of Art has, over the past two years, undertaken a comprehensive, two-stage renovation of the existing facilities, which include the McLellan Sweat House (1800), a designated National Historic

Landmark, and its L.D.M. Sweat Memorial Galleries, which are listed on the National Register of Historic Places. The work undertaken has incorporated upgrading of the electrical systems in both buildings and exterior renovations to the House, and has totaled approximately \$240,000. The project, which requires compliance with a variety of Federal regulations because of partial funding by HCD funds and funds derived under the National Historic Preservation Act, has been administered for the Museum by a committee headed by a vice president of one of the City's leading financial institutions and member of the Building Committee.

Although it has, of course, never undertaken a project of the magnitude of the proposed expansion, the Museum's staff and supporters were actively involved in the Society's recent successful \$600,000 fundraising campaign, a professional fundraising firm with demonstrated experience with museum capital campaigns has been retained, and a highly-qualified, dedicated group of local leaders has already contributed substantial efforts to the work of the Building Committee and the Committee directing the State of Maine Campaign (the expansion fundraising effort). The experience of the team assembled reflects a full appreciation of the fact that the Museum is embarked on the largest such project ever undertaken by a non-profit organization in the State of Maine.

3. Private Parties Involved in the Project

a. Building Committee

General Chairman:

Robert R. Masterton, President, Maine Savings Bank; Trustee, Portland Society of Art; Director, Chamber of Commerce of the Greater Portland Region and Chairman, Economic Development Committee of Chamber; Former Chairman, United Way Campaign

Members:

Rachel Armstrong, Trustee, Portland Society of Art; Member, Museum Committee; Trustee, Westbrook College

Edward C. Jordan, retired principal, H. I. and E. C. Jordan Co. (engineering firm)

Alan Fishman, Vice President, J.B. Brown and Sons (real estate developer and investor); Trustee, Portland Museum of Art; Member, Museum Committee

D. Brock Hornby, Esq., Perkins, Thompson, Hinckley and Keddy; immediate past President, Portland Society of Art; Chairman, Museum Expansion Coordinating Committee; Trustee, Portland Society of Art; Director, Chamber of Commerce of the Greater Portland Region; Trustee, Westbrook College

M. Thomas Juenemann, Vice President, Maine Savings Bank; Trustee, Portland Society of Art; President, Intown Portland Associates.

Donald Megathlin, Planning Director, City of Portland.

Leonard M. Nelson, Esq., Bernstein, Shur, Sawyer and Nelson;
Chairman of Architect Selection Subcommittee (see below).

Peggy Osher, Trustee, Portland Society of Art; Member, Museum
Committee; Member, Architect Selection Subcommittee.

L. Robert Porteous, Jr., Chairman, Porteous, Mitchell and Braun
(Portland's principal department store); Chairman, State of
Maine Campaign; (see below)

Anne B. Pringle, Vice President, Maine Savings Bank; Trustee,
Portland Society of Art; Member, Museum Committee; Chair-
man, Museum Building Repair Subcommittee; Former Treasurer,
Maine State Housing Authority.

Owen W. Wells, Esq., Perkins, Thompson, Hinckley & Keddy;
immediate past Vice President for Museum Affairs; Trustee,
Portland Society of Art.

Katherine Woodman, Trustee, Portland Society of Art; Member,
Museum Committee.

Honorary Members:

Charles Shipman Payson, retired industrialist and benefactor
of the Museum.

Richard A. Kimball, F. A. I. A., consultant to Architect Selec-
tion Subcommittee and advisor to Mr. Payson

Ex-officio:

John Holverson, Director, Portland Museum of Art.

Rosalyn S. Bernstein, President, Portland Society of Art.

David Verrill, Verrill and Rothermel (accountant); Vice
President for Museum Affairs.

b. Architectural Program Subcommittee (work completed)

Chairman:

Joan Hayden, Member, Museum Committee, Portland Society of
Art; Trustee, Maine Historical Society

Members:

Charles E. Buckley, former Director, The Currier Gallery of
Art; former Director, The St. Louis Art Museum; former
President, American Association of Museums.

Thomas Crotty, Painter, Owner and Director, Frost Gully
Gallery; Advisory Trustee, Joan Whitney Payson Gallery
of Art.

Janet Drummond, Trustee, Portland Museum of Art.

Linda Frinsko, Chairman, Education Committee for Museum;
Member, Museum Committee, Trustee, Portland Society of Art.

Dr Peter R Greer, Superintendent of Schools, City of
Portland.

Joseph Guertin, Faculty member, Portland School of Art

Donald Megathlin, Planning Director, City of Portland

Wilma Redman, Member, Museum Committee; Trustee, Portland
Society of Art; Chairman of the Board of Trustees, West-
brook College; Advisory Trustee, Joan Whitney Payson Gal-
lery of Art.

Frederick A. Sweet, Jr., former Director, Portland Art
Museum (Oregon); former Curator of American Painting and
Sculpture, The Art Institute of Chicago; former Director,
Brooklyn Art Museum.

Warren Swetz, Manager, Branch Development and Market Research,
Maine Savings Bank

Honorary Member:

Jere Abbott, Co-founder, Museum of Modern Art; former Director
Smith College Museum of Art.

Ex-officio:

John Holverson, Director, Portland Museum of Art.

Owen W. Wells, Esq., immediate past Vice President for Museum
Affairs; Trustee, Portland Society of Art.

D. Brock Hornby, Esq., immediate past President Portland Society
of Art.

Robert R Masterton, General Chairman, Building Committee

c. Architect Selection Subcommittee (work completed)

Chairman

Leonard M Nelson, Esq., Bernstein, Shur, Sawyer and Nelson;
Trustee, Portland Society of Art; former Chairman, Maine
State Commission on the Arts and Humanities; former Presi-
dent, Portland Symphony Orchestra; Member, Building Com-
mittee, Cumberland County Civic Center.

Members:

Louis J. Benoit, President A. H. Benoit Co. (specialty stores);
former Chairman, Maine State Commission on the Arts and
Humanities; Chairman, Major Gifts Division, Cumberland
County Civic Center Fundraising Drive.

John F Kimball, President, Partridge Island Co. (advertising
firm).

Peggy Osher, Trustee, Portland Society of Art; Member, Museum
Committee.

Katherine Woodman, Trustee, Portland Society of Art; Member
Museum Committee.

Ex-officio:

D. Brick Hornby, immediate past President, Portland Society
of Art.

Robert R. Masterton, General Chairman, Building Committee

Consultants:

Pietro Belluschi, F.A.I.A.; Former Dean of the School of
Architecture and Planning, Massachusetts Institute of
Technology; Mr. Belluschi's accomplishments and honors
are too numerous to list in detail, but he has been
honored by award of the Gold Medal of the American
Institute of Architects and has served as consultant to
the Lincoln Center for the Performing Arts in New York
City, the National Gallery of Art in Washington D.C.,
the Federal Reserve Banks of New York and Philadelphia,
and the Ford Foundation.

Richard A. Kimball, F.A.I.A.: retired principal of the firm
of Gugler, Kimball and Husted, New Haven; former Director
of the American Academy in Rome.

d. Committee - State of Maine Campaign

General Chairman:

L. Robert Porteous, Jr., Chairman, Porteous, Mitchell and
Braun (department store); Chairman, Development Committee,
Maine Medical Center.

Senator Edmund S. Muskie, Co-Chairman, Friends of Maine

Senator William A. Cohen, Co-Chairman, Friends of Maine.

Members:

Halsey Smith, President, Northeast Bankshares Association;
Treasurer, State of Maine Campaign; former Director, Center
for Research and Advanced Study, University of Southern
Maine; Chairman, State Commission on Maine's Future

Louis J. Benoit, President, A. H. Benoit and Co.; Chairman,
Corporate Gifts (see above)

Louise P. James, Board of Directors, The Museum Guild (volun-
teer support organization).

Gilbert Lea, Sr., President, Tower Publishing Company; Chair-
man, Public Relations; former public relations consultant
to the Lincoln Center for the Performing Arts; former Vice
President, Ogilvy and Mather (New York advertising and
public relations firm).

Rachel Armstrong, (see above), Co-Chairman, Individual Gifts.

C. David O'Brien, Partner, H.M. Payson & Co., (brokerage firm).
Chairman, Individual Gifts; Trustee, Colby College.

Anne B. Pringle (see above), Chairman, Governmental Relations.

Dr. Nils Wessell, former Chairman, The Alfred P. Sloan Foundation; former President, Tufts University; Chairman, Foundation Gifts; former Chairman, Federal Reserve Bank of Boston.

Honorary Chairman

Mr. Charles Shipman Payson

Professional Fundraising Consultants

Jerold Panas and Partners

Note: As demonstrated by the qualification of the individuals noted above, who are but a sample of the dedicated individuals working to bring the proposed Museum expansion to reality, the Museum is fortunate to have elicited a strong "development" team which, with necessary Federal support, can successfully undertake the major project envisioned.

4 Interrelated Parties

The only interrelationships which occur are the intentional overlaps of key people on the above committees. An Expansion Coordinating Committee, chaired by Mr. Hornby, and including Messrs. Masterton, Porteous, Lea, Wessel, Smith and Mrs. Bernstein has been organized to coordinate the efforts of the two major committees.

A consortium of local lenders, with which there are a variety of professional and personal ties with individuals active in the Museum's expansion, will be approached for interim financing during construction against scheduled pledge payments. Such financing has been extended in the past to community building projects supported by pledges paid over time. This interim financing will represent an arm's-length transaction between the financial institutions involved and the Museum.

5. Miscellaneous

a. There are no future lease arrangements relating to this transaction. Negotiations of terminating several existing leases with tenants of the building to be demolished will be accomplished prior to demolition.

b. Mr. Megathlin, Portland Planning Director, has served ex-officio on the Building Committee, bringing his planning expertise to the Committee's design deliberations. Mr. Megathlin has accepted the position of Executive Director, Metropolitan Area Planning Commission, Boston, and will leave the City's employ on October 31, 1979. To the best of the knowledge and belief of the Museum representatives who prepared and reviewed this submission, no elected City officials, City employees, or their families have any active involvement with the expansion planning for the Portland Museum of Art.

c. With the exception of professional fundraisers and the Museum's Development Officer, all labor necessary to pursue the State of Maine Campaign, the Museum's "investment program", (i.e., fundraising campaign), will be provided by contributions of time by businesses, financial institutions and other organizations. The "cost" of this labor is impossible to calculate because of the confidentiality of the per-hour value of the significant time being contributed to this project by community leaders and the unknown scope of campaign workers who will be recruited as the State of Maine Campaign evolves.

d. The Portland Museum of Art is not involved in any other capital development aside from that described in this application.

c. Eastland Hotel Conversion; 650 Vehicle Garage/Commercial Complex; Sun Savings Plaza Tower:

1. Background material on G & S Associates is presented as an exhibit of this Application.

As indicated in the descriptive materials included in said exhibit, Mr. Gouchberg and Mr. Sawyer collectively have over 45 years experience in the field of development. They have worked throughout Massachusetts and Maine providing quality residential and commercial projects. They have produced over 1,000 apartment and condominium units as well as a complete Planned Unit Development and two major office facilities.

2. The other major participant in the transactions involving Mr. Gouchberg and Mr. Sawyer are described in an exhibit of this Application.

They are as follows:

Eastland Hotel

First Penn Co., New York, as primary lender

Commercial Space in 650 Vehicle Garage

Sacks Cinema as major tenant

Sacks Cinema is a Massachusetts corporation fully owned by Cadance, a company listed on the American Stock Exchange

First Penn Co., New York, as primary lender

Sun Savings Tower

Sun Savings and Loan, Portland, as purchaser of the prime banking space.

3. In the case of the Eastland Hotel and the commercial space associated with the garage, Eastland Associates (G & S Associates) will manage the space under the name of Eastland Realty.

4. a. There are no investors in these transactions who also will be lessees of the space produced. However, Sun Savings and Loan will be a purchaser of approximately 30,000 square feet of banking space in Sun Savings Plaza Tower.

b. There is no relationship between elected officials, City of Portland employees, or their families and any party to these transactions in this project.

c. There are no major investors in these transactions other than G & S Associates. The approximate cost for the time of the principal partners of that Association in developing these transactions has not been calculated.

d. G. & S Associates are the general partners in the project known as Congress Square Apartments, located at the intersection of Congress Street and Forest Avenue within the UDAG project area. This conversion of the abandoned Congress Square hotel is being assisted under Portland's Neighborhood Strategy Area program and financed by the Maine Housing Authority. It will provide 160 units of quality residential rehabilitated space for the elderly and will serve as a principle vehicle in upgrading the visual character of Congress Square.

The transactions being produced in this UDAG project will interrelate well with this adjacent elderly housing use. The commercial spaces being developed within the Eastland Hotel, in the parking garage, or on the ground floor of the Sun Savings Tower will bring a variety of goods and services within easy access of the elderly. Similarly, the theaters nearby will provide a source of recreation, as will the proposed museum across Congress Street. The rehabilitation of H. H. Hay drug store will produce easily accessible pharmaceutical supplies. Also important to the Congress Square elderly project will be the projected downtown urban plaza to be created at Congress and High Streets, the upgraded visual amenities of renewed area store fronts, and the covering of their assigned parking spaces by the deck of the municipal parking facility. In summary, there is anticipated to be a mutual benefit between the elderly housing project and this UDAG project.

e. Mr. Gouchberg and Mr. Sawyer also have purchased an option on the so-called State Office Building located at the northwest corner of Congress and High Streets. It is the intent of these partners to rehabilitate the facade of this important building and to upgrade the office space inside. The inclusion of this activity in the Congress Square area will add to the over-all plan of the City to improve the Square, to make maximum use of the nearby proposed parking facility, and to expand the activity level by the introduction of additional workers and shoppers to this renewed, attractive section of the downtown.

5. With regard to the Urban Plaza component, the following applies:

- a. Primary private development entity - not applicable - public open space. The Eastland Hotel will provide major entrance improvements off the plaza and successful H. H. Hay Building rejuvenation depends on the plaza.
- b. Private parties involved - not applicable - see a. above.
- c. Private party roles - no applicable - see a. above.

f. Congress Street Improvements:

1. Primary private development entity - not applicable - public right-of-way improvements.
2. Private parties involved - not applicable.
3. Private party roles - not applicable.
4. a. Nature and status of leasing - not applicable.
b. City official relationship - Congress Street is a public right-of-way under the control of the City of Portland. It will remain public.
c. Private investment staff cost - not applicable.
d. Benefit of element to other projects - it has already been noted that the proposed improvements are critical to the elements of the Action Grant project. In addition, the improvements to Congress Street will highly benefit the specially designated Section 8 NSA in which this section of Congress Street exists. Further, it is the logical expansion of Mainway improvements, a HUD Urban Renewal Program.

Peterson Realty
Portland, Maine

tenanting consultant
brokerage basis

An Urban Designer/Landscape Architect will be retained to design the improvements to be made to this important public open space. This will not take place until after the Action Grant is secured. The designer will be retained following extensive interviews and at a contracted fee consistent with federal regulations. The City will have final design approval controls.

d 650 Vehicle Garage/Commercial Complex:

Harrington, Keefe & Schork, Inc. (as above)

Peterson Realty (as above)

e H. H. Hay Building Rehabilitation:

No consultant is involved by the Carbo Company, however, Greater Portland Landmarks previously employed Appraisal Associates of Portland, Maine. Their report is attached.

f Former Baxter Library Adaptive Re-Use:

No consultants are involved in this project. During 1979, the City retained the firm of Childs, Bertman, Tseckares and Cassendino to determine an appropriate economic re-use of the building. This study is included as an attachment.

g Congress Street Improvements:

Utilizing \$50,000 of tax-supported City funds, the City is currently selecting a design consultant to prepare plans for Congress Street improvements. Approximately 15 design firms have expressed interest and selection is scheduled for November. The design firm will be retained on a negotiated contract fee basis. Selection will be made through an interview process using selection criteria.

Both the design and engineering consultants will be retained for services during the construction phase for monitoring, adjustments and overview.

h. Sun Savings Tower:

Harrington, Keefe & Schork, Inc. (as above)

Peterson Realty (as above)

City of Portland, Maine
Congress Square Urban Development Action Program

ART: II - Description of Proposed
Project

SECTION: B - Detailed Project
Description

Submitted to the U. S. Department of Housing and
Urban Development

October 1979

1. Primary Project Description

a. Project and Transaction Descriptions:

The following discussions address each transaction:

(1) Facade Improvement Program:

Upon receipt of the Urban Development Action Grant for Congress Square a design review committee will be organized to administer the facade easement program. This committee will consist of property owners, an architect and a City representative. The committee will set guidelines and design standards which must be followed by interested applicants. Property owners along two blocks of Congress Street between Oak and State Streets may then apply to the committee for a grant to assist in upgrading the facade. Application will be accompanied by architectural plan as well as evidence of financial capability of the applicant. It is estimated that approximately twenty building facades will be improved through this program

The owners of the building will be required to record a seven year easement in the City's favor.

This transaction is an integral part of this entire UDAG application. It can be looked upon as the "glue" that binds each separate transaction to the other by providing a continuity within the neighborhood and throughout the Congress Square area. The success of the Congress Square revitalization cannot depend on the upgrading of one or two specific structures but rather a blending and comprehensive approach to the area in its entirety.

(2) Portland Museum of Art Expansion

(a) General Description. The Portland Museum of Art proposes to expand its facility so it can adequately display and protect the major art works promised to it, contingent upon such expansion, and to complete the renovation of existing facilities. The Museum is also dedicated to increasing its endowment base in order to operate the expanded facility at an appropriate level upon completion; this expanded endowment will cover staff expense, program expense, art acquisition and conservation, and operating expense.

The Museum's existing facilities consist of: (1) the L.D.M. Sweat Memorial Galleries, which include five galleries and entrance rotunda totaling 3,500 sq. ft., below which is approximately 3,520 square feet of storage space, and (2) the McLellan-Sweat House, a house-museum consisting of 6 display rooms, totaling 3,800 square feet, and administrative space and Museum shop space totaling approximately 3,800 square feet. The Museum's existing collection can be viewed only on a very limited, rotating basis. The lack of climate control systems is of concern in the conservation of the works owned.

The proposed new building, being designed by I.M. Pei and Partners (Henry N. Cobb, Design Architect) and currently in the schematic design stage, is to be built on and will serve as the focus of Congress Square, one of Portland's major public intersections, on land purchased by the Museum in 1978 for expansion purposes. Two existing buildings (determined by professional analysis to be unsuitable for conversion to Museum use) will be demolished to make way for the wing, which will include approximately 38,000 square feet of programmable space within a 57,600 gross square footage. It will add approximately 14,000 square feet of gallery space, a 2,100 square foot auditorium, a 1,400 square foot Museum Shop, approximately 2,300 square feet of semi-public space (library and meeting rooms), and add 3,820 square feet of administrative space and 8,300 square feet of storage and preparation space.

The expansion of the Museum will bring a major public building onto one of the City's most important, and currently blighted, squares and provide a dramatic invitation to the public to avail itself of the experiences provided by the important cultural resource which the Museum presents to the City and the State. Architect Cobb, whose ancestral roots lie in Portland, recalls traditional Maine motifs in his contemporary design and recognizes the importance of maintaining the street wall on Congress Street while expressing a sensitivity, through form, toward the existing historic buildings, by a stepped-down and back approach which defers to them as the new building approaches the linkage point. The design concept has rightfully been called brilliant by many observers and the building, itself, will undoubtedly draw many visitors to Portland. As noted above, it is already receiving national attention. (A site plan and series of photographs demonstrating the design concept are included).

Transaction Operations. The Museum expansion and renovation project includes the following operations: acquisition of land for expansion purposes, demolition of existing buildings, relocation of two tenants, site preparation including probable blasting of ledge, building construction, repairs to existing building, and provision of climate control systems in existing buildings. Street and sidewalk improvements in the Museum vicinity will be provided by the City of Portland. Parking facilities will be provided by provision in the area of additional spaces by construction of the garage proposed in this application in connection with the Eastland Hotel rehabilitation.

(b) Relation to Existing or Planned Facilities.

