

Order 161-17/18

Passage: 7-0 (Strimling, Batson absent) on 3/5/2018

Effective 3/15/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
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CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER AMENDING THE 2002 WATERFRONT TAX INCREMENT
FINANCING DISTRICT BY ADDING THE WEX PROJECT SITE AND THE
UNION WHARF PROJECT SITE TO THE DISTRICT**

ORDERED, that the 2002 Waterfront Tax Increment Financing District (as adopted by Order 185-01/02, and amended by Orders 173-02/03, 254/04-05, 238-05/06, 223-06/07; 241-07/08, 261-08/09, 216-09/10, 237-09/10, 222-10/11 and 182-11/12) is hereby amended by adding to the district the property comprised by the WEX project site and by the Union Wharf project site (19-A-14, 31-K-3, and 31-K-103); and

BE IT FURTHER ORDERED, that the City Council hereby authorizes the City Manager or his or her designee to execute said documents and any other related documents necessary or convenient to carry out the intent of said documents.

City of Portland

Waterfront Economic Redevelopment Program
*Application for FY02 and FY10 Amended Waterfront Tax Increment Financing
Development Districts and Sub-District*

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL
ON JUNE 7, 2010

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL

ON _____

Prepared by:

The City of Portland Economic Development DepartmentOffice
March 13, 2002/Amended and Restated as of June 7, 2010; Amended _____, 2018

I. Introduction

The Portland City Council on March 18, 2002, designated five properties as tax increment financing districts (the “Original TIF Districts”) as more specifically described below and adopted the Waterfront Tax Increment Financial Development District Program (the “Original Development Program”). ~~Waterfront Maine Limited Partnership (“Developer”) is the developer of the Cumberland Cold Storage site and building. The Original TIF Districts program was designed for the City to capture 100% of the tax increment for specified allowable uses.~~

~~On June 7, 2010, the Portland City Council amended approved the Amended and Restated the Original Development Program (“Amended Development Program”), which was approved by the Maine Department of Economic Development and Community Development (“MDECD) on June 28, 2010, as follows: The City proposes to amend the Original Development Program (as described herein, the “Amended Development Program”) to accomplish the following:~~

- Extend the term by twenty (20) years;
- Reduce the number of TIF investment options;
- Authorize the use of Credit Enhancement Agreements within the Waterfront Central Zone; and
- ~~Establish a Sub-District (the “Sub-District”) within the District and to authorize a Credit Enhancement Agreement with the Developer with respect to the Sub-District in furtherance of the Cumberland Cold Storage Project. defined below (the “Credit Enhancement Agreement”).~~

~~The Cumberland Cold Storage building includes five stories and 100,000± square feet which will be redeveloped as a Class A office building. Building floors 2, 3, 4, and 5 are planned to be used for commercial office space. The first or ground level space is currently restricted to marine use including berthing along the property bulkhead pursuant to existing zoning requirements. Pierce Atwood LLP intends to occupy 70,000± square feet of upper floor use (the “Cumberland Cold Storage Project”).~~

~~On _____, 2018, the Portland City Council further amended the Original TIF Districts to add three properties with the following Chart, Lot, and Block (CBL) numbers (“Added TIF District Properties of 2018”):~~

- ~~- 019-A-014001;~~
- ~~- 031-K-003001; and,~~
- ~~- 031-K-103001.~~

~~The three additional properties include two projects under construction as follows:~~

~~WEX Headquarters (019-A-014001)~~

History:

The history of the City of Portland is inextricably tied to the waterfront. From tourism to shipbuilding to national defense, the waterfront has been a vital part of the social and economic fabric of Portland. Always, Portland has worked to recognize the unique needs of the harbor, to protect its authentic marine heritage and to provide public access. The product of this commitment comes from the work of a Mayoral Taskforce report entitled “Investing in Our Working Waterfront – Final Report of the Mayor’s Waterfront Task Force on Economic Development”, dated October 2000 (herein referred to as the “Task Force II Report”). An excerpt from its Executive Summary is included here, and the full Report is attached to this application labeled as Attachment #1.