As noted, the Museum's presence on Congress Square will provide a dramatic focus to the area. Its visual impact will be enhanced by development of the Urban Plaza directly opposite. By facing the revitalized Eastland Hotel and commercial complex, their complementary appearance will have a tremendous beneficial impact on the appearance and economy of Congress Square. The new wing will prove a sensitive neighbor to the restored H. H. Hay Building and complement the substantially-rehabilitated Congress Square Hotel (a large, presently vacant structure to be converted to Section 8 subsidized housing for the elderly and handicapped).

The Museum's contribution to a changed character in the Congress Square development area will help upgrade the retail section which lies within the Neighborhood Strategy Area and enhance the positive impact of the various housing programs operating within the residential section of the neighborhood.

The Museum's expanded facility and programs will strengthen its role as an important educational institution in the community. Special programs will be developed for all constituencies - people of all ages and income, and the handicapped (including emotionally disturbed and developmentally disabled). It is anticipated that the Museum's close proximity to over 400 units of elderly housing and more than 200 units of Section 8 family housing in the Neighborhood Strategy Area will prompt a high utilization of the Museum facility and services by the residents of the low and moderate income neighborhood. In addition, the adjacency of the Portland School of Art, and its increasing program offerings to the community, is expected to further enhance the public's experience with the arts in Congress Square.

Finally, the proximity of the Museum to the rehabilitated Eastland Hotel is seen as a positive factor in attracting convention business in that the Museum will serve as an accessible diversion and, in effect, an extension of the Hotel's facilities by use of its galleries for special convention receptions, etc.

(c) Ownership and Operating Responsibility

The Portland Museum of Art is operated in the public trust by the Portland Society of Art, a non-profit organization which also administers the Portland School of Art. The Museum facility is held in the name of the Portland Society of Art and will be administered under the direction of the Society Board and its Museum Committee.

(d) Relationship of the Transaction to Total Project

As noted, the expansion of the Museum onto Congress Square, together with the complementary rehabilitation of the Eastland Hotel, creation of an important Urban Plaza renovation of the historic H.H. Hay Building, construction of new office and residential space in the Sun Savings Office Tower, renovation of the old library and retail facades, street and sidewalk improvements, and construction of new parking necessary to accommodate these developments, will have a major impact on the character of the Square, the present outstanding feature of which is its appeal as a gathering place for prostitutes and drunks. The resulting upgrading of the neighborhood will draw more appropriate retail outlets than the increasing number of X-rated shops and "massage" parlors. The improved urban environment will encourage promotion of Portland as a convention center, and the presence in the immediate area of the Museum and the Cumberland County Civic Center will enhance the appeal of both the rehabilitated Eastland Hotel and the existing Holiday Inn. Although the project does not include the Congress Square Hotel, already scheduled to be converted to Section 8 housing for the elderly and handicapped, it will certainly greatly improve the immediate neighborhood in which its tenants will live.

Perhaps most importantly, the project and all associated transactions and their comprehensive approach to this important urban square, will anchor the western extremity of the City of Portland's urban revitalization efforts. Earlier successes in the Old Port and Monument Square areas and the increasing attraction of the waterfront area, have the combined effect of drawing the focus of the City's downtown economic base and reverse a clear trend of deterioration in a critical residential-commercial neighborhood.

A comprehensive approach, made possible by a coincidence of unique opportunities, will allow the City to pursue, with Action Grant support, a project which has been described as "the greatest opportunity in the City's history". The success of this effort will reinforce and complement the significant investment dedicated to improve the Neighborhood Strategy Area and will assure the neighborhood's appeal to all income mixes, including the low and moderate-income to be aided by the variety of NSA programs in operation.

Expansion of the Portland Museum of Art represents a substantial community investment in the target area. That investment includes: (1) the total capital and associated costs of the new and renovated facility; (2) the commitment to fund a significantly increased endowment necessary to operate the expanded facility, and its programs; and (3) the value of major art collections which will be housed in Portland rather than elsewhere. This substantial investment and the Museum's commitment to its neighborhood impresses the other project participants, in turn stimulates their commitment to the area, and lends leveraging funds to make their transactions, and the comprehensive approach, feasible with UDAG support.

(3) Eastland Hotel Conversion:

The Eastland Hotel transaction involves the conversion of the underutilized Eastland building from a second-class hotel to a mix of first-class uses. The final project will result in 150 hotel rooms, 65 apartments, and 15,000 square feet of rental office space. Ground floor retail & restaurant space will also be provided.

This transaction will include the following operations:

- purchase of the hotel by Eastland Associates from Congress Square Associates (all of these are entities involving Mr. Sawyer and Mr. Gouchbert as general partners)
- closing on the primary construction loan from First Penn Co. (which includes also actions by the Maine Guarantee Authority to issue the tax-exempt revenue bonds to be purchased by First Penn Co.)
- continued operation of portions of the hotel and its ground and basement floor commercial and service space during the rehabilitation. Rehabilitation of all spaces and major mechanical systems ultimately.
- conversion of construction financing into \$5,000,000 of permanent primary financing (including those actions by the Maine Guarantee Authority to conclude its bond transactions)
- closing with the City or its designee on \$1,000,000 of second mortgage financing

The Eastland Hotel transaction will be related in a significant manner with two other facilities planned by the City of Portland within this UDAG project. First is the construction of the 650 car municipal parking garage on the adjacent lot (thereby making off-street parking available to the hotel users and tenants). Second is the development in Congress Square of an urban plaza (thereby eliminating the visual blight now present, providing the availability of a new entranceway to the hotel, and producing a tie with the hotel to the main downtown area). The market feasibility analysis by Leventhol and Horwath have identified a principal entrance to the hotel from this urban plaza as critical to the success of the Eastland Hotel revitalization. Also important to this transaction will be the other owners in the Congress Square area which will tend to upgrade the appearance and the real value of the neighborhood for commercial projects.

This transaction will be owned and operated by entities composed of Mr. Sawyer and Mr. Gouchberg as general partners. Eastland Associates will own the property and Eastland Realty will operate it.

The urban plaza portion of the transaction involves the construction of a major Urban plaza on which much of the success of the other transactions depends. The site of this transaction - the corner of High and Congress Streets - currently houses a one-story structure locally known as the "Dunkin Donuts" building.

The current facility is known state-wide as the innocent, bystander center for various illegal street activities, including prostitution and drug-trafficking, during the late evening hours. These activities have crept into the area as a result of economic disinvestment, noted elsewhere in this application as the root cause for the problems in the project area.

The removal of this structure is necessary to the success of the project for a variety of reasons. These are:

- * It is critically important for the Eastland Hotel to have as its primary entrance in a visible place in Congress Square (the current entrance is midway on High Street between Cumberland Avenue and Congress Street). The criticality of this new entrance is highlighted in a market feasibility analysis prepared by the developer of the Eastland Hotel. It is proposed that the new entrance be constructed on the facade facing the new plaza.

- * The developer of the H. H. Hay building has identified the removal of the existing building and the development of the plaza as very important to the successful re-use of the H. H. Hay building.

- * The Urban Plaza will provide an attractive space complementary to the major new wing of the Portland Museum of Art. The museum trustees have identified the plaza as important to their development initiative.

- * The removal of the Dunkin Donuts structure and its replacement with an attractive plaza will stimulate other development and rehabilitation initiatives in the immediate area - particularly the State Office Building on the adjoining corner of High and Congress Streets (not a transaction of this project).

- * With the provision of proper control of the space by the public sector, the Eastland Hotel and adjacent businesses, the site will no longer be the center of illegal street activities which currently plague the area. Economic investment in the area, as proposed, will also serve to remove this undesirable element from the community.

- * The proposed plaza will highlight, enhance, and continue existing Mainway Urban Renewal public improvements on Congress Street recently installed between Oak and High Streets.

The City proposes to acquire the 13,000 sq. ft. site and the Dunkin Donuts building in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Following relocation the structure will be demolished. The City will retain a design firm to prepare plans. These will be coordinated with Eastland Hotel entrance plans and those of other abutting businesses; appropriate leases or easements will be arranged. Improvements will be installed by a private contractor retained by competitive bid with overview responsibilities provided by the City's Chief Engineer and the design firm. The City would retain ownership of the plaza as a City park and would exercise overall supervision and control of the facility. As determined appropriate, agreements may be arranged with the abutting hotel and businesses for security control in the plaza as it relates to their respective properties.

The proposed plaza relates very strongly with City plans and the Mainway Urban Renewal Plan concept. The single major element of Mainway public improvements was the construction of a substantial pedestrian plaza in Monument Square. The Monument Square Plaza was planned a meeting place and activity center for businesses and residences in and surrounding the city's core. Monument Square has been exceedingly successful.

At approximately the same time (1973), improvements were made to Longfellow Square which created a green space plaza out to and encompassing the Clark Fitzgerald designed statue of Henry Wadsworth Longfellow. While seldom as active as Monument Square, this public open space plaza provides a comfortable escape and reprieve for the pedestrian moving along Congress Street or State Street. Further, it more appropriately sets off the attractive Longfellow statue from whence the square obtained its name. Lincoln Park performs a similar purpose at Congress Street's easterly terminum of the core.

The proposed urban plaza conforms with the concept of providing pedestrian plazas at periodic intervals along the core's main street, Congress Street. It will also act as a "pole" to be an equal counterpart with Monument Square and, thus, provide balance to the central core area. As such, the proposed plaza is not only appropriate but also necessary to stabilize the geographic center of the City's core.

(4) Parking Garage/Commercial Complex:

The development of a 650-car municipal parking garage and associated commercial space is proposed to occur in the following manner:

- an entity involving Messrs. Gouchberg and Sawyer will take title to the portion of the Eastland Hotel property to be utilized for the garage and commercial space
- this entity will develop 50,000 square feet of commercial space on the ground floor, making use of the mechanism of a tax-exempt revenue bond (which includes the actions of the Maine Guarantee Authority to authorize the issuance of the bond and the purchase of the bonds by First Penn Co).
- the air rights of this space will be leased to the City of Portland on a long-term basis for \$1.
- the City, by means of a municipal obligation bond and funds from UDAG, would produce on the air rights space a 650-car municipal parking garage.
- operations of the garage would be turned over to an entity representing Mr. Gouchberg and Mr. Sawyer under a long-term arrangement whereby those general partners would be responsible for the operations and maintenance of the garage and the retirement of the City's debt. In addition, the agreement would provide for a sharing of any net proceeds of the garage with the City.

This garage facility is being proposed to expand the commercial district of Portland and to provide the much-needed off-street parking essential to the success of the entire Congress Square project. At no cost to the City, 650 car spaces will be available to those having business in the Congress Square area, including those patronizing the hotel and its associated functions, the apartments, the offices, and the theaters. These theaters and other commercial shops on the ground floor beneath the garage will bring activity beyond the present commercial limits of Congress Square and enliven a presently underdeveloped area of the downtown.

Because of the proposed redevelopment of the Square itself, including the new plaza and the extension of the Mainway improvements, this garage/theater complex will merge also with the transactions occurring on the opposite side of Congress Street. Therefore, the museum, the H.H.Hay program, and the other shops on the far side of Congress Street will be served by the municipal parking garage and will create pedestrian activity in the area. Further, the State Office Building and the conversion of the former Public Library will not only be assisted with parking produced by the City but will generate pedestrian traffic back and forth in the general Congress Square area.

(5) H. H. Hay Building Renovations:

On May 1, 1979, Greater Portland Landmarks Inc. acquired the historic H. H. Hay Block, a National Register of Historic Places building located at Congress Square, Portland. Landmarks intends to fully restore the exterior of the building; selling it to the Carbo Company on April 1, 1980 for interior renovation and development.

Landmarks became involved in the H. H. Hay project because it appeared highly unlikely that a private investor would commit the funds necessary for the appropriate restoration of the building. It appeared that the only way to insure the future of this key building was acquisition and restoration by Greater Portland Landmarks, a non-profit historic preservation organization, with 15 years of experience and with access to a combination of alternative funding sources.

The restoration of the exterior of the H.H.Hay building and the renovation of the interior of the structure represent a commitment to the future economic revitalization of Congress Square. The careful, successful restoration and development of the H. H. Hay building will play an extremely important function in inspiring confidence, interest and commitment to high quality reinvestment in the Congress Square area.

(6) Former Baxter Library Adaptive Use

(a) operations in the transaction:

- acquisition of building and land pursuant to City Council acceptance of negotiated bid.
- renovation of building
- lease of space

(b) relation of transaction to existing facilities:

No facility is currently available for artists as a work space within the City of the area surrounding Portland. In addition no central space is available for art sales of Maine crafts or local performing art groups. The need for and a facility has often been expressed.

(c) Ownership and operating responsibility:

The selected bidder will become the owner of the property and as such will be responsible for its operation.

(d) Relationship to entire project:

The Baxter Memorial Library re-use contributes substantially to the entire project by participating in upgrading the area and providing a viable commercial and cultural use for an otherwise vacant building. This project is especially important because it spreads private investment capital west along Congress Street away from the major concentration of the UDAG application.

(e) Relationship to other transactions

This transaction is in keeping with other UDAG application transactions by creating an upgraded and economic use for the structure as well as by improving the facade.

(7) Congress Street Improvements:

Public improvements are proposed for Congress Street between Congress Square (High Street) and Longfellow Square (State Street). These improvements are necessary for the following reasons:

- * Existing street, sidewalk and pedestrian amenities are deteriorated and unattractive
- * Improvements are necessary to demonstrate public commitment to the neighborhood and stimulate private investment
- * They are very important to the success of the facade improvement element and the revitalization of the former Baxter Library
- * They are important in providing a more appropriate entrance to Congress Square, the Eastland Hotel, and the new wing of the Portland Museum of Art.
- * The improvements are not only important for the overall success of the Action Grant project but also to enhance city housing initiatives in the City's only specially designated N.S.A.

The street improvements will be designed and engineered as previously discussed. They will be implemented by the City's Department of Public Works through a contract awarded by standard competitive bid procedures. Congress Street will remain a public right of way.

(8) Sun Savings Tower

The structure proposed for the northeast corner of Congress Street and Forest Avenue will provide contemporary office, banking, commercial and residential space which will function well with the older buildings in the area and expand the level of activity on that corner. The transaction will include the following operations:

- pre-sale of at least 85% of all banking, office, and residential areas
- closing on a construction loan for the entire structure, including the enclosed parking area. This operation will include the transference of title from the various private owners to the joint venture team of G & S Associates and Sun Savings
- closing on the sales of all condominium spaces and the establishment of the condominium entity
- transference to the condominium entity of the rental commercial space and the parking area
- closing of a mortgage for \$1,500,000 with the City or its designee for the permanent financing of these spaces

It is anticipated that all of the financing of this transaction, save that produced with the assistance of UDAG funds, will be conventional.

This development is occurring at this time principally because of the ability of the City to anticipate the over-all improvement of Congress Square through the availability of UDAG funds, and because of the ability of the transaction to anticipate financial assistance from this outside source.

The shops and banking areas to be developed on the ground floor will depend heavily upon the pedestrian activity generated by the major new projects in the area, particularly the museum, the hotel and the theaters. Further, pedestrians are expected to move through the Congress Square area in greater numbers as this neighborhood is seen more and more to be an extension of the downtown, and as the facades of all the buildings in the district are renewed.

6.b. Site Information

1. Neighborhood Description

Congress Square is in the western end of the central business district of the City of Portland. The area to the west of Congress Square is primarily residential. Along Congress Street the buildings have ground floor retail space, increasingly neighborhood convenience oriented, with apartments or office space on upper floors. The area is zoned B-3 along Congress Street, allowing residential, office and commercial uses, and R-6, which is the highest density residential area.

This area has experienced an economic decline in the past decade with a gradual shift of the primary retail and office growth eastward toward the Old Port Exchange area. This has left the Congress Square area with frequent turnover of retail spaces as well as increasing vacancy rates.

The Urban Development Action Grant will encourage significant activity and interest in the Congress Square area. Each transaction has been previously explained in this application, what follows is site information identifying the property for the transactions as well as a generalized local map and a specific location map.

2. Site Information

- a. Program: Baxter Library Renovation & Facade Improvement
Site: City of Portland
Assessor's Plan No. 46
Block D, Lot 29
- 621 Congress Street

- b. Program: Eastland Hotel, rehabilitation of 150 rooms, office space and apartments
Site: City of Portland
Assessor's Plan No. 46
Block E, Lots 13, 14, 16, 17, 18, 19, 20, 31 and part of 29
- 157 High Street

- c. Program: Hotel Entrance - acquisition, demolition, relocation of the "Dunkin' Donuts" building to provide an urban plaza and a modern hotel entrance to the Eastland Hotel
Site: City of Portland
Assessor's Plan No. 46
Block E, lot 21
147, 145, 143, 141, 139, 137 High Street
601, 599, 597, 595 Congress Street

- d. Program: Construction of 650 Car Parking Garage
 Site: City of Portland
 Assessor's Plan No. 46
 Block E, Lots 1, 2, 3, 4, 5, 6, 10, 11, 12, 15, & 31
 175 - 197 High Street
 416 - 434 Cumberland Avenue
 28 - 56 Forest Avenue
- e. Program: Building Facade & Improvements
 Site: Buildings chosen within two block area
 553 - 677 Congress Street
- f. Program: Portland Museum of Art - New Wing
 Site: City of Portland
 Assessor's Plan No. 39
 Block B, Lots 1, 2, and 12
 111 High Street
- g. Program: H. H. Hay Building
 Site: City of Portland
 Assessor's Plan No. 37
 Block G, Lot 1
 10 Congress Street
- h. Program: Sun Savings Office Tower
 Site: City of Portland
 Assessor's Map No. 37
 Block A, Lots 38, 33, 23 and 11
 569 - 559 Congress Street
 9 - 19 Forest Avenue
 70 - 88 Oak Street

2. Services to the Sites:

The Congress Square/Longfellow Square Project Area is located in a core area of the region's central city. The project area is served by a complex matrix of urban services and utility infrastructure typically found in central city core areas. The Action Grant is proposed to pay for the reconstruction of Congress Street between High and State Streets and for the proposed Urban Plaza at the corner of High and Congress Streets.

3. The following list comprises improvements proposed:

a. Facade Improvement Program:

As the description suggests, improvements will be made to existing facades on buildings facing Congress Street from Oak Street to State Street.

b. Portland Museum of Art Expansion:

Proposed is a major new wing to the Portland Museum of Art being designed by I. M. Pei and Partners. The structure will contain 57,000 sq. ft. of floor area and will become the principal building facing onto Congress Square.

c. Eastland Hotel:

This element involves major rehabilitations and renovations to the existing Eastland Hotel facility. Major internal changes to the physical plant are planned.

No design plan for the urban plaza is yet available. The types of plaza/pedestrian amenities to be considered in the design of the plaza include:

- sitting areas/benches
- decorative plantings/flowers
- trees
- green space
- attractive paving materials
- buffers/edges
- kiosks
- handicapped access
- sculpture
- water fountains - both drinking & features
- pedestrian and security lighting
- wall treatment
- bollards
- entrances

d. 650 Vehicle Garage/Commercial Space:

This component involves the new construction of a major building to accommodate parking and 50,000 sq. ft. of commercial space. A design concept plan is included as an exhibit which details the plan.

e. H. H. Hay Building Renovations:

This element involves interior renovations to this historic property for office/commercial use.

f. Former Baxter Library Adaptive Re-Use:

Proposed are major restoration improvements to the facade of this historic building using Action Grant funds. Internally, major retrofit of the building for commercial uses will be financed conventionally.

g. Congress Street Improvements:

No design plans are completed. The City is now selecting a design firm. Improvements to be considered in the design include:

- | | |
|--------------------------|-----------------------|
| - new surface treatments | - handicapped access |
| - new utilities | ramping |
| - street lighting | - intersection treat- |
| - street trees | ment |
| - street furniture | - street sculpture |
| - attractive sidewalk | - possibility of pro- |
| paving materials | viding a decorative |
| - on-street parking | arch over street as |
| controls | a major attraction |
| - curb cuts | - other elements |

h Sun Savings Plaza Tower:

This component involves the new construction of a major 120,000 sq. ft. commercial structure having the following uses:

- 30,000 s.f. - Sun Savings
- 60,000 s.f. - professional/business offices
- 15,000 s.f. - ground floor retail
- 15,000 s.f. - top floor residential

c. Property Information

The following addresses property information for each transaction and the project as a whole:

1. Facade Improvement Program:

Any property owner within the two block area along Congress Street between Oak and State Streets may apply to participate in the facade easement program. If their application is accepted the owner must record a seven year easement in the City's favor to ensure that the owner will not change the facade within that time period. Under this transaction no land will be sold and eligible improvements under the grant will be for facades only. The privately financed improvements can be for other rehabilitation needs.