“Portland is a waterfront city. Its harbor is one of the deepest on the East Coast and served as the staging area for the Atlantic Fleet during World War II. Today, it accommodates the largest petroleum trans-shipment operation on the East Coast. The inner harbor is very limited in geography; it is only about two miles in length from Bath Iron Works to Merrill’s Marine Terminal. The wharves that serve the needs of water-dependent businesses are both publicly and privately owned. Over the course of its long history, the Portland waterfront has served as a center of commerce, shipbuilding, cargo and passenger transport, fishing and defense. It has also supported a range of mixed uses, the character of which has changed over time as the City of Portland and its waterfront have evolved.

Portland has a 30-year history of commitment to its working waterfront. The City began planning the future of its waterfront in the early 1970’s, culminating in 1982 with multi-faceted development strategies, including zoning amendments, construction of public facilities, and policies to address berthing and public access. Despite these initiatives, the emergence of the Old Port as a vital retail center and tourist attraction threatened to drive traditional industries from their waterfront locations. A citizen-initiated referendum in 1987 passed by a 2-1 margin, clearly demonstrating the public’s commitment to a working waterfront, and significant limitations were placed on development of the water side of Commercial Street.

Before the development moratorium expired in 1992, the City asked waterfront interests to review the zoning and recommend any changes that might provide more flexibility in renting space, while protecting water-dependent and marine-related uses ([The Waterfront Alliance Report, 1992](#)). While some may argue otherwise, the existing zoning structure, [based on the 1992 Report](#), strikes a reasonable balance between preserving the "working waterfront" and allowing property owners

necessary flexibility in managing their assets. Since the 1980's, Portland and the State of Maine have invested significant public dollars in supporting traditional waterfront activities such as ship repair, commercial fishing, and cargo transfer. At the same time, some private property owners have, for a variety of reasons, lacked the revenues to maintain their piers, resulting in a serious infrastructure problem, which threatens the viability of certain piers as elements of the waterfront economy.

Despite investments in publicly owned waterfront facilities, the City has done little to assist private owners of waterfront property, the uses of which have been limited by public policy, as noted above. This report is the result of a charge issued by then-Mayor Tom Kane to "focus on economic support for the waterfront...and to make the working waterfront work." It is the second of a three-phase process for defining the City's vision for its waterfront."

The Task Force II Report was presented to the City Council and the public, and the Council voted to incorporate it into the Comprehensive Plan on June 4, 2001.

The Task Force II Report identified the unique needs of the waterfront from both an infrastructure and a business development perspective, and several recommendations were made. In order to turn these recommendations into waterfront economic development opportunities, a program to create a funding mechanism through Tax Increment Financing ("TIF") Districts was put in place.

~~During 2009, twelve private pier owners formed an alliance to propose amendments to Municipal zoning regulations to support more mixed use commercial activity along Portland's waterfront in order to enable private pier owners to generate additional revenue to cover the high costs of maintaining pier infrastructure. The Waterfront Alliance in the Spring of 2010 is in the process of presenting its recommendations to the City Planning Board which will require final approval by the City Council. Since the adoption of Waterfront Task Force II report, the City has systematically conducted area specific planning and re-zoning processes for the three waterfront sub-areas identified in the 1992 Waterfront Alliance Report: Eastern Waterfront, Central Waterfront, and Western Waterfront. These processes have resulted in an updated framework of regulation that reflects the industries, infrastructures, water depths, and ownership patterns on the Portland Waterfront. Current regulations continue to prioritize and protect water dependent uses while allowing reasonable flexibility to promote investment. While new zoning promotes waterfront investment, barriers remain. Deferred pier maintenance, shifting industry needs, dredging needs, traffic congestion, and parking shortages continue to challenge public and private piers and the industries that depend on them.~~

II. Development Program

A. *Amended Development Program*

With the incorporation of the Task Force II Report into the Portland Comprehensive Plan, the City Council formally recognized the unique business development needs of the waterfront. Since a funding mechanism was required to implement the recommendations of the Report, the City began crafting what ultimately became the Waterfront Capital Improvement and Economic Redevelopment Zone (“WREZ”) Ordinance (see Attachment #2 as passed June 4, 2001, and Attachment #3 as amended December 1, 2008.) whereby any property within the WREZ geographic area, delineated on the attached map (see Attachment #4), that increased in value by an amount greater than \$400,000 over a two-year period would be subject to inclusion in a TIF application.