In its entirety this program will generate \$1,000,000 worth of improvements in a two block area with \$250,000 of this coming from UDAG assistance and the remaining \$750,000 being private investment.

2. Portland Museum of Art Expansion:

As noted, the property necessary for expansion was acquired, after negotiation, by the Museum in March 1978. Total acquisition cost of the three parcels involved was \$525,000. Prior to purchase, Maine Savings Bank's commercial loan staff valued the major component, the Libby Building, on an income basis, at \$530,000 (see exhibits). The property was purchased from the estate of Harry Schwartz and a copy of the Sales Agreement is attached. The Museum paid cash of \$275,000 for the property and financed \$250,000 under a mortgage with the Schwartz estate over a five-year period to mature on April 1, 1983. One mortgage payment has been made and a \$200,000 balance remains. The property is located in a B-3 business zone. The Museum's architects have analyzed the existing building and its potential for conversion to gallery space and have determined that conversion is infeasible.

The total area of the acquired real estate is 26,690 square feet. Demolition costs are estimated by I.M. Pei and Partners at \$80,000. Acquisition cost and demolition per square foot is \$22.67. Demolition, assuming fast-tracking of the project on a construction manager basis and relocation of tenants is expected in June, 1980 and will not involve Action Grant funds.

3. Eastland Hotel; 650 Vehicle Garage/Commercial Complex:

The following data describes conveyance:

Present Owner - A.E. Hotels, Inc.
Hartford, Connecticut

Status - Under option agreement
Exhibit for option agreement attached to material sent

Timing - Closing to occur within 60 days or less

Price - \$950,000 for entire parcel
(Parcel covering hotel and garage)

Appraisal - None available

Zoning - Downtown Business Zone: B-3

Transferrance - To Eastland Associates
 Upon completion of financing and closing

Area to be utilized for the garage will be transferred to an ownership entity as yet unnamed but comprised of Mssrs. Gouchberg and Sawyer

Price - Price for Eastland Associates will be \$650,000 for hotel and \$300,000 for garage site.

Previous Price- Not available

Improvements - Demolition of approximately \$100,000 on existing garage

Land Area - 76,750 s.f. plus or minus

Acquisition - \$12.37 per s.f. (overall average acquisition)
 \$22.72 - hotel (acquisition cost for hotel site)
 \$ 6.00 - garage (acquisition cost for rear portion of site)

4 Urban Plaza:

a. Conveyance Information:

The City of Portland proposes to acquire the approximate 13,000 sq. ft. site, relocate tenants, demolish the existing structure, and install the public improvements. Acquisition will conform with federal and state statutes requiring at least two fair market value appraisals. Relocation assistance (technical and financial) will be provided by the City. Demolition will be awarded to a contractor by competitive bidding practices. The City proposes to retain warranty deed ownership of the property. It will be held as public open space land.

In order for the Eastland Hotel to properly develop and maintain a new and improved entrance off the plaza it is proposed to lease or grant an easement of a 25 foot wide strip of urban plaza land adjacent to its facade. Final arrangements have not as yet been made. Should other businesses abutting the plaza wish to do the same the City will entertain a similar arrangement.

Timing: Sign HUD contract - Spring 1980
 Acquisition - Summer 1980
 Relocation - Summer/Fall 1980
 Demolition - Fall 1980
 Improvements - Spring 1981

b. Background Information on Conveyance

None available at this time with regard to the Urban Plaza.

c. Sale of Land by City

Not applicable - the proposed urban plaza will be retained by the City. A facade easement or lease, as noted above, will be entered with the hotel facility and other adjacent businesses.

d. Improvement Information

This information is provided in previous paragraphs. No acquisition estimates have been made since acquisition is based upon two fair market value appraisals, neither of which has been completed at this time.

5. H. H. Hay Building Renovations:

In mid-1978 various developers were approached by Greater Portland Landmarks and invited to consider the feasibility of the development of the H.H.Hay Building. Because no interest was expressed, Landmarks proposed to purchase, restore the exterior and then sell the building to a buyer as the only acceptable approach in insuring a positive future for this building.

Landmarks purchased the H. H. Hay Building from Schwartz Brothers, Inc. on May 1, 1979 for a purchase price of \$75,000. Concurrently, Landmarks applied for and obtained a grant from the Maine Historic Preservation Commission, a loan from the National Trust for Historic Preservation and a grant from the City of Portland's Community Development program to restore the exterior of the structure.

Upon restoration this building will be sold to the Carbo Co. at the price of \$65,000. It is estimated that it will take an additional \$135,000 to renovate the interior of the structure for an acceptable use.

The subject property is located in a B-3 business zone. This is the most permissive of the several business zones of the City of Portland and permits any retail or wholesale business or service, with a few exceptions, residential uses and accessory uses

The strategy undertaken to insure the positive future of a historic local building has resulted in the fact that a private developer will not bear the expense of exterior restoration but will rather purchase the structure in a restored state at a price less than the purchase price paid by Greater Portland Landmarks. This has resulted because of Landmarks commitment to retain local historical structures and because the successful restoration and development of the H. H. Hay Building will pay an extremely important function in reinvestment in the Congress Square area.

An appraisal is attached. This appraisal discusses the types and cost of improvements. There will be no demolition in this project. The acquisition cost, \$65,000, for 2,685 s.f. of land area and a structure which has an estimated ground floor area of 2,541 s.f. and a total estimated floor area above the ground of 7,333 s.f. may seem inexpensive, however, high renovation costs necessitated the need to offer the structure at a reasonable price

6. Former Baxter Library Adaptive Re-Use:

a. Conveyance Information:

The property involved in this transaction is the Baxter Memorial Library located at 619 Congress Street. This library was used as a public library until 1979 when a new library replaced it resulting in the Baxter Library's closure. Because the City of Portland chose to encourage an adaptive use of the structure

proposals were requested for negotiated bids. On October 15, 1979, three bids were opened and the City now has 90 days in which to respond to these bids. At the end of that period the Library will be sold to the bidder chosen by the City of Portland. The bids appear as appendixes to this grant application.

b. Background Information:

The Baxter Memorial Library was donated to the City of Portland by James Phinney Baxter in 1888. The terms of the trust donating the Library state that proceeds from the sale of the Library must be applied to a new library and ownership of the Library may not be retained by the City if it is to be used for another purpose.

The current valuation placed on the Library is \$532,250 however, according to the Assessor of Taxes, this does not represent current market value of the property in its present condition, rather it represents replacement cost of the building less normal physical depreciation plus an amount for land. Substantial expenditures which will be required to renovate the building may have the effect of reducing the building's market value.

Zoning is B-3 business and an art center would be a permitted use.

c. Comparable Sales:

A sale which may be considered comparable to the sale of the Baxter Library is the sale, by the City of Portland, of another public building which outlived its primary use. In 1976 the Butler School was sold by the City Council to the Butler/Payson Company for \$20,000. The Butler/Payson Company subsequently began a \$203,000 renovation of the school to accommodate 35 units of subsidized elderly housing.

d. Prospective Information:

The Library will be converted into an art center and commercial art space. Improvements necessary include electrical work, partitioning of commercial and studio space and renovation of the stack building. With renovation being completed within 18 months of the purchase date, total acquisition cost per square foot for land and improvements range from \$8.75 to \$15.00.

7. Congress Street Improvements:

Congress Street is a public right-of-way. No conveyances are involved.

8. Sun Savings Tower:

Present Owner - Christy H. Pachios and Northeast Realty Inc.

Status - Under option agreement (see exhibit)

Timing - Closing to occur at initiation of construction
(see section IIB8 for timetable)

Price: - \$750,000

Appraisal - Not available

Zoning - Downtown Business Zone : B-3

Previous Prices - Not available
Improvements - Demolition of \$100,000 plus or minus for existing structures
Land Area - 57,000 s.f. plus or minus
Acquisition - \$13.15 per s.f.
Acquisition & Improvements - \$14.91 including demolishing

d. Administration

1. Facade Easement Program

The overall administrative responsibility will be handled by Thomas F. Valleau, Deputy City Manager. Brian Nickerson, Assistant Director of Community Development, will coordinate the planning aspects. A design advisory group consisting of area business people, representatives from City government, and a consulting architect will be created to conduct a design review of each facade proposal. The City Finance Department will be responsible for the bookkeeping, accounting, auditing, and disbursement of funds.

The City's Corporation Counsel will draw up individual contract arrangements between the City of Portland and each property owner and, where necessary, tenants. A title search will be required at project expense in order to commit owner and tenant to the transaction in a legally binding fashion. The City will have the right to audit the construction account and will also have the right to inspect the work in progress. The price to be paid shall be agreed on in advance, and after the work is completed and approved the easement will be signed and recorded and the purchase price paid to the owner or tenant. The purchase price of easements will be the reasonable and actual cost of the facade improvement but not more than \$10,000. The easement will place the new facade under the design control of the advisory group or its successor, the City of Portland, for a seven year period during which time no changes can be made to the facade without City approval.

2. Portland Museum of Art

The overall administrative arrangements will be handled by Thomas F. Valleau, Deputy City Manager. The City Finance Department will be responsible for the bookkeeping, accounting, auditing, and disbursement of funds.

The City's Corporation Counsel will draw up contractual arrangements between the City of Portland and the Portland Museum of Art. It will be necessary that all non-UDAG funds be committed and 50% of it disbursed before UDAG monies are disbursed. A site plan must be approved under local ordinances by the City. The City will have the right to audit the construction account and will also have the right to inspect the work in progress.

3. Hotel Conversion

A. Urban Plaza and Hotel Entrance

Thomas F. Valleau, Deputy City Manager, will handle overall administrative arrangements to develop an urban plaza and entrance to the hotel. Currently this site is occupied by one-storey commercial uses.

The City's Corporation Counsel will be responsible for appraisals, conducting title searches, negotiating with property owners, and acquiring the property. Joseph Gray, Portland's Director of Neighborhood Conservation, and his staff will be responsible for the relocation of eight businesses. George Flaherty, the City's Director of Public Works, and his staff will demolish the buildings by contract. The Planning Department will contract for the plaza

design. The Public Works Department will put the design out for bid and award the contract for the plaza. The City Finance Department will be responsible for the bookkeeping, accounting, auditing, and disbursement of funds.

B. Mortgage for Hotel Renovations

The City's Corporation Counsel will draw up a second mortgage between the City and Congress Square Associates. The City will initiate a loan in the amount of \$1 million to be supplemented by \$5 million from other sources. The City's position will be secured by a second mortgage on the hotel property. The loan will carry an interest of 3% and a term of thirty years. The loan agreement will provide for a foreclosure in the event of default. The borrower will make repayment to the City on a quarterly basis. The City will have the right to audit the construction account and will have the right to inspect the work in progress.

4. Municipal Parking Garage

Overall administrative responsibility will be with Thomas F. Valleau, Deputy City Manager. Alan Munroe, Director of Public Buildings, will be responsible for garage design. Corporation Counsel will be responsible for securing the site under a long-term agreement and preparing the operating agreements between the City and Congress Square Associates. The Finance Department will be responsible for the bookkeeping, accounting, auditing and disbursement of funds. The City will have the right to audit the construction account and to inspect the work in progress.

5. Renovations to the H. H. Hay Building

Overall administrative arrangements will be handled by Thomas F. Valleau, Deputy City Manager.

The contractual arrangements will be between the owner of the H. H. Hay Building and the contractor doing the renovations.

6. Renovations to Former Baxter Library

Overall administrative responsibility will be with Thomas F. Valleau, Deputy City Manager. Clark Neily, Director of Economic Development, will be responsible for the coordination of the sale of the property and renovations to the building. The Planning Department will be responsible for the planning aspects of the facade improvement design. The City Finance Department will be responsible for the bookkeeping, accounting, auditing and disbursement of funds.

Corporation Counsel will draw up contractual arrangements between the City and the purchaser of the building describing the rehabilitation work and the UDAG assistance to be provided. This Office will also represent the City at the real estate closing. The City will have the right to audit the construction account and to inspect the work in progress.

7. Public Improvements

Thomas F. Valleau, Deputy City Manager, will have overall administrative responsibility. The City Planning Department will have lead responsibility in designing the improvements. The Public Works Department will advertise for and award a construction contract, subject to approval by the Corporation Counsel and the Finance Director. The Public Works Department will monitor construction progress. The Finance Department will be responsible for the bookkeeping, accounting, auditing and disbursement of funds.

8. Sun Savings Office Tower & Parking Garage

Thomas F. Valleau, Deputy City Manager, will have overall administrative responsibility. Congress Square Associates will be responsible for acquiring the property and for demolishing the building presently on the site. They will also be responsible for designing and constructing the new facilities subject to site plan review and plan examination by the City.

The City will initiate a loan of \$1.5 million and Corporation Counsel will prepare the loan agreement between the City and Congress Square Associates. The Finance Department will supervise payouts in accordance with the loan agreement and will set up and monitor a repayment schedule. The City will have the right to audit the construction account and will have the right to inspect the work in progress. The City Building Inspector will issue a Certificate of Occupancy upon completion of construction.

e. Necessity of Action Grant

The necessity for Action Grant funding is documented for each transaction, as follows: (Letters referenced below can be found in section 7c.)

1. Facade Improvement Program:

Private sector investment in the facade easement program is contingent upon receipt of the entire Action Grant. Property owners will participate as the neighborhood upgrades itself but would find it economically unfeasible to do should the area remain in its present state. Without Action Grant funding, the facade improvement program will not be carried out.

2. Portland Museum of Art Expansion:

An Urban Development Action Grant in the amount of \$2,000,000 is necessary for the proposed expansion of the Portland Museum of Art to proceed. After careful analysis of all potential donors, it is the consensus of the leadership of the State of Maine Campaign that the maximum amount which can be raised privately for this project, which is the largest such undertaking ever attempted in the City and the State, is \$13,000,000. The Museum has applied for an approximately \$90,000 grant from the Maine Historic Preservation Commission and expects to apply for an approximately \$800,000 grant from the National Endowment for the Arts. The leadership of the expansion effort has carefully scrutinized all projected transaction costs (architect's construction and renovation cost estimates, other associated capital costs, projection of endowment needs, fund-raising expenses, and staff and program development costs prior to opening of the expanded facility) and analyzed all potential cost reductions which can be effected to reduce the total transaction costs to the lowest possible level. This reduced figure demonstrates a shortfall of \$2,000,000, funding of which is requested by an Action Grant allocation.

As noted above, the Museum has commitments of donation of two major art collections of substantial value (the Homer Collection and the Hamilton Easter Field Art Foundation Collection), both of which are contingent upon expansion of the existing facility. In addition, the Museum has received substantial monetary pledges which are contingent upon expansion of the facility. In the opinion of the leadership of the Museum's expansion project, the transaction cannot proceed without Action Grant funding. If the project does not proceed, Portland will lose major art collections and the development of an expanded Museum as a major cultural resource and economic stimulus. Action Grant support of this project will allow Portland to pursue an opportunity to revitalize a blighted but critical public square through the introduction of a major new building which will attract more visitors to the area and upgrade its character. Action Grant support will solidify the partnership approach between public and private entities which has proved successful in the City in the past. A letter from the Portland Society of Art documenting the necessity is attached.

A letter from Mr. Warren Sawyer of Congress Square Associates (attached) documents the necessity for Action Grant funding. The Eastland Hotel will close unless Action Grant monies for a second mortgage loan become available for this transaction.

Additionally, to proceed with the major improvements to the Eastland Hotel, the acquisition of the proposed site for an Urban Plaza and new entrance to the hotel is an absolute necessity. In the City's unequivocal opinion, Action Grant funds to acquire and develop this plaza must be received or the project will not proceed. The plaza is also an important element of the plans to rehabilitate the H. H. Hay Building and to construct a new wing of the Portland Museum of Art. But, again, the plaza is paramount to hotel plans. Furthermore, the proposed 650 car garage is directly related to hotel improvements; if no hotel improvements proceed, neither do plans for the garage/retail facility. Therefore, the plaza is also a must for the garage/retail facility to be implemented.

4. 650 Vehicle Garage/Commercial Complex:

As noted elsewhere in this application, studies have shown that public parking garages in Portland, though absolutely necessary for the very future of the core, are not able to economically sustain themselves with either conventional or revenue bond financing. A letter (attached) from Congress Square Associates further documents the necessity for Action Grant funding. The structure cannot be constructed without Action Grant support.

5. H. H. Hay Building Renovations:

It is anticipated that the eventual redevelopment and reuse of many structures in the Congress Square area will occur and will result in an eventual growth of economic strength and physical attractiveness of Congress Square. This will not happen however, without stimulation to encourage private investment into the area. Carbo Co. itself would be unwilling to invest in the H. H. Hay Building unless neighboring projects proceed. These neighboring projects rely on the Urban Development Action Grants, resulting in a situation where Carbo Co. will not proceed without UDAG approval even though they will be receiving no federal funds for the renovation of the structure.

6. Former Baxter Library Adaptive Re-Use:

Unless an Action Grant is received the proposed re-use of the Baxter Memorial Library will not proceed. In order to make this real estate investment attractive it is necessary that the public and private sector work together. As stated the Library will be adapted to an art center, a facility lacking in an area that is becoming the cultural center of northern New England.

7. Congress Street Improvements:

The improvements proposed for Congress Street are critically important to the entire project and all its transactions since the transaction elements are so highly interdependent. The City has placed great efforts in showing its concern and seeding the attitude that the Congress Square area can be a good investment. As

stated, economic disinvestment is the root cause of the project area's many problems.

It is vitally important that the City proceed with its part of the bargain and provide the remaining improvements needed to fully demonstrate the public commitment to the area. As in the case of older central cities elsewhere, there are not enough locally-produced funds to meet all of Portland's needs. The magnitude of this important initiative is beyond the City's capacity to finance. Action Grant funds are necessary and unless they are received, the project will not proceed.

8. Sun Savings Plaza Tower:

A letter from Mr. Warren Sawyer of Congress Square Associates (attached) documents the necessity of Action Grant funding. The proposed structure will not be built without Action Grant funding.

UDAG FORM 1 NARRATIVE

The following provides clarification of two transactions contained in UDAG Form 1:

a. Portland Museum of Art Expansion:

The scope of investment in the expansion of the Portland Museum of Art includes: (1) capital cost of the new wing and renovations to the existing facility; (2) additional endowment necessary to operate the expanded building and programs (and an interim allocation of funds for staff development until the endowment is in place generating income); and (3) value of collections contingent on expansion. A breakdown of these transaction costs is listed on the attached UDAG Form 1, with the exception of collection values which, because of security concerns, will be provided to HUD-Washington in a confidential submission.

While not a direct cost of the expansion and renovation of the facilities, the provision of additional endowment is critically necessary to the success of the physical project. The Portland Museum of Art is a non-profit organization which does not generate income, in the traditional sense, from the operation of its "business". The income necessary to support its staff, programs, and building operating expenses are derived from a variety of sources: investment income on endowment, membership donations, contributions to the Annual Appeal, corporate sponsorships of exhibitions and programs, special gifts, grants from foundations and public agencies, a variety of fundraising "events", and net income from its Museum Shop sales. Clearly, the major source of annual income is that derived from its endowment base. Currently only approximately \$575,000, yielding an annual income of approximately \$39,000, that endowment must be increased substantially to generate even the minimum amount necessary to operate the expanded facility and its programs. A Committee projecting the Museum's budget over the next four years has indicated the need for an additional \$5.5 million of endowment by the time the new wing opens in 1983. This need has been incorporated into the goal of the State of Maine Campaign and is reflected on UDAG Form 1 as part of the Museum's total transaction costs.