By adopting the WREZ Ordinance, the City Council recognized that the non-marine commercial development that has occurred in the Old Port and the surrounding area has benefited through the years from the authenticity of the working waterfront. Said another way, Portland’s downtown became a desirable destination for tourists, retailers, restaurants and high-end office users in part because of the vibrant business of those that depend upon the water for their living. Portland blends a perfect mix of fishing vessels, shipbuilding, chandlery, cargo operations and the like with the lawyers, bankers, dot-com entrepreneurs and tourists. So when a revenue stream was required to maintain and improve the economic vibrancy of the Portland waterfront, the City Council acted in such a way as to nurture this symbiotic relationship by directing the incremental revenues of the new commercial development back to the working waterfront. The result of that action was the adoption of the WREZ Ordinance.

The WREZ Ordinance is intended to be in effect for several years. As such, the designation of the five Original TIF Districts described in the Original Development Program were the first in what the City hopes to be a multiple year program where several additional TIF Districts will be created. The common theme underlying the Original Development Program, this Amended Development Program, and future TIF applications is the implementation of the Task Force II Report findings. As such, the projects described in the Original Development Program and this Amended Development Program are intended to be greater in scope than the five Original TIF Districts could support by themselves. Therefore, the Original Development Program ~~served as, and this Amended Development program, and the three Added TIF District Properties of 2018 (CBLs 019-A-014001, 031-K003001, and 031-K-103001)~~ will serve as the model for future amendments to the Original Development Program, as amended, as properties become eligible through the WREZ Ordinance.

The activities to be funded through the Original Development Program, ~~and this Amended Development Program, and the three Added TIF District Properties of 2018~~ will be specifically determined on an annual basis upon recommendation by the City Manager for action by the City Council. Therefore, the City of Portland seeks authorization to fund all the activities described in this Amended Development

Program so that each year the City Council could prioritize which specific ~~activities~~~~action~~ to fund.

B. The Projects

The projects to be undertaken are derived from the recommendations of the Task Force II Report which are:

1. Encourage private and public waterfront investments;
2. Provide support to maintain a working waterfront;
3. Support clean, working harbor.

Generally, the activities to be undertaken and the approximate cost associated with each activity are described in Table 1 below.

TABLE 1

Note 1: All citations refer to Title 30-A, chapter 206, Section 5225

<u>Project</u>	<u>Statutory Citation</u>	<u>Estimated Cost</u>
<u>In District: Capital Infrastructure Investments, for example:</u>		
Pier and Wharf Structural Repair	<u>(1)(A)</u>	\$3,200,000
Local Match for Ocean Gateway Project	<u>(1)(A)</u>	\$1,000,000
Street Improvements (Remedy Traffic Congestion)	<u>(1)(A)</u>	\$5,000,000
Pedestrian Circulation and Amenity Improvements	<u>(1)(A)</u>	\$750,000
Dredging	<u>(1)(A)</u>	\$10,000,000
<u>Credit Enhancement Agreements</u>		<u>\$50,000 Annual</u> Per Each Individual <u>CEA</u> Project
<u>In and out of District:</u>		
City Economic Development Staff		
<u>Credit Enhancement Agreements</u>		<u>\$50,000 Annually</u>
<u>Total Estimate of TIF Revenue Expenditure over 30-year term:</u>		<u>\$20,450,000 –</u> <u>excluding CEA</u> <u>Projects</u>

The City recognizes that the full scope of the needs of the Waterfront Economic Redevelopment Program is beyond the funds anticipated to be generated through the five Original TIF Districts described in the Original Development Program and the three Added TIF District Properties of 2018. Since the Original Development Program, ~~m~~ and this Amended Development Program, ~~and the three~~

Added TIF District Properties of 2018 will serve as the template for future TIF District applications, however, the City again seeks authorization for the full “menu” of economic development activities described above. This is necessary to maintain flexibility and adaptability as the needs of the waterfront are prioritized throughout the life of this Amended Development Program.

Pier and Wharf Structural Repair

The waterfront infrastructure needs are considerable. The Task Force II Report estimates the need for \$1.4 million in repairs to 14 wharves within three years, with an additional \$1.8 million needed over the next 20 years.

Local Match for Ocean Gateway Project

The voters of the State of Maine approved an allocation of roughly \$15 million for the construction of a marine passenger facility, requiring a local match of nearly \$1 million.

Street Improvements (Remedy Traffic Congestion)

With the development of the Ocean Gateway facility, significant transportation improvements will be required to accommodate the increased traffic on the street network along and around the waterfront, with particular emphasis on Franklin Arterial, Commercial Street and India Street.

Pedestrian Circulation and Amenity Improvements

Invest in pedestrian and multi-modal infrastructure to support the working waterfront and improve public access to the waterfront.

Dredging

This recommendation recognizes the environmental and financial burdens caused by combined sewer overflows and storm water pipes that discharge into the harbor. The cost associated with disposing the contaminated dredge material jumps to more than \$100 per cubic yard vs. as little as \$12 per cubic yard for uncontaminated dredge disposal costs. Placing an additional financial burden on the marine industry, the significant cost of the disposal of the contaminated dredged material allows only a limited ability to recover those costs through increased berthing fees. Since there are considerable public health and ecological benefits associated with removing/eliminating the contaminated sediment/dredge material they create, the Report recommends that the City devise a strategy to dispose of contaminated sediments and to mitigate the effects of this issue, as well as subsidize a portion of the costs of the dredging and disposal of the contaminated material.

Economic Development Staffing

Fund a portion of the cost of City economic development staff involved in supporting waterfront business development activities and administration of the Original Development Program and this Amended Development Program.

Credit Enhancement Agreements

The City Council may approve credit enhancement agreements within the Waterfront Central Zone (as depicted on Attachment #5) within the remaining term of the Amended Development Program to support important private sector projects in compliance with adopted City TIF Policy and where the City Council determines that the public benefits associated with individual projects meet or exceed the current or net present value of the project's share of the TIF proceeds for activities consistent with State law. City Council approved The City TIF Policy limits the Credit Enhancement Agreements to not exceed 675% of the incremental taxes up to a 20-year term over the life of the district.

B- C. Sub-District Development Program

The twenty (20) year Sub-District Development Program supports the redevelopment of the Cumberland Cold Storage 100,000± square foot building into a Class A office building. A twenty (20) year Credit Enhancement Agreement with the property owner and developer ~~is proposed to~~ assists with project costs.

DE. The Development District Property

The City Council created the WREZ Ordinance (see Attachments #2 and #3) whereby any property within the geographic area, delineated on the attached map (see Attachment #4), that increased in value by an amount greater than \$400,000 over a two-year period would be considered for inclusion in a TIF application subject to the City Council approval.

1. Original Development District Property

Five such properties were given a TIF District designation by the City Council in 2002 as part of the Original Development Program.

MAP	BLOCK	LOT
019	A	008
029	K	001
029	S	001
030	D	001
041	A	005

2. Sub-District Property

Properties 041-A-016 (0.17 acres) and 041-A-17-18 (1.38 acres) are the ~~subject of this application and are proposed as a~~ Sub-District for the purposes of establishing the original assessed value and allocating tax increment pursuant to the Credit Enhancement Agreement with the Developer.

The TIF Districts will apply to only new value generated within the Districts and will not affect the current property tax base.

3. ~~Added~~ Three Added TIF District Properties of 2018

<u>MAP</u>	<u>BLOCK</u>	<u>LOT</u>
<u>019</u>	<u>A</u>	<u>014001</u>
<u>031</u>	<u>K</u>	<u>003001</u>
<u>031</u>	<u>K</u>	<u>103001</u>

EC. *Municipal Use of TIF Revenues*

The City of Portland seeks authorization to utilize the revenues generated from the five Original TIF Districts ~~and~~ the Sub-District, and the ~~Added~~ three Added TIF District Properties of 2018 that are created in the WREZ in support of the economic development activities called for in described in this Amended Development Program, and specifically, the activities outlined in Section II-A of this application.

FD. *Operational Components*

1. Public Facilities

See Section IIA of this application.

~~1.~~ 2. Uses of Private Property

Subject to the approval of the City Council, the City will consider entering into credit enhancement agreements to support private projects located in the Waterfront Central Zone which meet the criteria set forth in this TIF District Program.

3. ~~2.~~ Plans for relocation of persons displaced by development activities.

No displacement or relocation of persons is associated with this TIF District.

4. Transportation Improvements

See Section IIA of this application.

5. Environmental Controls

The Original Development Program and this Amended Development Program proposes improvements that will comply with all federal, state and local rules and regulations and applicable land use requirements.

36. Plan of Operation

During the life of the five Original Districts, ~~and~~ the Sub-District, ~~and the Added~~ three Added TIF District Properties of 2018, the City of Portland, City Council, or their designee, will be responsible for the administration of the Districts.