In addition, until the expanded endowment is in place, additional funds must be raised to support the development of an expanded core staff necessary to plan and implement opening and ongoing exhibits and programs.

b. H. H. Hay Building Renovations:

There are two phases involved in the restoration and rehabilitation of the H. H. Hay Building.

The first phase involves Greater Portland Landmarks, a non-profit organization committed to maintaining historic structures in the Portland area. As previously stated, Landmarks has become involved in the restoration of the exterior of the H. H. Hay Building because it would be economically unfeasible for a private developer to do so.

Landmarks has relied upon various funding sources in order to purchase the building and restore the exterior. A loan for \$75,000 from the National Trust for Historic Preservation, a grant for \$80,000 from the Maine Historic Preservation Commission, and a \$30,000 grant from the City of Portland Community Development Program has all assisted Landmarks in their efforts.

Instructions: For projects which consist of only one transactions, complete this page only. For projects with multiple transactions, complete this page as a summary and a copy of part 2 for each transaction.

PROJECT BUDGET -- SUMMARY OF PROPOSED EXPENDITURES				
Cost in \$000 Line Item Activity	SOURCES OF FUNDS			
	UDAG Funds	Private Funds	Other Funds (Specify)	Total
a. Land Acquisition	297.22	2325		2622.22
b. Relocation of Persons and Businesses	100	50		150
c. Clearance and Demolition	25	280		305
d. Streets & Site Improvements	675			675
e. Water and Sewer Facilities				
f. Foundations and Platforms				
g. Parking Facilities	1200		1300 ¹	2500
h. Pedestrian Walkways Primary Facility	5227.78	17995	90 ²	23312.78
i. Capital Equipment		100		100
j. Professional Fees	75	1794	50 ³	1919
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		1650		1650
l. Facade Restoration (lib)	50			50
m. Owner Const. Rep. (Museum)		34		34
n. Administration	50			50
o. Cost Subtotal (Sum of lines a.-n.)	7700	24228	1440	33368 00
p. Contingencies	300	5500	800 ⁴	6600
q. Totals by Source (Sum of lines o. + p.)	8000	29728	2240	39968
r. Program Income from Land Disposition	(-)			(-)
s. TOTAL PROJECT COSTS (Sum of lines q. + r.)	8000	29728	2240	39968

*This form constitutes the response to Part II.B.7.a.

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1. Local C.I.P.
2. Maine Historic Preservation Commission
3. Local C.I.P.
4. N.E.A.
5. Does not include confidential value of proposed art collection donations - information to be provided to HUD under separate confidential cover.

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Costs in \$000	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
Line Item Activity					
a. Land Acquisition					0
b. Relocation of Persons and Businesses					0
c. Clearance and Demolition					0
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: <u>Facade Improvement</u>	245		750		995
i. Capital Equipment					
j. Professional Fees	5				5
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
l.					
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)	250		750		1000
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)	250		750		1000
r. Program Income from Land Disposition	()			()	()
<u>Total Transaction Costs</u> s. (Sum of lines q. + r.)	250		750		1000

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Transaction Number: 2
Transaction Name: Portland Museum of Art Expansion

Costs in \$000	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
a. Land Acquisition		525			525
b. Relocation of Persons and Businesses		50			50
c. Clearance and Demolition		80			80
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: <u>Expansion</u>	2000	4560		90 ²	6650
i. Capital Equipment <u>Furnishings</u>		100			100
j. Professional Fees <u>Architect</u>		1164			
<u>Fundraiser</u>		380			1544
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		610			610
l. <u>Owner's const. rep.</u>		34			34
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)	2000	7503		90	9593
p. Contingencies <u>Staff & program development nec add. endow.</u>		5500		800 ³	6300
q. Totals by Source (Sum of lines o. + p.)	2000	13003		890	15893
r. Program Income from Land Disposition	()			()	()
Total Transaction Costs s. (Sum of lines q. + r.)	2000	13003		890	15893

3.. 10

1. Additional private investment will be submitted to HUD in a confidential letter regarding value of collections contingent on expansion
2. Maine Historic Preservation Commission
3. N.E.A.

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Costs in \$000 Line Item Activity	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
a. Land Acquisition		650			650
b. Relocation of Persons and Businesses					0
c. Clearance and Demolition					0
d. Streets & Site Improvements					0
e. Water and Sewer Facilities					0
f. Foundations and Platforms					0
g. Parking Facilities					0
h. Primary Facility: <u>Renovations</u>	1000*		4250		5250
i. Capital Equipment					0
j. Professional Fees		100			100
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.**					0
l.					
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)	1000	700	4250		6000
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)	1000	750	4250		6000
r. Program Income from Land Disposition	()			()	()
<u>Total Transaction Costs</u> s. (Sum of lines q. + r.)	1000	750	4250		6000

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* Second Mortgage Loan

** Note: \$100,000 operating loss before construction and
\$150,000 during construction

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Costs in \$000 Line Item Activity	SOURCES OF FUNDS				Total Costs
	UDAG Funds	Private Funds		Other Funds (Specify)	
		Developer Equity	Private Lender		
a. Land Acquisition	297.22 ¹				297.22
b. Relocation of Persons and Businesses	100 ²				100
c. Clearance and Demolition	25				25
d. Streets & Site Improvements	200				200
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: <u>Plaza Development</u>	482.78				482.78
i. Capital Equipment					
j. Professional Fees	70				70
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
l.					
m.					
n. Administration	25				25
o. Cost Subtotal (Sum of lines a.-n.)	1200				1200
p. Contingencies	300 ³				300
q. Totals by Source (Sum of lines o. + p.)	1500				1500
r. Program Income from Land Disposition	()			()	()
<u>Total Transaction Costs</u> s. (Sum of lines q. + r.)	1500				1500

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1. Assessed Value - actual cost to be based on appraisals
2. Budget Estimate - each relocation to be appraised separately
3. Large contingency to cover adjustments to lines a & b

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Costs in \$000 Line Item Activity	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
a. Land Acquisition		300			300
b. Relocation of Persons and Businesses					0
c. Clearance and Demolition		100			100
d. Streets & Site Improvements					0
e. Water and Sewer Facilities					0
f. Foundations and Platforms					0
g. Parking Facilities	1200			1300	2500
h. Primary Facility: (see g. above) new garage/commercial structure			2500		2500
i. Capital Equipment					0
j. Professional Fees		50			50
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		225			225
l.					
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)	1200	675	2500	1300	5675
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)	1200	675	2500	1300	5675
r. Program Income from Land Disposition	()			()	()
Total Transaction Costs s. (Sum of lines q. + r.)	1200	675	2500	1300	5675

1. Local C.I.P.

Page 6 of 10

Note: \$20,000 loss on parking during construction

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Transaction Number: <u>5</u>		Transaction Name: <u>H.H. Hay Building Renovations</u>			
Costs in \$000 Line Item Activity	SOURCES OF FUNDS				Total Costs
	UDAG Funds	Private Funds		Other Funds (Specify)	
		Developer Equity	Private Lender		
a. Land Acquisition		65			65
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: <u>Major Interior Renovations</u>		135			135
i. Capital Equipment					
j. Professional Fees					
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
l.					
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)		200			200
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)		200			200
r. Program Income from Land Disposition	()			()	()
Total Transaction Costs s. (Sum of lines q. + r.)	0	200		0	200

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Costs in \$000 Line Item Activity	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
a. Land Acquisition		3500			3500
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: <u>renovations/restoration</u>		50	200		250
i. Capital Equipment					
j. Professional Fees					
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		15			15
l. Facade Improvement	50				50
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)	50	100	200		350
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)	50	100	200		350
r. Program Income from Land Disposition	()			()	()
Total Transaction Costs s. (Sum of lines q. + r.)	50	100	200		350

Page 8 of 10

1. Using highest proposal acquisition cost

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Line Item Activity	SOURCES OF FUNDS				Total Costs
	UDAG Funds	Private Funds		Other Funds (Specify)	
		Developer Equity	Private Lender		
a. Land Acquisition					
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. Streets & Site Improvements	475				475
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: (see d. above)					
i. Capital Equipment					
j. Professional Fees				50 ¹	50
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
l.					
m.					
n. Administration	25				25
o. Cost Subtotal (Sum of lines a.-n.)	500			50	550
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)	500			50	550
r. Program Income from Land Disposition	()			()	()
Total Transaction Costs s. (Sum of lines q. + r.)	500			50	550

1 Local C.I.P.

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SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Costs in \$000 Line Item Activity	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
a. Land Acquisition			750		750
b. Relocation of Persons and Businesses					0
c. Clearance and Demolition		100			100
d. Streets & Site Improvements					0
e. Water and Sewer Facilities					0
f. Foundations and Platforms					0
g. Parking Facilities (see h. below)					
h. Primary Facility: new tower & integral parking	1500 ¹		5550		7050
i. Capital Equipment					0
j. Professional Fees		100			100
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		800			800
l.					
m.					
n. Administration					
o. Cost Subtotal (Sum of lines a.-n.)	1500	1000	6300		8800
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)	1500	1000	6300		8800
r. Program Income from Land Disposition	()			()	()
<u>Total Transaction Costs</u> s. (Sum of lines q. + r.)	1500	1000	6300		8800

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1. Second Mortgage Loan

Narrative for UDAG Form 2:

The following is pertinent to the leveraging for the Portland Museum of Art Expansion:

The estimated leverage ratio of the Portland Museum of Art transaction is set forth on the attached UDAG Form 2. This ratio does not include the value of art collections which are contingent upon expansion in order to protect the confidentiality of their values for security purposes. An adjusted calculation of the leverage ratio, including the value of these collections (which provided the stimulus for and constitute a major private investment in this transaction), will be included in a confidential submission to HUD-Washington which, as noted, includes recent appraisals of the two collections which are contingent upon expansion.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input checked="" type="checkbox"/> Project Summary <input type="checkbox"/> Transaction No. _____ Name: _____
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line 5. If Transaction, take from Form 1, Part 2, Line 5.)	\$43,025,000
INFLOWS:	
2. Private Investment	\$20,475,000
3. Private Debt from Lenders	\$13,250,000
4. Subtotal--Private Sources (2+3)	\$33,725,000
5. Action Grant	\$ 8,000,000
6. Leverage Ratio (4+5)	4.2:1
7. Other Sources (e.g., other federal, state, local, and project income)	\$ 1,300,000
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$43,025,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	\$ 8,600,000

*This form constitutes the response to Part II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction NO. _____ Name: <u>Facade Improvement Program</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$ 1,000,000
INFLOWS:	
2. Private Investment	\$ 750,000
3. Private Debt from Lenders	
4. Subtotal--Private Sources (2+3)	\$ 750,000
5. Action Grant	\$ 250,000
6. Leverage Ratio (4+5)	3:1
7. Other Sources (e.g., other federal, state, local, and project income)	---
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 1,000,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	---

*This form constitutes the response to Part II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>2</u> Name: <u>Portland</u> <u>Museum of Art</u> <u>Expansion</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$ 15,893,000 ¹
INFLOWS:	
2. Private Investment	\$ 13,003,000 ¹
3. Private Debt from Lenders	-----
4. Subtotal--Private Sources (2+3)	\$ 13,003,000 ¹
5. Action Grant	\$ 2,000,000
6. Leverage Ratio (4+5)	6.5:1 ¹
7. Other Sources (e.g., other federal, state, local, and project income)	\$ 890,000
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 15,893,000 ¹
9. Additional Spinoff Private Investment Anticipated as a Result of Project	-----

*This form constitutes the response to Part II.B.7.b.

1. Additional private investment will be submitted to HUD in a confidential letter regarding value of collections contingent on expansion

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>3a</u> Name: <u>Eastland Hotel (conversion)</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$ 6,000,000
INFLOWS:	
2. Private Investment	\$ 750,000
3. Private Debt from Lenders	\$ 4,250,000
4. Subtotal--Private Sources (2+3)	\$ 5,000,000
5. Action Grant	\$ 1,000,000
6. Leverage Ratio (4+5)	5:1
7. Other Sources (e.g., other federal, state, local, and project income)	0
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 6,000,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	\$ 2,000,000

*This form constitutes the response to Part II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>3b</u> Name: <u>Eastland Hotel</u> (urban plaza)
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$9,200,000
INFLOWS:	
2. Private Investment	\$7,700,000 ¹
3. Private Debt from Lenders	---
4. Subtotal--Private Sources (2+3)	\$7,700,000 ¹
5. Action Grant	\$1,500,000
6. Leverage Ratio (4+5)	5.1:1
7. Other Sources (e.g., other federal, state, local, and project income)	----
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$9,200,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	\$ 600,000 ²

*This form constitutes the response to Part II.B.7.b.

1. Includes privately invested hotel improvements, commercial investment into garage facility which is integral to hotel, H. H. Hay Building improvements
2. Additional commercial rehabilitation and development (other than proposed) expected in short term

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>4</u> Name: <u>Garage Commercial complex</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$ 5,675,000 (plus \$5,000,000 of private hotel investment absolutely dependent on garage)
INFLOWS:	
2. Private Investment	\$ 675,000
3. Private Debt from Lenders	\$ 2,500,000
4. Subtotal--Private Sources (2+3)	\$ 3,175,000 (see note in line 1)
5. Action Grant	\$ 1,200,000
6. Leverage Ratio (4+5)	2.65:1
7. Other Sources (e.g., other federal, state, local, and project income)	\$ 1,300,000
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 5,675,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	\$ 2,000,000

*This form constitutes the response to Part II.B.7.b.

1. See note in line 1 - with the \$5,000,000 of hotel investment included, the ratio 6.8:1

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. _____ Name: _____
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$ 200,000
INFLOWS:	
2. Private Investment	\$ 200,000
3. Private Debt from Lenders	----
4. Subtotal--Private Sources (2+3)	\$ 200,000
5. Action Grant	-0-
6. Leverage Ratio (4+5)	N/A
7. Other Sources (e.g., other federal, state, local, and project income)	---- 1
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 200,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	-0-

*This form constitutes the response to Part II.B.7.b.

1. Work currently underway using CD funds and ME. Hist. Pres. Comm. funds for exterior restoration

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>6</u> Name: <u>Former Baxter Library Adaptive use</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$ 350,000
INFLOWS:	
2. Private Investment	\$ 100,000
3. Private Debt from Lenders	\$ 200,000
4. Subtotal--Private Sources (2+3)	\$ 300,000
5. Action Grant	\$ 50,000
6. Leverage Ratio (4÷5)	6:1
7. Other Sources (e.g., other federal, state, local, and project income)	-----
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 350,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	-0-

*This form constitutes the response to Part II.B.7.b.

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>8</u> Name: <u>Sun Savings</u> <u>Lower</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line 5. If Transaction, take from Form 1, Part 2, Line 5.)	\$ 8,800,000
INFLOWS:	
2. Private Investment	\$ 1,000,000
3. Private Debt from Lenders	\$ 6,300,000
4. Subtotal--Private Sources (2+3)	\$ 7,300,000
5. Action Grant	\$ 1,500,000
6. Leverage Ratio (4+5)	4.9:1
7. Other Sources (e.g., other federal, state, local, and project income)	0
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$ 8,800,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	\$ 2,500,000

*This form constitutes the response to Part II.B.7.b.

7.c. EVIDENCE OF DEVELOPER AND PRIVATE INVESTOR COMMITMENTS AND RELATED INFORMATION

In addition to the following narrative, letters from property owners and developers outlining their commitment to the project are attached to this section.

(1) Facade Improvement Program:

Many property owners in the project area have expressed a commitment to participate in the facade easement program. Letters to this effect are attached.

Guidelines will be written upon UDAG approval which will require:

1. Each applicant must exercise legally binding commitment and demonstrate financial capacity.
2. The use and timing for the proposed facade easement must be stated.
3. The applicant may apply for up to $\frac{1}{4}$ of the total amount necessary for facade improvements.

No recapture is anticipated since assistance will be via grants.

(2) Portland Museum of Art Expansion:

The Portland Museum of Art has received substantial pledges in support of its expansion project. Copies of these pledges will be provided in a confidential submission to HUD-Washington.

a. Documentation

The private commitments demonstrated by the binding pledges to be submitted to HUD-Washington in a confidential submission have been issued by individuals well-known to the leadership of the State of Maine Campaign and the terms, if any, of these commitments are stated in the pledge documents. As noted, these pledges are issued for the purpose of expanding the Portland Museum of Art, which is dependent on Action Grant funding. A letter from the resident of the Portland Society of Art is attached.

b. Financial Statement

Peat, Marwick, Mitchell & Co. is concluding its annual audit of the Portland Society of Art, the Museum's governing body and a copy of the Society's audited financial statement for the fiscal year July 1, 1978 to June 30, 1979 will be provided to HUD-Washington within the next three weeks.

c. Loan Applications

The Portland Museum of Art has not yet made formal application for interim financing as its needs cannot be specifically identified until the schedule of all pledge payments is fully known.

d. Recapture

Recapture is inapplicable as the Portland Museum of Art, a non-profit organization, requires an outright grant of Action Grant funds for its expansion project.

(3) Eastland Hotel Conversion:

The attached letter from Mr. Sawyer outlining Congress Square Associates' commitment is attached. The urban plaza component is a public improvement to be implemented by the City of Portland but which is absolutely necessary for hotel improvements to proceed.

Recapture Plan:

The City proposes to initiate a loan of \$1 million of UDAG funds to the Congress Square Associates of 400 Humphrey Street, Swampscott, Massachusetts to rehabilitate the Eastland Hotel property. This will be supplemented by \$5 million from other sources.

The loan will be under the control of and will be disbursed by the Congress Square Associates in accordance with the terms of the loan agreement.

The City's position will be secured by a second mortgage on the hotel property.

The loan will carry an interest of 3% and a term of thirty years.

The loan agreement will provide for a foreclosure in the event of default.

The borrower will make repayments to the City on a quarterly basis. This income will be deposited in a dedicated City account to be used only for such economic development purposes as eligible under the Housing and Community Development Program or its successor at that time and as may be selected by majority vote of the Portland City Council.

(4) 650 Vehicle Garage/Commercial Complex:

The attached letter from Mr. Sawyer outlining Congress Square Associates' commitment is attached.

(5) H. H. Hay Building Renovations:

A letter from CARBO, Inc. is attached outlining their commitment with regard to this transaction.

(6) Former Baxter Library Adaptive Re-Use:

The private entities associated with the proposed Baxter Memorial Library re-use have offered firm commitments to participate by submitting proposals

attached. Each proposal demonstrated financial capability by being accompanied by a certified check in the amount of 5% of the total amount offered as well as personal financial statements. Each proposal is submitted as documentation of authority as well as explaining the source of funds and developers' financial statements.

The Action Grant to assist this transaction is for \$50,000. The grant is used to attract and initiate private investment in the re-use of the Library.

Currently a vacant structure, the re-use of the Library will create substantial space for drafts people and performing artists. It will also create a retail space necessary from which art from all over the State of Maine may be sold. The effect of this center will be far reaching and the private investment for this project is contingent upon receiving public assistance for facade improvements to this building.

(7) Congress Street Improvements:

This element involves public improvements to a public right of way.

(8) Sun Savings Plaza Tower:

The attached letter from Mr. Sawyer documents Congress Square Associates' commitment to this transaction.

Recapture Plan:

The City proposes to initiate a loan of \$1.5 million of UDAG to the Congress Square Associates of 400 Humphrey Street Swampscott, Massachusetts to construct a major new office tower and parking facility. This will be supplemented by \$6.5 million from other sources.

The loan will be under the control of and will be disbursed by the Congress Square Associates in accordance with the terms of the loan agreement.

The City's position will be secured by a second mortgage on the property.

The loan will carry an interest of 3% and a term of thirty years.

The loan agreement will provide for a foreclosure in the event of default.

The borrower will make repayments to the City on a quarterly basis. This income will be deposited in a dedicated City account to be used only for such economic development purposes as eligible under the Housing and Community Development Program or its successor at that time and as may be selected by vote of the Portland City Council.

Thomas Valteau, Deputy
City Manager

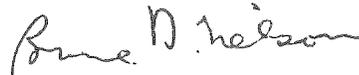
-2-

October 29, 1979

Some of the buildings are very significant from a historic point of view. I think that Longfellow Square is a natural entrance way to the whole downtown area. I think your program would be a tremendous stimulus to get people to improve their properties, thus improving the quality of life in this area.

Thank you for your interest.

Sincerely,



Bruce D. Nelson, M.D.
Landmark Medical Reality Trust

BDN/pw

Kenneth Aherne

662 CONGRESS STREET
QUINTON BELLOW SQUARE
BOZONLAND, MAINE 04101
TELEPHONE 773-8882

29 October 1979

This letter is in response to your letter of October 25th, 1979.

1. Our property is at 660 and 662 Congress St. Owners are Kenneth and Lorraine Aherne. #660 is used for 7 apartment units. #662 is a retail commercial store of approximately 4,000 square feet on the main floor together with a basement which is currently used for storage of tools and equipment.
2. We would be pleased and happy to update the property on a three to five year basis.
3. The building is structurally sound. It is red brick, aged about 50 years and has documented historical value. We would like to point out and refurbish the exterior of the building. Part of the facade would be removed to give a consistent colonial appearance. Some internal changes would be made to improve street access (it is now necessary to climb stairs about one half floor to enter the store). To the maximum extent possible the apartments and the entranceways would be improved.
4. We would be ready to invest up to \$50,000.00 dependant on the availability of private funding at reasonable terms.

Sincerely yours

Kenneth Aherne

Kenneth Aherne

Kenneth Aherne

October 29 1979

City of Portland
Thomas F. Halloran, Deputy City Manager
389 Congress Street
Portland, Maine 04101

Dear Mr. Halloran,

This letter is in response to the City Council's approval of a redevelopment plan which is located between High and State Streets. Since our property comes under the proposed plan we would like very much to participate. The fee this area has been too long neglected. The location of our property is 653 Congress St. It is a two story building that consists of one business, Louis Cady Kitchen, and one apartment which is presently owner occupied.

We would be more than willing to donate and upgrade the building provided that maintenance is available of a three-to-one basis. The facade of the building on the top floor is constructed of brick which has been painted

many times in the past. The wood has to be sandblasted and repainted. The first floor facade is composed of wood and imitation black glass which cracked very bad and is not very permanent. The two places this one piece at a time over the year. The have been advised that this glass is no longer available. We would like to replace this with brick to match the upper part of the building.

The windows in the business section are too large and unevenly spaced and the frames surrounding the glass are in bad repair. We would like to replace the glass front with windows of a more suitable size which leave duty frames.

All entrance doors need to be repaired and wooden parts of building need to be scraped and painted.

We would be willing to invest \$3,000.00 provide a federal grant of \$1,000.00 would be allocated. These plans, of course, would be subject to the availability of private financing on reasonable terms and conditions.

Sincerely,
Charles S. Dodson

Joseph L. Discati
Joe's Store
665 Congress Street
Portland, Maine 04101
October 19, 1979

Mr. Thomas J. Valleau
Deputy City Manager
City of Portland
229 Congress Street
Portland, Maine 04101

Dear Mr. Valleau:

Reference is made to the redevelopment plan approved by the Portland City Council for the Congress Square area.

I would appreciate you including our business in the proposed plan. In accordance with this request, the following information is provided:

I have been in business at the current location of 665 Congress Street, Portland, Maine for the last thirty-five (35) years.

The present physical structure is approximately 90' x 45', with an additional parking lot located on the corner of Congress Street and Avon Street.

It would be my intent to renovate and upgrade the present structure, if grant assistance became available, hopefully on a 3 to 1 basis.

I would propose to renovate and upgrade in the following areas:

1. New ceilings
2. New lighting
3. Interior structural support changes and additions
4. Central air-conditioning
5. Install modern, efficient central heating system
6. Add an additional 15' x 12' to the present structure (5400 sq. ft.)
7. Upgrade and add modern display equipment for efficiency and competitiveness
8. Renodel in total the second floor, creating two (2) apartments

Preliminary estimates of structural changes, equipment additions and renovations have been made at approximately \$72,000.00. This would compare to a \$24,000.00 investment and \$48,000.00 of grant funds.

Initial conversations with banking officials indicate that the money market is presently tight at the present time and interest rates are climbing sharply.

I was left with the impression that if federal grant funds became available, they would carefully consider the project.

It will be noted that the condition of the building does not allow for renovation without aid as outlined and also without obtaining private financing on a reasonable basis.

I would appreciate your future advice on the progress of this proposal.

Very truly,

Joseph L. Discati



Thomas F. Valleau
Deputy City Manager
389 Congress St.
Portland, Maine 04101

Dear Mr. Valleau:

In response to your letter of October 23, my wife and I would very much like to participate in the 3 to 1 grant program which is part of the City's UDAG proposal.

We own the building at 612 Congress Street, consisting of the Martha McLean Specialty Shop at street level and four apartments overhead. For some time now we have been attempting to upgrade the building as time and money permit. Were grant money made available on a 3 to 1 basis, we would be in position to accelerate our renovation plan and would be willing, in fact, to take bank loans on the building to generate our share of the monies needed.

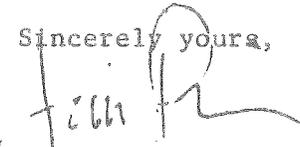
Our building needs the following:

Exterior: Repointing of brick work, replacing some wall cap, roof work, replacement of the large plate glass window units above the store front with energy efficient and attractive units, repainting of front trim, installation of street side lighting, and other minor improvements to the front facade. (Please note: If abutting property owners would participate, I would be willing to alter the facade of the store front to create an architecturally unified and attractive line of store fronts on that part of Congress Street.)

Interior: Cap insulation, tightening all entrances against weather, upgrading the oil burner, redoing the hallways and stairwell which serves the apartments, renovation of the mezzanine office area which serves the store, and miscellaneous improvements to the apartment interiors.

My guess, and it is indeed a rough estimate at this point, is that the above work would cost between \$10,000 and \$12,000, including grant monies to upgrade the front of the building of between \$2500 and \$3000. Of course, our plans hinge on the availability of money, meaning that we can generate our share of the cost of repairs and upgrading only by borrowing money from a bank under reasonable terms and conditions. With that understanding we are ready to make a commitment.

Sincerely yours,


(Jim Price

October 29, 1979

SOMERSET REALTY CO.
P. O. BOX 7229 DOWNTOWN STATION
PORTLAND, MAINE 04112

October 23, 1979

Mr. Thomas F. Valleau,
Deputy City Manager
389 Congress Street
Portland, Maine 04101

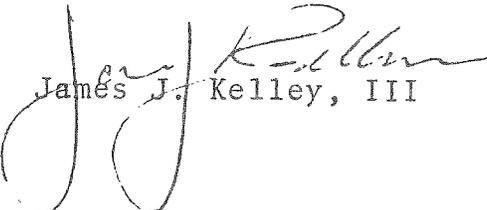
Dear Mr. Valleau:

I am very pleased with and encouraged by the meetings which have taken place regarding improvements to the Congress Square area and Congress Street between High Street and State Street. I own a building located at 633 Congress Street, which is right in the middle of this area, which has forty-five apartment units and one restaurant and I would be most interested in participating in the UDAG Grant Program which has been suggested for the area, provided the Grant is as recommended, namely, a three to one ratio.

Certainly improvements could be made to the facade of the building and I would like to consider improving the front of the parking lot which borders along Congress Street, possibly by creating an attractive area which would include benches, trees, flowers, etc. These two projects possibly would cost \$5,000.00, which means that \$15,000.00 of additional work would be required which we would anticipate would include remodeling, refurbishing and enlarging up to seven apartments in the building.

I look forward to approval of this UDAG Grant Program and our participation in it.

Yours very truly,


James J. Kelley, III

JJK, III/mbp

CONGRESS BUILDING REALTY

c/o Hotel Everett
51 A OAK STREET
PORTLAND, MAINE 04101

October 11, 1979

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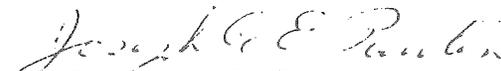
Mr. Thomas F. Valteau
Deputy City Manager
Portland City Hall
Portland, Maine

Dear Mr. Valteau:

I am sending this letter to you pursuant to our discussion of October 10, 1979 about the UDAG store-front improvement program. As I indicated to you orally, it is my present intention to participate in the UDAG program for a sharing of costs between the building owner and grant fund on a three to one ratio for approved building improvements on store fronts. When formal application forms are available, I expect to be filing the same. These improvements would be to the Congress Building on the corner of High and Congress Streets which, as you know, I have owned for a number of years. I can not give you an exact dollar figure on these improvements, but I would expect to have a better idea later on costs.

I hope that this letter will indicate my interest in the program and that you will convey my interest to the appropriate persons dealing with the grant application process.

Yours very truly,


Joseph A. E. Paulin
Owner, Congress Building

OCT 10 1979



645 Congress Street • Portland, Maine 04101 • (207) 773-8181

October 9, 1979

City of Portland
Attn: Mr. Thomas F. Valleau
Deputy City Manager
City Hall
Portland, Maine 04101

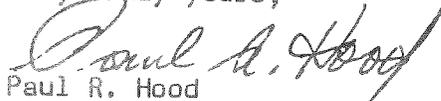
Dear Mr. Valleau:

This is to inform you of our intent to spend approximately \$75,000. on interior building improvements in 1980 provided the City of Portland is successful in its bid for UDAG Funds.

As we have expressed to you, we cannot justify additional improvements to our hotel unless the area we are located in otherwise referred to as "skid row" is targeted for upgrading and development.

The UDAG Funds would provide the catalyst we need.

Very truly yours,


Paul R. Hood
Keeper of the Inn

PRH/db

RICE MANAGEMENT

655 CONGRESS STREET
PORTLAND, MAINE 04101

Real Estate Management

Commercial - Residential

Telephone 773-1814

Area Code 207

October 24, 1979

Mr. Thomas Valleau
Assistant City Manager
City Hall
389 Congress Street
Portland, Maine 04101

Dear Tom:

I manage four (4) buildings on Congress Street, Portland, Maine, which are located between High Street and State Street. They are:

- 600 - 606 Congress Street
- 614 - 620 Congress Street
- 654 - 658 Congress Street
- 655 - 661 Congress Street

These buildings accommodate commercial stores and offices, regular housing, elderly housing and low income housing. I would be interested in renovating my property if I could get a Federal Grant on a 3 to 1 matching bases. I would need the following sum:

- | | |
|-------------------------|-------------------|
| 1. Exterior renovations | \$550,000.00 |
| 2. Interior renovations | <u>250,000.00</u> |
| 3. TOTAL | \$800,000.00 |

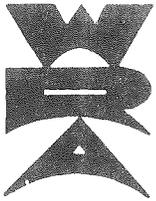
The above mentioned renovations depend on private financing being available on reasonable terms and conditions.

Very truly yours,



Geoffrey I. Rice

GIR/slr



WILLIAM O. ARMITAGE, F. A. R. A.

ROBERT E. ARMITAGE, C. S. I., A. I. A.

666A CONGRESS STREET

PORTLAND, MAINE 04101

TELEPHONE (207) 773-0958

• A R C H I T E C T S •

October 27, 1979

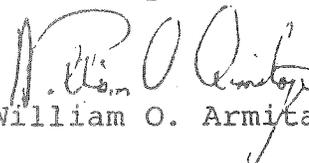
Mr. Thomas F. Valleau
Deputy City Manager
Executive Department
208 City Hall
Portland, Maine 04101

Dear Mr. Valleau:

In response to your letter of October 23, I have considered making improvements to my property at 664 thru 668 Congress Street including new exterior fronts if it is economically feasible. There are four stores on the ground floor with offices on the second floor.

If grant assistance becomes available along with private financing at reasonable terms and conditions the possibility of undertaking a project of sixty to seventy five thousand dollars may become realistic.

Sincerely,


William O. Armitage

WOA/ee

Portland Society of Art

111 HIGH STREET
PORTLAND, MAINE 04101

Founded in 1882,
the Portland Society of Art
governs the
Portland Museum of Art
and the
Portland School of Art

October 30, 1979

Mr. A. J. Wilson, Manager
City Of Portland
City Hall - 389 Congress Street
Portland, Maine 04101

Dear Mr. Wilson:

As you know, the Portland Museum of Art's horizons were significantly expanded during the past year by donation of Charles Shipman Payson's seventeen major Winslow Homer paintings and by donation of the Hamilton Easter Field Art Foundation Collection of the work of Maine artists. Contingent on the expansion of the Museum in order to assure appropriate display, preservation and security, these collections provide the nucleus of the State of Maine Collection, which will illustrate dramatically the State's effect on visual expression. This Collection will attract national attention to Portland, as the proposed building, designed by Henry N. Cobb of I. M. Pei and Partners already has ("Newsweek", October 29, 1979). Expansion onto Congress Square will, in our judgement, serve as an important catalyst in revitalizing the neighborhood by providing a major presence, by attracting new visitors to the area, and by offering a variety of educational and recreational opportunities to neighborhood residents, as well as to the general public.

Mr. A. J. Wilson

October 30, 1979

Page 2

The Portland Museum of Art is most pleased to play a central role in the comprehensive effort represented by the Urban Development Action Grant proposal to be submitted by the City of Portland.

The Board of the Portland Society of Art, the Museum's governing body, has responded to the challenge of the Homer and Field collections donations by authorizing all actions and expenditures necessary to reach a determination of the feasibility of the project.

Our architects have recently provided us with refined cost estimates and a special committee has determined the minimum additional endowment level necessary to support the expanded facility and programs, as well as the cost of staff and program development prior to opening. Our fundraising committee has carefully evaluated the potential for private support of the project. A grant request has been filed with the Maine Historic Preservation Commission and we intend to file a request with the National Endowment for the Arts. After careful review of all potential sources and analysis of all projected costs, it is our conclusion that a \$2,000,000 Action Grant allocation is necessary for the project to proceed. This allocation will be applied directly to construction costs.

We believe that the challenge presented to the Museum (by the donation of the collections) and to the City (by the convergence of other project transactions) represents a unique opportunity to change dramatically the character of the Congress Square neighborhood by assuring a comprehensive upgrading of the Square.

Mr. A. J. Wilson

October 30, 1979

Page 3

The Museum, by its heightened national reputation, will attract visitors to the area, whose presence will encourage an improved retail climate and enhance the feasibility of the rehabilitated Eastland Hotel. The attraction of an improved environment, spurred by the Museum's proposed expansion, has encouraged Sun Savings & Loan Association to commit, subject to Action Grant support, to development of a new multi-use tower in the area. Neighborhood small businessmen have enthusiastically supported the proposed facade easement program. The provision of additional public parking in the area will assure that the flow of traffic can be accommodated. In short, the momentum which has developed over the past several months has been most exciting. Action Grant funding will bring that excitement to reality.

The Portland Museum of Art has already raised substantial sums privately towards its \$16 million expansion project and has or will apply for a total of \$890,000 in grants. The value of the collections contingent upon expansion also represent a significant private investment in this undertaking. The Museum staff presently numbers seventeen and will be expanded by a projected fifteen full-time positions over the next three years if expansion proceeds, all of which new positions will be in the low- to moderate-income category.

As President of the Portland Society of Art, I am authorized by the Board to request Action Grant support of the Museum's proposed expansion project, which cannot take place without a \$2,000,000 Grant.

Mr. A. J. Wilson

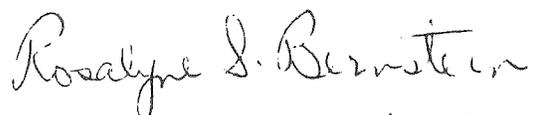
October 30, 1979

Page 4

The donation of the Homer Collection and the Field Collection are contingent upon expansion (and so contingent on the UDAG), as are all pledges received to date.

Portland has demonstrated vividly the benefits of public-private partnerships in revitalizing its downtown and we look forward to participating in this, its most ambitious and important undertaking.

Very truly yours,

A handwritten signature in cursive script that reads "Rosalyn S. Bernstein".

Rosalyn S. Bernstein, President
Portland Society of Art

RSB/csm

GI ALD GOUCHBERG
WARREN C. SAWYER

CONGRESS SQUARE ASSOCIATES
400 HUMPHREY STREET
SWAMPSCOTT, MASSACHUSETTS 01907
(617) 598-1260

(G & S Associates)

October 29, 1979

A. J. Wilson
City Manager
City Hall
Portland, Maine

RE: Eastland Hotel

Dear Mr. Wilson:

I am pleased hereby to indicate to you, in my capacity as a partner in G & S Associates, our intention to develop in downtown Portland a quality project comprised of a first-class hotel, apartments, and offices within the building known as the Eastland Hotel.

The size of the project is outlined as follows:

- first-class hotel rooms - 150
- moderate rate apartments - 65
- office rentals - 15,000 square feet in the newer wing
- restaurant, banquet and retail facilities on the ground and basement floors (approximately 15,000 square feet)

It is our intention to request the major financing of this project through a tax-exempt revenue bond to be authorized by both the Portland City Council and the Maine Guarantee Authority. The letter which accompanies this commitment from the First Penn Co presents the firm interest of that institution in arranging the purchase of the bond and providing therefore the construction and permanent financing. The office element of this project will be financed conventionally through the same source. We anticipate the conclusion of our arrangements with First Penn Co by the middle of November.

We must stress, however, that our commitment to this project is contingent upon the availability of \$1 million in

A. J. Wilson
October 29, 1979
Page Two

Urban Development Action Grant funds as a second mortgage on this project. It is clear from the study undertaken by Laventhol & Horwath that the rehabilitation of the Eastland Hotel will not only provide no return on our equity investment for many years but will in fact result in an operating loss through at least 1983. It is essential to our project, then, that financing at well below market rates be available for a portion of the Eastland financing program. Your ability to obtain the \$1 million UDAG dollars for this purpose is critical.

We must also stress that our intention to rehabilitate the Eastland Hotel is contingent upon the other transactions in Portland's Congress Square UDAG application, particularly the availability of such funds for the adjacent municipal parking garage and the construction of a plaza at Congress and High Streets.

Please let me know in what way I or any of our staff or consultants can be of assistance with regard to the UDAG application.

Very truly yours,

Warren C. Sawyer
G & S Associates

GEORGE ALD GOUCHBERG
WARREN C. SAWYER

CONGRESS SQUARE ASSOCIATES
400 HUMPHREY STREET
SWAMPSCOTT, MASSACHUSETTS 01907

(617) 598-1260

(G & S Associates)

October 29, 1979

A. J. Wilson
City Manager
City Hall
Portland, Maine

RE: Garage and Commercial Space
Congress Square

Dear Mr. Wilson:

I, in my capacity as a general partner of G & S Associates, hereby express our intention to develop approximately 50,000 square feet of commercial space on the portion of the Eastland Hotel property presently occupied by the garage and surface parking. In addition, we hereby indicate our interest in operating and maintaining (including assuming the debt service requirements for) a 650-car parking facility constructed atop the commercial space, subject to the following conditions:

- that the City of Portland agrees to construct the garage facility and for such purpose shall issue municipal obligation bonds and obtain UDAG assistance, each source of funds representing approximately one half of the total projected cost of the garage. The UDAG segment shall assume no obligated repayment schedule.
- that G & S Associates (or its designee) and the City successfully negotiate an operating contract for this municipal parking facility, to include our previously stated interest in sharing any net proceeds from the garage with the City.

Our plan is to operate 6 Sacks theaters and various other commercial activities within the new ground floor space. A letter from the Sacks organization expressing its interest in entering into a lease of the theater space has been obtained.

Our calculations indicate that the commercial portion of this transaction can be financed without the injection of any

G. ALD GOUCHBERG
W. RREN C. SAWYER

CONGRESS SQUARE ASSOCIATES
400 HUMPHREY STREET
SWAMPSCOTT, MASSACHUSETTS 01907

(617) 598-1260

(G & S Associates)

October 29, 1979

A.J. Wilson
City Manager
City Hall
Portland, Maine

RE: Sun Savings Tower

Dear Mr. Wilson:

I am pleased to indicate to you, in my capacity as a general partner in G & S Associates, our intention to develop in downtown Portland a mixed use condominium project to be known as the Sun Savings Tower.