III. Original Development Program Physical Description

- A. Total acreage of the municipality: 12,386 (taxable acres)
- B. Total acreage of five Original TIF Districts: 3.4 acres
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.03%
- D. Total acreage of all existing and Original TIF Districts in the municipality: 77.6 acres
- E. Percent line D of line A (cannot exceed 5%): 0.63%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____.
 - 3. Acreage suitable for commercial siting = 3.4. Line F3 divided by line B = 100%.
- G. Enclosed municipal maps:
 - 1. Area map showing site location of the five Original TIF Districts in relation to geographic location of municipality (Attachment #6).
 - 2. Site map showing tax map locations and the five Original TIF Districts (Attachments #7A through 7E).

III-A. Sub-District Physical Description

- A. Total acreage of the municipality: 12,386 (taxable acres)
- B. Total acreage proposed for Sub-District: 1.55
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.01%
- D. Total acreage of all existing and proposed TIF Districts in the municipality: 189.92
- E. Percent line D of line A (cannot exceed 5%): 1.53%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____.
 - 3. Acreage suitable for commercial siting = _____. Line F3 divided by line B = 100%.

III-BA. Added TIF District Properties of 2018 Physical Description

The total acreage of the three Added TIF District Properties of 2018 is 1.675 acres. Exhibit 16 contains financial and statistical information relating to this Amendment required as a prerequisite to designation of the Amended District by the City and approval by MDECD.

~~G.~~—Enclosed municipal maps:

- 1. Area map showing site location of the Sub-District, and the -three Added TIF District Properties of 2018, in relation to geographic location of municipality (Attachment #8)
- 2. Tax maps showing locations of the three Added TIF District Properties of 2018 (Attachment #9).

~~2.~~

IV. Original Development Program Financial Plan

A. *Costs and Sources of Revenues*

The five Original TIF Districts comprise an area of approximately 3.4 acres of taxable real and personal property with an original assessed value of \$6,716,410 as of March 31, 2001. The development within the Original TIF Districts is estimated to add an additional \$26,221,692 of new assessed value to the City over the 30 years.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Original TIF Districts to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #101 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Original TIF Districts. Attachment #101 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Waterfront TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the described Original TIF Districts will add approximately \$26.2 million of new taxable value in the City of Portland over 30 years. TIF revenues will be allocated as described on Attachment #101 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-A. Sub-District Financial Plan

A. Cost and Sources of Revenue

The one TIF Sub-District comprises an area of 1.55 acres of taxable real property with an original assessed value of \$950,900 as of March 31, 2010. The development within the sub-district is estimated to add an additional \$12,000,000 of new assessed value to the City.

This Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Sub-District to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to a credit enhancement agreement with the Developer and the balance of retained revenues to the economic development activities described in this Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity with its allocable share of retained revenues that is allowable under the Amended Development Program.

Attachment #112 details the projections and TIF revenue allocation schedule based upon the anticipated assessed value increases within the Sub-District. Attachment #112 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

This Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Cumberland Cold Storage TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and a and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under the credit enhancement agreement to be entered into with the Developer.

C. Financing Plan

The developments within the Sub-District will add approximately \$12 million of new taxable value in the City of Portland. TIF revenues will be allocated as described on Attachment #121 to finance the costs of this Amended Development Program and to fund the City's payment obligations to the Developer pursuant to the credit enhancement agreement to be entered into with the Developer. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-B Added TIF District Properties of 2018 Financial Plan

A. Costs and Sources of Revenues

The three Added TIF District Properties of 2018 comprise an area of approximately 1.675 acres of taxable real property with an original assessed value of \$616,430 as of March 31, 2017. The development within the three Added TIF District Properties of 2018 is estimated to add an additional \$20.7 Million of new assessed value to the City over the remainder of the term through June 30, 2032.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Original TIF Districts to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #12 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the three Added TIF District Properties of 2018. Attachment #12 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Waterfront TIF Development Program Account is established consisting of a project cost account ("Project Cost Account") pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount

(the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the three Added TIF District Properties of 2018 will add approximately \$20.7 Million of new taxable value in the City of Portland over the remainder of the term through June 30, 2032. TIF revenues will be allocated as described on Attachment #12 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

V. Original TIF Districts Financial Data

- A. Total 2001 value of equalized property in the municipality: \$3,873,900,000.
- B. Original assessed value of all properties in all existing and proposed Original TIF districts:

Existing	\$20,961,460
Proposed	\$6,716,410
Total	\$27,677,870

Line B divided by line A = 0.71% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the Original Development Program: See Attachment #10+
- D. Percentage of increased assessed value to be applied to the Original Development Program fund: See Attachment #10+
- E. Estimated annual tax increment: \$400,113 (Average)
- F. Total average annual value of development program fund: \$400,113 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City’s full faith and credit. The City’s participation in this

development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #13.