This development will be accomplished as a joint venture between G & S Associates and Sun Savings and Loan Association, as presented to you in previous communications.

Within 120,000 square feet of newly-constructed space, we intend to develop the following:

- approximately 30,000 square feet of banking space for the Sun Savings and Loan Association
- 60,000 square feet of condominium and rental office space
- 13,000 square feet of commercial space on the Congress Street and Forest Avenue facades of the new building
- 10,000 to 20,000 square feet of residential condominiums

We intend to provide the space in this project based upon the pre-sale of 85% of all condominium space. The construction financing will be committed based upon this pre-sale level. A letter from Sun Savings and Loan which has been submitted to you under separate cover indicates the willingness of that institution to assemble the construction financing.

Our cost projections for this transaction result in an effective rate per square foot of approximately \$11. This is considered to be the upper level rate for an owned commercial or service space in central Portland. These costs do not provide for any associated parking to serve these first-class spaces. Further, the residential

A.J. Wilson
October 29, 1979
Page Two

units are expected to sell for about \$55,000, a reasonable price for a downtown apartment, but with no associated parking included in that cost.

It is required that off-street parking be provided in conjunction with this project in order for the spaces to be competitive. The construction costs for the spaces alone will be sufficiently high that added costs for parking would place this development out of range for the projected market. Consequently, it is essential that additional funds be made available to this development to assist in the provision of off-street parking.

We anticipate that approximately 300 cars are needed for the Sun Savings Tower uses and can be provided for about \$1,500,000. We hereby request that this amount be made available to this project as a loan from the City of Portland at a sufficiently low rate of interest and over such a term that the retirement of this debt will effectively reduce the costs of those users of the Sun Savings space. We must state here that our investment in this project is contingent upon receipt of this loan and will not take place without the UDAG monies the City will be seeking as a source for the referenced loan.

We look forward to working with you and your staff and the City Council in completing this project within your Congress Square area.

Very truly yours,

Warren C. Sawyer
G & S Associates

The attached two letters express the commitment by financial institutions to provide the funds necessary for the major components of this project.

Construction and renovations to the Portland Museum of Art will be undertaken upon receipt of pledges and grants (including Action Grant support) to cover the total cost of this element of the Museum transaction, including acquisition, relocation, architectural and fundraising fees, demolition, construction, renovation, interim financing and owner's representation.

Cash payments on pledges will be received over a scheduled period of years rather than received initially in full. It will be necessary for the Museum to borrow on an interim basis to finance construction. The cost of this financing has been estimated at approximately \$610,000. Canal National Bank, which has in the past extended interim financing to similar projects, has indicated its willingness to consider a request for such financing in connection with the Museum's project. A letter is attached.

First Pennco Securities, Inc.

100 WALL STREET . NEW YORK, N. Y. 10005

(212) 248-0811

October 26, 1979

Mr. Warren C. Sawyer
400 Humphrey Street
Swampscott, Massachusetts 01907

Dear Mr. Sawyer:

We are pleased to advise you of the interest of First Pennco Securities, Inc. in arranging the placement of tax-exempt revenue bonds and general obligation bonds issued by the City of Portland to finance the rehabilitation of the Eastland Hotel and construction of a parking garage, specifically:

1. Industrial Revenue Bonds in the amount of \$5,000,000 which when coupled with a UDAG mortgage in the amount of \$1,000,000 will finance the rehabilitation of the Eastland Hotel.

2. General Obligation Bonds in the amount of \$1,300,000 which when coupled with UDAG funds in the amount of \$1,200,000 will finance the construction of a parking garage.

3. Industrial Revenue Bonds in the amount of \$2,500,000 which will finance the construction of commercial space on the site.

The above is subject to your acceptance of the terms and conditions of each financing program which will be established in the next few months. It is also subject to the availability of the UDAG funds as cited above.

Accordingly, we are prepared to immediately begin to negotiate with financial institutions toward the issuance of a formal commitment, generally in accordance with the conditions discussed above. In order to do so, we will require your authorization to act as exclusive agent in this transaction for a period of 60 days from our receipt of the following terms:

- A) Development cost summary
- B) Contractor's financial statement
- C) Detailed construction cost breakdown

Mr. Warren C. Sawyer

-2-

October 26, 1979

If these arrangements are acceptable, please indicate your approval in the space below and return one copy to First Pennco Securities, Inc. We are extremely enthusiastic about working with you in consummating this financing at the lowest cost and as quickly as possible.

Very truly yours,

FIRST PENNCO SECURITIES, INC.



Robert E. Christie

Accepted and Agreed

this _____ day of _____, 1979

Warren C. Sawyer

City of Portland, Maine

By _____



October 31, 1979

Ms. Meg Sowell, Deputy Director
 Office of Urban Development Action Grants
 U. S. Department of Housing and Urban Development
 451 Seventh Street, S. W.
 Washington, D. C. 20410

Dear Ms. Sowell:

Canal National Bank has in recent years led a consortium of local lenders in providing interim financing, against binding pledges, for two major community facilities - the Cumberland County Civic Center and the recently completed Portland Public Library. We are aware of the expansion plans of the Portland Museum of Art as part of a comprehensive revitalization of the Congress Square area of Portland and understand that the Museum is undertaking a major fund drive to finance its new facility and seeking Action Grant support.

Although the full schedule of the Museum's pledge payments is not yet known and its consequent interim financing needs indefinite, this letter will indicate Canal National Bank's willingness to consider a specific proposal for such financing once the Museum's needs are determined. While it cannot at this point be assured, it is our expectation that a consortium of local lenders will be asked to participate in the financing as has been the case in past similar undertakings. Generally, the amount of financing extended reflects the total pledges received by the borrower, less an amount representing a percentage of discount for potential pledge uncollectibility. Subject to review of the terms of the Grant Agreement between the Museum and HUD, the lenders could also advance interim financing against Action Grant funding to be received on a reimbursement basis.

We are enthusiastic about the potential which the Congress Square project represents and look forward to considering the Portland Museum of Art's request for interim financing.

Very truly yours,

Charles M. Yandell
 Vice President

CMY/chk

Art Museum
Transaction Number 2

UDAC FORM 3 *

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (in thousands) (B)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not submitted (H)
Maine Historical Preservation Com. (Nat'l Historic Preservation Act) Earle Shettleworth State Hist. Preserv Officer 242 State Street Augusta, ME 207/289-2133	\$89.9	Matching Grant (1=1)	Portland So- ciety of Art for Portland Museum of Art	Renovations to exis- ting Museum galler- ies. Portland Museum of Art. Art Museum Exp.; Trans No. 2		X	
National Endowment for the Arts	\$800	Matching Grant	Portland So- ciety of Art for Portland Museum of Art	Endowment or staff and program devel- opment costs			X

This form constitutes the response to Part II.B.7.e.(1).

Hotel Renovations
Transaction Number 3

UDAG FORM 3 *

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (B) (in thousands)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not submitted (H)
Maine Guarantee Authority Tax-exempt revenue bonds Phil Clifford 85 Western Avenue Augusta, ME 207/289-3095	7,500	Bond Issues	Eastland Associates	Rehabilitation of Hotel & Construction of Commercial Space under Garage Eastland Associates Eastland Hotel & Garage. Trans. No. 3			X

This form constitutes the response to Part II.B.7.e.(1).

650 Car Parking Garage
Transaction Number 4

UDAG FORM 3*

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (in thousands) (B)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not submitted (H)
City of Portland GOB's A. J. Wilson City Hall 207/775-5451	1,300	Bonds	City of Portland	Approximately 50% of parking garage City of Portland Parking Garage Trans. No. 4		X	

This form constitutes the response to Part II.B.7.c.(1).

H. H. Hay Building
Transaction Number 5

UDAG FORM 3*

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (B) (in thousands)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not Submitted (H)
Nat'l Trust for Historic Preserv. Douglas P. Wheeler 740 Jackson Place N.W., Washington D.C. 20006 202/638-5200	75	Loan	Greater Portland Landmarks	H.H. Hay Bldg. exter- ior restoration and purchase Boulos Associates H.H. Hay Bldg. Trans#5	X		
Maine Hist. Pres. Com. 242 State Street, Augusta Maine 04333 Earle Shettleworth 207/289-2133	80	Grant	Greater Portland Landmarks	H.H. Hay Bldg. exter- ior restoration and purchase	X		
City of Portland HCD Program Brian Nickerson City Hall Portland, Maine 207/775-5451	30	Grant	Greater Portland Landmarks	H.H. Hay Bldg. exter- ior restoration and purchase	X		

This form constitutes the response to Part II.B.7.e.(1).

Congress Street Improvements
Transaction Number 7

UDAC FORM 3*

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (B) (in thousands)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not submitted (H)
City of Portland Capital Improvement Program. A. J. Wilson, City Manager 207/775-5451	50	Grant	City of Portland	Capital Improvement Program funds for design/preliminary engineering for Con- gress St. Improvements City of Portland; Trans. No. 7	50,000		

This form constitutes the response to Part II.B.7.e.(1).

Narrative following UDAG Form 3:

(2) Debt Securities

The Action Grant program involves the issuance of General Obligation Bonds and Revenue Bonds. The issuing body will be the Portland City Council. In its action to forward this application, the Portland City Council gave general policy approval to the issuance of these debt securities. This will take place prior to the completion of UDAG contract deliberations

(3) Evidence of Commitments

In its resolution adopting the Action Grant Program and forwarding the UDAG application to HUD, the Portland City Council committed the City of Portland to this program. The City is willing to sign a legally binding commitment upon award of an Action Grant.

f. Additional Funds:

No alternative plans are available to provide financing for the private sector investment. It has been determined that there is no other way that the private sector investment could be leveraged to implement the project without UDAG.

The City of Portland is projected to receive \$2.5 million annually under the Community Development Block Grant Program. If these funds were committed to the Congress Square project, it would require 100% of the CD Grant for in excess of three years to see the project through. This would be impossible because other important NSA revitalization efforts require the support of the CD Grant and the phasing of the Congress Square project over four years would not be satisfactory to the private developers involved.

It would be likewise impossible for the City to finance the public sector component of the project from traditional municipal resources. It is highly questionable as to whether some of the components would be legal uses of City revenue sources under Maine State Law (the second mortgage loans for example). Secondly, the City is facing inflation pressures which could possibly increase the local property tax rate by upwards of 20 to 25% to merely maintain current services. The assumption of an additional \$8 million responsibility on the local tax supported budget would be unacceptable to the general City population and its elected decision-makers.

CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM.

ART: II - Description of Proposed Project

SECTION: B - Detailed Project Description

Submitted to the U. S. Department of Housing and Urban Development

October 1979

3. PROJECT SCHEDULE

a. TIMETABLE

TRANSACTION	YEARS (IN QUARTERS)						
	1979	1980				1981	
	4	1	2	3	4	1	2
facade Improvement program		await UDAG contract	await UDAG contract	establish design review committee	receive facade proposals	review proposals and make commitments	rehabilitation
Eastland Hotel & Plaza	City Council resolution approving industrial revenue bond financing	sale of bonds	await UDAG contract	complete design plans for hotel, fair market appraisals for land area. Sale of Industrial Revenue Bonds	Review hotel plans & city approval. Close loans. Determine fair market price for land area.	Hotel plans approved by City. Commence work. Acquire property. Engage design firm.	Hotel rehab. Relocate Dree tenants. Design plaza.
50 Car Garage	City Council resolution approving CIP Industrial Revenue Bond Financing	sale of bonds	await UDAG contract	Interview & engage an architect. Sale of CIP & IR Bonds. Resolve land agreements	Design the facility.	Planning Bd. & City Council review & approve design. State approvals as necessary.	Initiate Construction.
Portland Museum	Rehab of existing facility continues	await UDAG contract	await UDAG contract	Demolish existing structures. Architectural plans finalized. Final site plan approved by Planning Board.	Excavation	Construction	Construction
H. Hay Bldg.	Exterior rehab continues	exterior improvements	complete exterior improvements	Private conveyance of property to developer	Initiate interior renovations.	complete renovations	operation
Sun Savings Tower & Garage		await UDAG contract	await UDAG contract	architectural planning commences.	Plans submitted to city for review. Final Planning Board site plan approval.	Demolition of existing Sun Savings structure.	Excavation and construction
Exterior Library Improvement	City Council to review proposals & take action	Final plans to be approved by City Council	await UDAG contract	Conveyance of property to developer	Review of design & construction plans by City Council	Rehabilitation proceeds	Rehabilitation & adaptive use.
Congress Street Improvements	Interview & retain design firm - initiate design	design phase	City Council approves design. Engineering commences	Engineering phase	complete engineering	entertain & award bids to contractor - preconstruction meetings	excavation and construction
Congress Square DAG Project	Application submission & award of grant complete environmental clearance	negotiate UDAG contract with HUD & meet contract conditions	Negotiate UDAG contract with HUD & meet contract conditions				

TRANSACTION	YEARS (IN QUARTERS)								
	1981		1982				1983		
	3	4	1	2	3	4	1	2	
Improvement	Rehabilitation	Rehabilitation	Rehabilitation and purchase easements	Rehabilitation and purchase easements	Rehabilitation and purchase easements				
Hotel &	Hotel rehab. Demolish structure at plaza. City Council approve design plans	Complete hotel rehab. Excavation & construction at plaza	Operation of hotel. Plaza construction & completion	Complete remaining details.					
Garage	Construction	Construction	Construction	Complete construction		Open facility.			
Museum	Construction	Construction	Construction	Construction		Open facility			
Bldg.									
Savings Garage	Construction	Construction	Construction	Construction	Construction	Construction completed.		Open facility.	
Library	Rehabilitation completion	Operation of structure							
Street	Construction	Completion							
Square Project								Final Details Resolved	Project close-out

CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART: II - Description of
Proposed Project

SECTION: B - Detailed Project
Description

Submitted to the U. S. Department of Housing and Urban Development
October 1979

3. Approval Schedule

(1) City Council Approvals

- (a) Resolutions approving the sale of Capital Improvement Bond (General Obligation) financing for partial funding of the 650 vehicle garage facility.
- (b) Resolutions approving Industrial Revenue Bond financing for partial funding of:
 - Eastland Hotel major rehabilitation improvements
 - Commercial portion of the 650 vehicle garage/commercial facility
- (c) Selection of a developer of the former Baxter Library; conveyance of property.
- (d) Agreements with the developers of the Eastland Hotel regarding land and joint development arrangements.
- (e) Award of contract to design and construct the 650 vehicle parking garage/commercial facility.
- (f) Establish fair market value for acquisition of urban plaza site.
- (g) Approve design plans for former Baxter Library.
- (h) Award construction contracts for:
 - Congress Street improvements
 - Urban plaza at Congress Square

(2) Planning Board Approvals

- (a) Site Plan Ordinance approvals for:
 - Portland Museum of Art
 - 650 vehicle garage facility
 - Sun Savings Plaza development
 - Urban plaza at Congress Square
- (b) Public projects review
 - Congress Street improvements
 - Urban plaza at Congress Square

(3) City Building Permits

- (a) Eastland Hotel improvements
- (b) H. H. Hay Building improvements
- (c) Baxter Library adaptation
- (d) Portland Museum of Art
- (e) 650 vehicle garage facility
- (f) Sun Savings Plaza development
- (g) Facade Improvement Program
- (h) Urban plaza at Congress Square

(4) City Demolition Permits

- (a) "Dunkin' Donuts" Building - Drees property
- (b) Libby Building - for Portland Museum of Art
- (c) Cumberland Garage Building - for 650 vehicle garage/commercial facility
- (d) Existing Sun Savings structures at the site of the proposed Sun Savings Plaza office tower.

(5) U.S. Department of Housing & Urban Development

- (a) Award of Action Grant and satisfaction of contract conditions
- (b) Completion of environmental clearance procedures
- (c) Project close-out procedures & audit

City of Portland, Maine

Congress Square Urban Development Action Program

PART: II - Description of Proposed Project

SECTION: B - Detailed Project Description

Submitted to the U. S. Department of Housing and Urban Development

October 1979

9. Proposed Energy Conservation Initiatives

The Congress Square Urban Development Action Grant project offers Portland an excellent opportunity to directly influence the future energy consuming characteristics of a major portion of the downtown area. This opportunity ties in well with the City's on-going comprehensive community energy management planning project funded by the Department of Energy. Portland's office of Energy Conservation and the City Council's Energy Conservation Committee are developing an energy management plan which will encompass the entire community. This energy plan is to be designed to minimize the adverse impact of high energy costs and possible energy shortages due to Maine's overwhelmingly dependence on oil.

Portland proposes to use UDAG funds to ensure a high degree of commitment to energy conservation on the part of public and private participants in the project. Examples of the types of conservation measures which the City will require UDAG participants to address where feasible are:

1. Compliance with the Model Energy Conservation Building Code for New Construction (developed by U.S. Department of Housing and Urban Development). This pertains to the new museum and the Sun Savings proposal. Funds for energy conservation are included as part of the proposal. In addition to new construction, buildings undergoing major renovation must also reflect with the energy code. Since the emphasis of this UDAG is restoration and rehabilitation, this provision is very important.
2. Consideration of solar (active and/or passive), wood and possibly other renewable energy sources where the properties of these energy sources may be appropriate. In evaluating the economic feasibility of the renewable energy systems, the UDAG participants must utilize the life cycle costing concept. Life-cycle costing more accurately depicts the total cost of various energy systems through consideration of acquisition cost, fuel consumption, maintenance costs and salvage value.
3. Promotion of car-pooling at the municipally owned parking garages. Discount monthly parking fees, and priority status for car poolers and specially reserved spaces are several approaches which could be employed to encourage car-pooling. Ridesharing also has the added benefit of maximizing the dollar investment in parking garages through increasing the ratio, if commuters/users per parking space.
4. Mandatory participation on the part of all businesses employing more than 50 people in the State Rideshare Program. The Maine Office of Energy Resources utilizes a computer to match drivers traveling similar routes at similar times

to common destinations. The State Rideshare Coordinator works with businesses in establishing effective car pooling programs.

5. Reservation of space in the parking garage for bicycle racks. This relates to the PACTS project of establishing bike routes in the region.
6. Space will be reserved in buildings to encourage greater use of busses including ridership booklets, transit system routes and route schedules.

The City of Portland has demonstrated deep commitment to energy conservation through its municipal and school building energy retrofit program. The City sponsored comprehensive energy management project extends to the entire Portland community. The Congress Square Urban Development Action grant will provide the City with the necessary leverage to spur private and public investment in energy conservation. The energy conservation aspects of the UDAG project underscores the premise that conserving energy resources is a joint responsibility of the public and private sectors.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

EVIDENCE OF MEETING PROGRAM OBJECTIVES

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

SECTION A

ALLEVIATION OF PHYSICAL DISTRESS

City of Portland, Maine

Congress Square Urban Development Action Program

PART: III - Evidence of Meeting Program Objectives

SECTION A - Alleviation of Physical Distress

Submitted to the U. S. Department of Housing and Urban Development
October 1979

UDAG FORM 4*

ALLEVIATION OF PHYSICAL DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi-Family	Single Family	Multi-Family		
No. Units	N/A	15	N/A	65 apt. 150 ht1.	N/A	N/A
No. Occupants before project	N/A	0	N/A	300	N/A	N/A
No. Occupants after project completed	N/A	40	N/A	65 apt. 150 ht1.	N/A	N/A

2. Commercial/Industrial Projects

Acres Cleared	1.8
No. Buildings Demolished (% Substandard)	6
Total Square Footage Demolished	78,841 s.f.
Percent Occupied Before Demolition	65%

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	Museum 3 Sun Savings	1 Eastland Htl.	H.H. Hay 2 Baxter Library
Total Square Footage	Garage 607,000	312,258	29,874

* This form constitutes the response to Part III.A.

** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.

*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

3. Projects with Infrastructure Components

	Water (A)	Sewer (B)	Sanitary (C)
Linear feet of new pipe	N/A	N/A	N/A
Linear feet of pipe replaced	N/A	N/A	N/A

Capacity added (units served, mgd, or other standard)

- Residential
- Commercial
- Industrial

Total Capacity Added

N/A	N/A	N/A

4. Projects with Beautification and Street Improvement Components

Describe beautification and street improvement efforts in the proposed project. Indicate the scope of the project by citing the type and amount of work undertaken on new streets, resurfacing, widening, sidewalks, street lights, benches, landscaping, etc. Contrast the proposed new facilities with existing conditions.

Approximately \$500,000 has been estimated for beautification and street improvement efforts on the proposed project.

Due to the lack of open space, street furniture, plant materials, barrier-free design, or other pedestrian amenities, the project area presently is an uninviting, unpleasant environment in which to travel through to shop, work or even reside near. These existing conditions have also encouraged loitering and even some vandalism in the area, to the frustration of local businessmen.

These conditions must be improved in order to provide an adequate setting for the proposed public and private improvements. Accordingly, both urban plaza and on-street improvements are proposed for the project. The on-street improvements include new street lighting, street trees, resurfacing walkways, barrier-free access, and street furniture, including benches, kiosks, waste containers and signage as appropriate. Street widths, crosswalks and curbing will be improved to more adequately identify and control vehicular and pedestrian traffic, parking and other public safety concerns.

The urban plaza area will include plant materials, pedestrian-scale lighting, drinking fountains and other water features or related sculpture and amenities, attractive paving materials and barrier-free access. The plaza area will contrast the vehicular dominated street area and visually tie together the street intersection and surrounding businesses with a pedestrian-dominated urban park-like setting. A designer/landscape architect will be retained for actual site plan development. Accordingly, no site plans or related details are available at this time.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

SECTION B

ALLEVIATION OF ECONOMIC DISTRESS

CITY OF CONCORD, MASSACHUSETTS
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

**PART: III - Evidence of Meeting
 Program Objectives**

**SECTION: B - Alleviation of
 Economic Distress**

Submitted to the U. S. Department of Housing and Urban Development
 October 1979

UDAG FORM: 5*

ALLEVIATION OF ECONOMIC DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project, insert "N/A." Attach additional pages to complete your responses to questions 2 and 3 if necessary, and indicate the item on Form 5 to which the additional response refers. For purposes of this application, jobs should be stated in Full Time Equivalents i.e., two half-time jobs equal one full time equivalent (FTE) job.

1. Job Creation Potential of Proposed Project

	Low & Mod. Income (A)	Middle Income (B)	Upper Income (C)	Total (D)
A. Permanent Jobs				
(1) New jobs	117	30	15	162
(2) CETA** Subsidized new jobs				
(3) Jobs retained	188	75	51	314
(4) Jobs transferred to project area	25	0	0	
(5) Jobs transferred out of project area	40	20		
(6) Total permanent jobs	290	120	66	476
(7) % Private sector	61%	25%	14%	100%
(8) % Public sector	--	--	--	--
(9) % CETA** subsidized	--	--	--	n/a
(10) Average Salary/Wage	\$13,000	\$13,000	\$20,000 +	

year -20,000
 year

B. Temporary Jobs				
(11) Construction jobs created	100	310	58	468 job years
(12) Other temporary jobs	--	--	--	--
(13) Total temporary jobs	100	310	58	468 job years
(14) % Private sector				100%
(15) % Public sector				0%
(16) % CETA subsidized	--	--	--	0%
(17) Average Salary/Wage	\$13,000	\$13,000	\$20,000 +	

year - 20,000

* This form constitutes the response to Part III.B.1.
 ** Comprehensive Employment and Training Act. The number of new CETA jobs should appear on line (2) and should also be included in the total new jobs on line (1).

2. Increase in Business Activity

Describe the increase in the dollar volume of retail sales or other business activity in the community expected to result from the proposed project in both absolute and percentage terms. Indicate the expected percentage of total retail sales or other business activity in the area which the proposed project will capture.

Retail sales are anticipated to increase by \$2 million annually as a result of the project. This is estimated to be approximately 15% of the retail sales in the project area. The project entails approximately 75,000 sq. ft. of retail commercial space with approximately 50,000 sq. ft. newly created. Additionally 80,000 sq. ft. of new professional/business office space will be created.

3. Other Economic Indicators

If there are any other specific indicators of the overall alleviation of economic distress in the community which will result from the proposed project, please describe them. For example: reduction of population outmigration or housing overcrowding, or the replacement of abandoned buildings.

An Urban Development Action Grant for the Congress Square area is vital and without such aid the area will surely fall deeper into a state of despair and vacant structures. Presently many of the structures to be assisted by this program are vacant or extremely underutilized. The Baxter Library is vacant, the Eastland Hotel is not used efficiently, the H. H. Hay Building is only used on the first floor and many of the structures which will be demolished in order to construct the Sun Savings Office Tower are vacant and blighted. Without UDAG assistance, the Eastland Hotel will close.

2. Method of Calculation

I. Permanent Jobs

Job creation potential for each transaction was explored through the proposed future use of the structure or project in question. These will be explained by transaction:

1. Baxter Library: Presently the Baxter Library is vacant upon rehabilitation as an arts center an estimated 30 permanent jobs will be created.

2. Eastland Hotel: 150 people are currently employed by the Eastland and it is estimated that all these jobs will be retained with no additional jobs added. The Eastland is currently working toward greater efficiency in operation and expects the retention of all employees to be sufficient as per the Laventhal and Horwarth report.

3. Urban Plaza: There are presently 35 employees within the six businesses that make up the proposed Urban Plaza Area. These jobs will be relocated and no permanent jobs will be retained for the Plaza.

4. Portland Museum of Art: The core professional staff of the Portland Museum of Art is already in place with a total staff of 17 people. If the proposed expansion proceeds it is projected that the following support and maintenance positions will be added: six full and two part-time security guards, four custodians, a collections clerk, and secretary to the curator of collections, a librarian, and a building manager.

5. H. H. Hay Building: A small pharmacy currently employs four people in the H. H. Hay Building. Upon restoration and rehabilitation approximately 15 permanent, or five persons per floor will locate there.

6. Sun Savings Office Tower: Presently 105 permanent positions exist in the buildings that will house the future Sun Savings Office Tower. Upon completion 200 positions will exist.

7. Garage: The present parking garage employs six people. This figure will increase to fifty employees with the addition of parking, theaters and retail space.

8. Facade Program and Street Improvement Program: No permanent positions will be created by these transactions.

II. Construction Jobs.

The number of construction jobs to be created is based upon projected wage rates and the total dollar value of work.

It is estimated that 40% of the cost of new construction will be labor. The average wage rate used is \$10 per hour. The cost of labor divided by the average wage equals the job years for the project. For the purpose of this project, one job year equals one job. There will be a total of 468 job years created by the UDAG project.

3. Effect on Other Jurisdictions

The Congress Square UDAG involves no relocation of firms from other governmental jurisdictions. The Portland Museum of Art complex comprises a major expansion of their existing facilities in the Congress Square area. The Eastland Hotel will involve substantial improvements and renovation to an existing structure. The proposed 650 car parking facility will contain 50,000 sq. ft., the prime tenant of which will be a movie theater chain which has no other facility in the State of Maine. The Sun Savings Plaza Office Tower's prime tenant will be Sun Savings and Loan whose headquarters is on the site proposed for the new tower. Neither the H. H. Hay Building nor the former Baxter Library are proposed to be used to house firms relocating from other jurisdictions.

It is evident from the above that the proposed UDAG is a significant private sector commitment from entities not only existing in Portland but also located in the project area. This is important to note because the chances of success in these instances should be expected to be much greater than those involving firms coming in from the outside and having less of a "stake" in the area's future.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

SECTION C

FISCAL IMPROVEMENT

City of Portland, Maine

Congress Square Urban Development Action Program

PART: III - Evidence of Meeting
Program Objectives

SECTION: C - Fiscal Improvement

Submitted to the U. S. Department of Housing and
Urban Development October 1979

UDAG FORM 6*

FISCAL IMPROVEMENT

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project insert "N/A." Attach additional pages to complete your response if necessary, and indicate the item on Form 6 to which the additional response refers.

	Dollar** Increase or (Decrease)
a. Value of property added to tax rolls by proposed project	12,950,000
b. Less: Reduction in assessed value from demolition and other changes	1,025,090
c. NET INCREASE OF VALUE ADDED TO TAX ROLLS	11,924,910
d. Incremental Tax Revenue (line a x Local Tax Rate)	260,363
e. Sales Tax	
-- State	100,000
-- Local	N/A
-- Special	N/A
f. Income Tax	
-- Personal	38,400
-- Corporate	
g. Personal Property Tax	10,000
h. Payments in Lieu of Taxes	
i. Increase in Taxes (d + e + f + g + h)	408,763
j. Less: Reduced collections in categories e through h due to demolitions, closings, etc.	28,800
k. NET INCREASE IN TAX COLLECTIONS (i-j)	379,963
l. NET INCREASE/\$000 IN UDAG	21
8,000,000	

* This form constitutes the response to Part III.C.1.

** Base information on fiscal improvement on an estimate of circumstances in the first year after Action Grant project completion.

2. Return to Local Government

- a. Increase in annual tax revenue to local government*
- b. Total expected investment by local government
- c. "Return on Investment" to local government (a+b)

DOLLARS
260,363
1,350,000
5.1

3. Tax Breaks

Describe tax abatement packages which have been offered to businesses and homeowners in connection with the project. Include names or categories of beneficiaries, the term of each package, how the tax reduction is structured, and the total annual value of the offer. If payments in lieu of taxes (PILOT) are involved, describe the proposed terms. NOTE: Increased tax base is a selection criterion for Action Grants.

Tax abatements on property are not permitted by Maine State Law. The H. H. Hay Building and the former Baxter Library are eligible for historic preservation tax incentives.

4. General Tax Reductions

If any reduction in taxes unrelated to the project (e.g., a drop in the tax rate for homeowners in the municipality) is included as a part of the overall plan for the project, describe the terms of the reduction and the reasons that it is appropriate.

N/A

* Base this increase on an estimate of the circumstances in the first year after Action Grant Project completion.

5. METHOD OF CALCULATION

The present value, future value, present tax and future tax was calculated for each transaction involving new construction, demolition or renovation. A table follows:

	<u>Present Value</u>	<u>Future Value</u>	<u>Present Tax</u>	<u>Future Tax</u>
Baxter Library	-0-	300,000	-0-	6,600
Eastland Hotel	1,560,500	6,000,000	50,194	180,000
Urban Plaza	279,220	-0-	9,984	-0-
Parking Garage	550,000	2,000,000	20,698	44,000
Museum of Art	267,510 (Libby)	-0-	8,985	-0-
H. H. Hay	55,000	200,000	1,847	6,200
Sun Savings	478,360	6,500,000	16,068	142,000

With the above information, the value of new construction and improvements added to present structures was calculated. This amount (12,950,000) minus the reduction from demolition (1,025,000) resulted in a net increase of property added equal to 11,925,910. Projected tax revenue is calculated by the total dollar multiplied by the 1980 projected ratio of 65% by the 1979 tax rate of \$33.59 per \$1,000 valuation.

Sales tax for the State of Maine is 5%. An estimated additional \$2,000,000 taxable sales will result from the Congress Square UDAG activities which means an additional \$100,000 in state sales tax.

Income tax is calculated by multiplying the number of jobs by the average per employee state tax of \$80. The 480 employees involved in the UDAG activities will generate approximately \$38,400 in personal income tax.

Additional tax figures are estimates by the local City Tax Assessor and the Economic Development Director.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

SECTION D

IMPACT ON SPECIAL PROBLEMS OF LOW AND
MODERATE INCOME PERSONS
AND MINORITIES

CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART: III - Evidence of Meeting
Program Objectives

SECTION: D - Impact on the Special
Problems of Low and Moder-
ate Income Persons and
Minorities

Submitted to the U. S. Department of Housing and Urban Development
October 1979

1 Demographic Description

The Congress Square UDAG Project Area for Portland, Maine is located on the peninsula section of the City. It is bounded by Park Avenue to the north, Oak Street to the east, Spring Street to the far south, State Street to the west to Congress Street and the west side of State Street near property lines back to Park Avenue.

This area contains portions of Census Tracts 7, 9 and 10. It includes sixteen full census blocks and five portions of census blocks as given in the 1970 Census Reports for this area.

Based on 1970 census data, the project area contains 2,628 residents of the City's total of 65,116. In 1978, the Greater Portland Council of Governments estimated the total population had increased to 68,250, however, no current population figures are available for the project area.

With regard to minorities the 1970 census shows that .65% (or 428 individuals) of the total City population were non-white. The project area contained, in 1970, eight non-whites, or 0.3%.

The project area does not contain disproportionate numbers of racial minority members, however, it does contain a larger than average percentage of the elderly and single family households. Within the project area 37% of all residents are 62 years or older. Within the entire City 18% of all residents are 62 years or older. Conversely, only 13% of residents 18 years old or younger live in the project area while 31% of the population of the City is 18 years old or younger.

In keeping with the large concentration of elderly there is also a substantial percentage of one-person households in the project area. Of all households 48% are one person. Within the City 10% of all households are one person. These figures convey the facts that the project area has twice as many elderly and approximately five times as many one family households than the City as a whole.

Accurate income information is sorely lacking in this day of rapid inflation. Because the 1970 census information used is out of date, percentages will more accurately represent the project area. It is estimated that 88% of the population of the project area are low or moderate income persons. These families and unrelated individuals have a median income (\$5,395) which is 43% of the Standard Metropolitan Statistical Area median income. Portland's median income (\$6,132) is 80.7% of the SMSA median income (\$7,598). Recent syndicated news articles have reported that Maine has one of the lowest per capita incomes in the United States while Portland has one of the ten highest costs of living. Being low in one category and high in the other paints a dismal picture of income in the City. The unemployment rate for the Portland labor

arket was 4.9% for 1978 according to the Maine Employment Security Commission.

As stated in the Neighborhood Strategy Areas report for the City of Portland, a survey of the neighborhood by the Housing Inspection Division determined that there are 172 structures with 1,040 dwelling units, exclusive of hotels, in the proposed project area. Of that total, 63 buildings with 408 units are in violation of the Portland Housing Code. The area is predominantly multifamily with nearly 50% of the structures being three to six family structures. Presently there are ten vacant buildings with 66 units in the area which, through the rehabilitation provided in the Neighborhood Strategy Program, could be upgraded.

According to 1970 census figures 93% of the housing units are rental. This is a sharp increase from 57% rental City wide.

Participation of Minorities

The minority population of the City of Portland, Maine is 4/10 of 1% of the total population. American Indians and Negroes are the dominant minorities.

The City has a well-established history of requiring affirmative action and equal opportunity in projects where federal funds are present. These policies would continue in effect on construction contracts advertised and awarded by the City of Portland.

The City's Affirmative Action Plan is included as an attachment.

Residential Neighborhood Impact Statement

The City of Portland, according to the 1970 census, had a median income for families and unrelated individuals which was 80.7% of that for the SMSA. This means that nearly half of the residents in the City are classified as low and moderate income persons. The majority of these individuals are located in the City's peninsula and surrounding the City's downtown area. All portions of the Portland peninsula are within one mile of the City's downtown. The median income for Census Tract #7 in which the project area is located is only 37% of the SMSA's median. The tracts surrounding the core have median incomes which range between 31% and 76%.

Neighborhood decline in peninsula neighborhoods accompanied downtown deterioration and the general decrease in population during the 1950's and 1960's. Downtown deterioration was, among other factors, related to the opening and flourishing of suburban shopping malls. As a result job opportunities for low and moderate income people on the peninsula in their traditional employment resource, the city's central business district, were drastically reduced.

The City has identified the revitalization of its downtown as critical to the rejuvenation and stabilization of adjacent residential neighborhoods. Not coincidentally has the marked improvement in peninsula residential neighborhoods accompanied successful City and HUD efforts in downtown revitalization through the Mainway Urban Renewal Program.

While the City has been able to reverse downtown and inner city neighborhoods decline, the achievement of the goal of core stability will be a long-term effort. The seeds of peninsula blight in both commercial and

Residential areas still remain and constant attention by both the public and private sectors will be necessary.

The proposed Congress Square program is an additional step toward core stability. The geographic center of the downtown has been shifting. This shift away from the Congress Square area has been a major contributing factor to the economic disinvestment experienced in the project area.

The Cumberland County Civic Center has helped to reduce the momentum of the shift and the City believes that the proposed UDAG program for Congress Square should actually reverse it.

By doing so, the residential neighborhoods surrounding the central business district will be benefited. In addition to the elimination and prevention of further blight in the Congress Square, a strengthened shopping and employment resource will be beneficial to the residents of these areas. No detrimental impacts on these neighborhoods as a result of the project are anticipated.

Relocation Impacts

UDAG FORM 7*

RELOCATION IMPACTS

Instructions: Complete the table below with the numbers of families, individuals, farms, and businesses which will be relocated as a result of the proposed project.

NOTE: The following definitions apply to this table:

- (1) Low and Moderate Income: Persons whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (2) Other Income Categories: Persons whose income is over 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

If more appropriate, use the income limits for the HUD Section 8 housing program to define low- and moderate-income families. Where size of family is not known, use Section 8 limit for a family of four persons.

	Low and Moderate Income		Other Income Categories		Total	
	Minority	Non-Minority	Minority	Non-Minority	Minority	Non-Minority
1. Families Displaced						
2. Unrelated Individuals Displaced						
3. Farms Lost						
4. Businesses Displaced						46
5. Jobs Lost From Businesses in Line 4 Above				131		131

* This form constitutes the response to Part III.D.4.a.

a. Business Relocation for UDAG

There will be four transactions of the Congress Square UDAG package which will require relocation of currently existing businesses. These are the proposed urban plaza, the new wing of the Portland Museum of Art, the municipal parking garage and the Sun Savings Building.

What follows are lists of businesses that will be relocated:

1. Urban Plaza

- a. RIX Discount Health and Beauty Aids
597 Congress
- b. Snyder's Men's Wear
599 Congress
- c. Headhunters - School of Hair Design Inc.
601 Congress
- d. Dunkin' Donuts
601 Congress
- e. Michael's Custom Tailor
145 High
- f. Coastal Video Inc.
147 High

2. Portland Museum of Art

- a. Richard's Hair Together
6 Congress Sq.
- b. Hilton's Jewelers
8 Congress Sq.
- c. Canal National Bank
14 Congress Sq.
- d. Post Office - Station "A"
High Street
- e. 30 offices
Libby Building

3. Municipal Parking Garage

- a. Steves Market
56 Forest
- b. Steves Auto Repair
52 Forest

4. Sun Savings Building

- a. Angelone's Pizza
565 Congress
- b. Ye Old Coin and Stamp Center
567 Congress

- c. Youth World
569 Congress
- d. Sony (radio shop)
571 Congress

b. Relocation Narrative

The City of Portland will be responsible for relocating those businesses which will be displaced by the Urban Plaza. Private companies will relocate the businesses currently situated upon property which will be reused for the Portland Museum of Art, municipal parking garage and the Sun Savings Building.

There are six businesses located on the future property of the Urban Plaza. The City, through its Neighborhood Conservation Department, will relocate these businesses as required on the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970". The City will also assist private businesses in all relocations.

In order to construct the new wing of the Portland Museum of Art it will be necessary for four businesses and thirty offices to move. The Museum currently owns the structure to be demolished and most leases will expire and not be extended before the demolition. Little relocation will take place as most lessees are moving voluntarily to assist the Museum or plan to move into new neighborhood structures.

The businesses relocated from the Garage and Sun Savings sites are expected to relocate either in proposed new buildings or in other existing buildings in central Portland. It is expected that no jobs will be lost as a result of the relocation.

5 Housing Impacts

UDAG FORM 8*

PROVISION OF HOUSING

Instructions: Complete the table below with the number of housing units to be provided by the project for occupants of various income levels. Answer the questions which follow the table.

Note: The following definitions apply to this table:

- (1) Low and Moderate Income: Units to be available for occupants whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (2) Middle Income: Units to be available for occupants whose income is between 80% and 120% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (3) Upper Income: Units to be available for occupants whose income is 120% or more of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

	Low and Moderate		Middle Income		Upper Income		TOTAL	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	No.	%
a. Number New Units to be Constructed	45	56%	20	25%	15	19%	80	100
b. Number Units to be Rehabilitated	0		0		0			0
c. TOTAL Units (Sum of a and b above)	45	26%	20	25%	15	19%	80	100

1. Indicate the basis for the above calculations. Indicate the annual rental prices and sales prices for units in each income category. These calculations were based upon a 25% of income level and the SMSA income figures for the Portland area.

Low and moderate - annual rental of \$3720 See L & H
 Middle - annual rental of \$4560- marketing
 \$5100 study
 Upper - sales price of \$55000 per average unit (cost plus 10% profit & fees)

2. If units are to be rehabilitated, indicate the income category of residents prior to rehabilitation and the number of vacant or abandoned units. Indicate the expected income level of occupants of the rehabilitated units.

N/A

* This form constitutes the response to Part III.D.5.a.

a. Housing Narrative

The Section 8 Neighborhood Strategy Area and the UDAG Project Area coincide. The City's strategy is a two-pronged effort to revitalize both the housing in the neighborhood and the economy. The housing efforts are substantial and, therefore, the project is fully consistent with the City's housing strategy and its Housing Assistance Plan (previously submitted to HUD).

b. Portland Housing Strategy

The goal of Portland Housing Strategy in the N.S.A. area is to provide a financing mechanism which will allow property owners to upgrade their structures at a reasonable financial cost and assure tenants decent housing at a rental level within their ability to pay. To that end the City seeks to use the Federal 312 Loan Program or a local City/Bank Loan Program to provide low cost housing rehabilitation assistance. Since February, 1977, when the area became available for rehabilitation assistance, the following monies have been available and units upgraded:

	<u>Loans</u>	<u>Dollars</u>	<u>Units</u>
312	18	\$299,100	101
City/Bank	12	\$ 48,140	43

The Federal 312 Program is a 3% twenty-year direct loan. Priority is given to low and moderate property owners or an investor-owner whose property is located within a low and moderate Census Tract. The City/Bank Loan is a 5 3/4% ten year loan with a maximum of \$15,000 (\$7,500 City/\$7,500 Bank). Six local banks have pledged \$300,000 to the joint effort, with the City providing underwriting responsibilities and the participating bank the servicing of the loans.

In addition, the Portland Housing Authority administers the Section 8 Existing Housing Program. Throughout the City there are 585 occupied Section 8 units. Within the UDAG N.S.A. area there are 174 units rented to Section 8 eligible tenants.

Tenants pay 25% of income and the Federal Government the balance to an estimated fair market rent. The Housing Authority has been approved for 83 units for the Section 8 Moderate Income Program which includes this area.

Recent Substantial Rehabilitation Projects within the neighborhood include:

Payson House	14 units elderly completed
Longfellow Commons	44 units elderly planning
Congress Square Hotel	160 units elderly planning
Spring Street	21 units family planning

In summary, the City has sought to involve a variety of rehabilitation techniques and programs to provide assistance to owners and tenants within the N.S.A. neighborhood.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

SECTION E

EMPLOYMENT PLAN TO ASSURE THAT THE
PRIVATE SECTOR JOBS ESTABLISHED
ARE AVAILABLE TO THE UNEMPLOYED

CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART: III - Evidence of
Meeting Program
Objectives

SECTION: E - Employment Plan to
Assure That the Private
Sector Jobs are Available
to the Unemployed

Submitted to the U. S. Department of Housing and Urban Development
October 1979

Submitted as an attachment is the City's application to HUD under the Targeted Jobs Demonstration Program. You will note in the cover letter to this application that the City Manager has stated the City's commitment to this program. This application form, by reference, addresses all items 1 - 7 under Section E with the following exceptions:

1. Employment Impacts

a. Permanent Jobs Created:

Of the total 478 permanent jobs directly resulting from the project, they are estimated as follows:

- Hotel employment	150
- Museum staff	33
- Retail sales	75
- Banking	120
- Office employment	<u>100</u>
	478

b. Temporary Jobs Created: Construction Labor

c. Firms Locating or Expanding:

1. Expanding -

- Portland Museum of Art - Museum staff
- Eastland Hotel - Hotel
- Sun Savings & Loan - Banking

2. Locating -

- Sacks Theaters - Retail
- Carbo, Inc. - Office
- Baxter Library Proposals - Retail

2. Eastland Associates have expressed an interest in actively participating in the Targeted Jobs Demonstration Program.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART III

SECTION F

RECORD OF APPLICANT

CITY OF PORTLAND, MAINE
CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART: III

SECTION: F

Submitted to the Department of Housing & Urban Development
October 1979

RECORD OF APPLICANT

Reference: Grantee Performance Report - Community Development
Program, Forth Year - Portland, Maine. Submitted
to HUD in February 1979

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART IV

PROJECT APPROVAL INFORMATION

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART IV

SECTION A

TECHNICAL REQUIREMENTS

PART IV

PROJECT APPROVAL INFORMATION

Section A -- Technical Requirements

This section is a modification of a requirement of OMB Circular A-102. The checklist below assures a federal agency that key issues have been covered in a program application. When an exhibit is required, insert it at the end of this section and number it according to the item it addresses.

1. Does this assistance request require state, local, regional, or other priority rating?

Yes No

Name of Governing body

Priority Rating

2. Does this assistance request require federal, state, or local advisory, historic preservation, educational or health clearance?

Yes No

Name of Agency or Board

Maine Historic Preservation Society

Dept. of Interior

Documentation attached as Exhibit upon approval

3. Does this assistance request require clearinghouse review in accordance with OMB Circular A-95

Yes No

Name of Clearinghouse Agency

Greater Portland Council of Gov'ts

Maine State Planning Office

Comments attached as Exhibit

If "no," explain why in your Exhibit

4. Does this assistance request require state, local, regional or other planning approval?

Yes No

Name of Approving Agency

Portland Planning Board

Date: 10-9-79

5a. Is the proposed project covered by an approved comprehensive plan?

Yes No

Check one: State
Local
Regional

Reference should be made to this plan in Part II.B.1

b. Does the applicant have a locally approved Community Development (CD) plan and Housing Assistance Plan (HAP)? (Such adopted plans must predate submission of the application.)

Yes No

Approval Date(s):
CD Plan 6-29-79
HAP 6-29-79

If relevant to the project, cite appropriate tables and Sections of the CD plan and HAP in Part II.B.1.

If "no," attach a small city single purpose HAP form (HUD 7087) to this application as your Exhibit

6. Will the assistance requested serve a Federal installation?

Yes No

If "yes," in your Exhibit _____, name the installation, describe its purpose, estimate the Federal population to be served, and provide other pertinent information.

7. Will the assistance requested result in improvements on Federal land or to a Federal installation?

Yes No

If "yes," be certain that appropriate information is set forth in Part II.B.1.

8a. Will the application require an Environmental Impact Statement (EIS)?

Yes No

If "yes," in your Exhibit _____, briefly describe the environmental impact. If an adverse impact is anticipated, explain what action will be taken to minimize the impact. Reference any planned filing of an EIS. Be certain that the timing of an EIS is discussed in Part II.B.8.b.

b. On what date was the level of clearance finding made?

Date: 10-26-79

9. Will the assistance requested cause the displacement of individuals, families, businesses, or farms?

Yes No

If "yes," be certain this topic is covered with respect to individuals and families in Part III.D.4.b.

10. Has other related governmental assistance on this project been approved or applied for? Will any other be applied for?

Yes No

Be certain this topic is covered, where appropriate, in Part II.B.7.e.

11. Is the project in a designated flood hazard area?

Yes No

If "yes," be certain this topic is covered in Parts II.B.3 and II.B.8.

12. Will the proposed project result in the relocation of industrial or commercial facilities from one metropolitan or non-metropolitan area to another?

Yes No

If "yes," be certain this is described in III.B.3.

13. Does the proposed project involve the jurisdiction of more than one municipality?

Yes No

If "yes," be certain the topic has been covered in Part II.B.6.d.

SECTION B -- Citizen Participation,
Civil Rights, Equal Employment and Housing
Opportunity

In this section, the applicant must demonstrate its positive record of (i) involving citizens in the application and project development process, (ii) dealing successfully with issues such as advancing civil rights, (iii) providing equal opportunity in employment to minorities (as demonstrated by its employment records), and (iv) promoting equal housing opportunity within its jurisdiction. Answer the questions and make certain that the topics have been fully covered in the referenced section, where appropriate. Identify any exhibit inserted at the end of the section.

- 1a. Is there a written Citizen Participation Plan describing the process for citizens to take part in the development of the application as required in 24 CFR Part 570.456 (c)(i)(A) of the Regulations? If "no," explain in your Exhibit _____.
- Yes No
- b. Did actual citizen participation in the development of the application equal or exceed that expected in the Citizen Participation Plan or the requirements as stated in the Regulations? If "yes," explain what occurred in your Exhibit following
- Yes No
2. If the project is residential or "neighborhood" in nature, are neighborhood groups or community organizations involved in developing the application or in carrying out a component of the project? This topic should be covered in Parts II.B.6.d. and III.D.2. where appropriate.
- Yes No
3. Does the applicant have any unresolved issues arising from civil rights compliance reviews, citizen participation allegations, lawsuits or other allegations against the proposed or any other federally assisted project (or funding) administered by the applicant? If "yes," describe the issues, the resolution timetable, and the possible outcomes in your Exhibit _____. Make reference to the suits, actions, etc. as appropriate in Part II.B.8.
- Yes No
4. Is the applicant under investigation by any federal office enforcing equal opportunity laws and regulations? If "yes," name the agency, the enforcement office and officers involved; explain the alleged problems; and discuss the resolution timetable, in your Exhibit _____ with reference to Part II.B.8. as appropriate.
- Yes No
5. Has the applicant submitted Form EEO-4 or comparable data to the HUD Area Office as of the preceding July 31 as a certification of continuing eligibility? If "yes," cite the report; if "no," explain why in your Exhibit following
- Yes No

Section IVB #16:

The citizen participation in the development of the application conforms with the City's Citizen Participation Plan. The requirements of the Citizen Participation Plan exceed federal regulations. In addition to the stipulations of both, the City Manager's Office met with individuals who raised concerns separately prior to City Council action.

Section IVB #5

An EEO-4 Form for 1978 has been submitted. An EEO-4 Form for 1979 has not been submitted because the HUD submittal deadline is January 1, 1980. The required form will be submitted by that date.

CITY OF PORTLAND, MAINE

CONGRESS SQUARE URBAN DEVELOPMENT ACTION PROGRAM

PART V

ASSURANCES/A-95 REVIEW

CITY COUNCIL RESOLUTION ADOPTING THE URBAN DEVELOPMENT

ACTION PROGRAM AND ASSURANCES

PERTAINING THERETO

- WHEREAS, the City of Portland, Maine has determined that there are pressing community and neighborhood needs for further federal assistance to housing and community development activities; and
- WHEREAS, comprehensive strategies of the City's Community Development Program have been set forth; and
- WHEREAS, The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight; and
- WHEREAS, a Housing Assistance Plan has been developed which sets forth a program of alleviating Portland's housing needs; and
- WHEREAS, an Action Plan and strategies for core and neighborhood revitalization has been developed and carried out over the past decade; and
- WHEREAS, the City of Portland, Maine has, prior to the submission of the Urban Development Action Program application,
- a. Prepared a written citizen participation plan, which:
 - (1) Provides an opportunity for citizens to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and citizens of low-and moderate-income, provides for timely responses to the proposals submitted, and schedules hearings at times and locations which permit broad participation;
 - (2) Provides citizens with adequate information concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important program requirements;
 - (3) Provides for public hearings to obtain the views of citizens on community development and housing needs; and
 - (4) Provides citizens with an opportunity to submit comments concerning the community development performance of the applicant.
 - b. Followed this plan in a manner to achieve full participation of citizens in development of the application. The applicant shall also follow this plan to achieve full citizen participation in all other stages of the program.

WHEREAS, The U.S. Department of Housing and Urban Development has established the Urban Development Action Grant Program to assist distressed cities which require increased public assistance and private investment to alleviate physical and economic deterioration; and

WHEREAS, the City Council of the City of Portland, Maine, desires to utilize these funds to support housing and community development activities which will alleviate economic and physical deterioration and which will stimulate private sector investment and reinvestment in the community; and

WHEREAS, the Portland City Council has received proposals to obtain Urban Development Action Grant funds to undertake a comprehensive improvement program in the Congress Square/Longfellow Square area; and

WHEREAS, the Urban Development Action Grant which would permit the City to finance downtown parking facilities, assist commercial rehabilitation and development, provide funds for the construction of an important Portland Museum of Art expansion, and finance public improvements, as proposed, are consistent with the City's Comprehensive, Neighborhood, Public Facility and Economic Development Strategies and with the Mainway Urban Renewal Plan; and

WHEREAS, private development funds have been committed to this major revitalization project contingent upon the receipt of the proposed Urban Development Action Grant;

NOW, THEREFORE BE IT RESOLVED THAT, the City Council of the City of Portland, Maine, hereby adopts the Urban Development Action Grant Program and

THAT, the City of Portland, Maine, possesses legal authority to apply for the Urban Development Action Grant, and to execute the proposed program; and

THAT, the City Manager be authorized to:

- (1) Apply for and accept the Urban Development Action Grant Program Funds of up to \$8,000,000.
- (2) Represent the City of Portland, Maine, in connection with the application, including the execution of contracts, with HUD and private development parties involved in the UDAG Program, on behalf of the City with respect to Title I and Urban Development Action Grant funds,
- (3) Consent to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply to 24 CFR 570;
- (4) Consent on behalf of the applicant and himself to accept the jurisdiction of the federal courts for the purpose of enforcement of his responsibilities as such an official.
- (5) Execute certification that the City of Portland, Maine, has fully carried out its responsibilities for environmental review, decision making, and action pertaining to the projects named in the request for the release of Title I funds,
- (6) Provide such additional information as may be required by the U.S. Department of Housing and Urban Development; and

THAT, prior to the submission of its application, the City of Portland will comply with all the requirements of OMB Circular A-95 as modified by 24 CFR Part 570.310 and that either:

1. Any comments and recommendations made by or through clearinghouses are attached and have been considered prior to submission of the application; or,
2. The required procedures have been followed and no comments or recommendations have been received; and

THAT, the City of Portland, Maine, will comply with:

- (1) Title VI of the Civil Rights Act of 1954 (P.L. 88-352) and in accordance with Title VI of that Act, no persons in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the real property or assistance is extended or for another purpose involving the provision of similar services or benefits.
- (2) Title VIII of the Civil Rights Act of 1968, (P.L. 90-284) as amended, and will administer all programs and activities related to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services,
- (3) Section 109 of the Housing and Community Development Act of 1974 and in conformance with all requirements imposed by or pursuant to the Regulations of the Department (24 CFR Part 570.601) issued pursuant to the Section: and in accordance with that Section, no person in the United States shall on the ground of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under 24 CFR 570,
- (4) Executive Order 11063 on equal opportunity in housing and non-discrimination in the sale or rental of housing built with Federal assistance,
- (5) Labor standards requirements set forth in Section 570.605 and HUD regulations issued to implement such requirements, including administrative and enforcement,
- (6) Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Ch 60) and Section 4(b) of the Grant Agreement which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or Federally-assisted contracts. Contractors and subcontractors shall take affirma-

tive action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination, rates of pay or other forms of compensation and selection for training and apprenticeship,

- (7) Section 3 of the Housing and Urban Development Act of 1968, as amended requiring that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project; and

THAT, the City of Portland, Maine, will:

- (1) To the greatest extent practicable under State law, comply with Sections 301 and 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and will comply with Sections 303 and 304 of Title III, and HUD implementing instructions at 24 CFR Part 42; and
- (2) Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42 and Part 570.602(b).
- (3) Comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and Part 570.602(a);
- (4) Provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the Community Development Block Grant Program. Such payments and assistance shall be provided in a fair and consistent and equitable manner that insures that the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex, or source of income;
- (5) Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and
- (6) Inform affected persons of the relocation assistance, policies, and procedures set forth in the regulations at 24 CFR Part 42 and 24 CFR Part 570.602(a); and

THAT, the City of Portland, Maine, will:

- (1) comply with the regulations, policies, guidelines, and requirements of OMB Circular No. A-102, Revised, and Federal Management Circular 74-4 as they relate to the application, acceptance, and use of Federal funds under 24 CFR 570.

- (2) Comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.
- (3) Establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- (4) Comply with the provisions of the Hatch Act which limits the political activity of employees.
- (5) Give HUD and the Comptroller General through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant; and

THAT, the City of Portland, Maine, will:

- (1) Comply with the provisions of Executive Order 11296, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution.
- (2) Comply with the flood insurance purchase requirement of Section 102(a) of the Flood Disaster Protection Act of 1973. Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance; and

THAT, the City of Portland, Maine, will:

- (1) Insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- (2) In connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
 - a. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity; and

- b. Complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.
- (3) Require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under 24 CFR 570 to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor; and

THAT, the City Council of the City of Portland, Maine certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry.

PART V
ASSURANCES

The Applicant hereby assures and certifies that:

1. It possesses legal authority to apply for the grant and to execute the proposed program.
2. Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
3. It has complied with all the requirements of OMB Circular A-95 as modified by 24 CFR Part 570.310 and that either:
 - a. Any comments and recommendations made by or through clearinghouses are attached and have been considered prior to submission of the application; or,
 - b. The required procedures have been followed and no comments or recommendations have been received.
4. Prior to submission of its application, the applicant has:
 - a. Prepared a written citizen participation plan, which:
 - (1) Provides an opportunity for citizens to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and citizens of low- and moderate-income, provides for timely responses to the proposals submitted, and schedules hearings at times and locations which permit broad participation;
 - (2) Provides citizens with adequate information concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important program requirements;
 - (3) Provides for public hearings to obtain the views of citizens on community development and housing needs; and
 - (4) Provides citizens with an opportunity to submit comments concerning the community development performance of the applicant.
 - b. Followed this plan in a manner to achieve full participation of citizens in development of the application. The applicant shall also follow this plan to achieve full citizen participation in all other stages of the program.
5. Its chief executive officer or other officer of the applicant approved by HUD:
 - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply to 24 CFR 570;

- b. Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the federal courts for the purpose of enforcement of his responsibilities as such an official.
6. The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight.
- NOTE: The requirements for this certification will not preclude the Secretary from approving an application where the applicant certifies, and the Secretary determines, that all or part of the Community Development Program activities are designed to meet other community development needs having a particular urgency as specifically explained in the application in accordance with 24 CFR 570.302(f).
7. It will comply with the regulations, policies, guidelines, and requirements of OMB Circular No. A-102, Revised, and Federal Management Circular 74-4 as they relate to the application, acceptance, and use of Federal funds under 24 CFR 570.
8. It will administer and enforce the labor standards requirements set forth in 24 CFR 570.605 and HUD regulations issued to implement such requirements.
9. It will comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.
10. It will comply with the provisions of Executive Order 11296, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution.
11. It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under 24 CFR 570 to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
12. It will comply with:
- a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

- b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provisions of brokerage services.
 - c. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.601), which provide that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under 24 CFR 570.
 - d. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - e. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), and Section 4(b) of the Grant Agreement, which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts. Contractors and subcontractors on Federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training and apprenticeship.
13. It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
14. It will:
- a. To the greatest extent practicable under State law, comply with Sections 301 and 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and will comply with Sections 303 and 304 of Title III, and HUD implementing instructions at 24 CFR Part 42; and
 - b. Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42 and Part 570.602(b).
15. It will:
- a. Comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and Part 570.602(a);
 - b. Provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the Community Development Block Grant Program. Such payments and assistance shall be provided in a fair and

consistent and equitable manner that insures that the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex, or source of income;

- c. Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and
 - d. Inform affected persons of the relocation assistance, policies, and procedures set forth in the regulations at 24 CFR Part 42 and 24 CFR Part 570.602(a).
16. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
17. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
18. It will give HUD and the Comptroller General through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.
19. It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
20. It will comply with the flood insurance purchase requirement of Section 102(a) of the Flood Disaster Protection Act of 1973. Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
21. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
- a. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity; and
 - b. complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.

22. It certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. 18 U.S.C. 1001 provides that whoever does so within the jurisdiction of any department or agency of the United States shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

Signature

Date

Title