V-A. Sub-District Financial Data

- A. Total 2010 value of property in the municipality: \$8,196,900,000.
- B. Original assessed value of all properties in all existing TIF Districts and proposed sub-district:

Existing	\$305,455,220
Proposed	<u>\$950,900</u>
Total	\$306,406,120

Line B divided by line A = 3.73% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the development program: See Attachment #1211
- D. Percentage of increased assessed value to be applied to the development program fund: See Attachment #112
- E. Estimated annual tax increment: \$143,503 (Average)
- F. Total average annual value of development program fund: \$143,503 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: The City of Portland seeks to implement its own Waterfront Economic Redevelopment Program and to fund its payment obligations to the Developer under the credit enhancement agreement with the Developer and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #14.

V-B. Added TIF District Properties of 2018 Financial Data

- A. Total 2018 value of taxable property in the municipality: \$9,049,500,000.

B. Original assessed value of all properties in all existing and proposed Amended TIF districts:

<u>Existing</u>	<u>\$1,106,422,670</u>
<u>Proposed</u>	<u>\$616,430</u>
<u>Sub-Total</u>	<u>\$1,107,059,100</u>
<u>Less Exempt</u>	<u>-\$973,107,320</u>
<u>Total</u>	<u>\$133,951,780</u>

Line B divided by line A = 1.48% (cannot exceed 5%).

C. Estimate of increased assessed value by year after implementation of the- three Added TIF District Properties of 2018: See Attachment #12.

D. Percentage of increased assessed value to be applied to the three Added TIF District Properties of 2018 Development Program fund: See Attachment #12

E. Estimated annual tax increment: \$491,204 (Average)

F. Total average annual value of development program fund: \$491,204 (Average)

G. Annual principal and interest payment of bonded indebtedness: N/A

H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.

II. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #15.

VI. Original Development Program Tax Shifts (See Attachment #13)

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: \$137,700

Municipal Revenue Sharing Tax Shift: \$17,004

County Tax Shift: \$7,855

Total Average Annual Savings: \$162,560

VI-A Sub-District Tax Shifts (See Attachment #14)

General Purpose Aid to Education Tax Shift: \$49,822

Municipal Revenue Sharing Tax Shift: \$6,183

County Tax Shift: \$2,856

Total Average Annual Savings: \$58,860

VI-B. Added TIF District Properties of 2018 Tax Shifts (See Attachment #15)

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: \$122,721

Municipal Revenue Sharing Tax Shift: \$11,772

County Tax Shift: \$10,522

Total Average Annual Savings: \$145,015

VII. Amended Development Program Municipal Approvals

A. Public Hearing Notice

The City of Portland did give proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5226. The notice was published on May 28, 2010 in a newspaper of general circulation (see Attachment #15).

B. Public Hearing

A Public Hearing at which the proposed Amended Development Program designation of the Sub-District as a municipal development tax increment financing district and the proposed for adoption of the Amended Development Program was held on June 7, 2010, 2018 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment #16-A.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program designating Sub-District as a municipal development tax increment financing district and adopting the Amended Development Program is included as Attachment #17-A.

City of Portland

Waterfront Economic Redevelopment Program
*Application for FY02 and FY10 Amended Waterfront Tax Increment Financing
Development Districts and Sub-District*

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL
ON JUNE 7, 2010

AMENDED AND RESTATED PER CITY COUNCIL APPROVAL

ON _____

Prepared by:

The City of Portland Economic Development Department
March 13, 2002/Amended and Restated as of June 7, 2010; Amended _____, 2018

APPLICATION COVER SHEET

MUNICIPAL TAX INCREMENT FINANCING
--

A. General Information

1. Municipality Name: City of Portland		
2. Address: 389 Congress Street		
3. Telephone: 207-874-8683	4. Fax: 207-756-8217	5. Email: gmittchell@portlandmaine.gov
6. Municipal Contact Person: Greg Mitchell, Economic Development Director		
7. Business Name: n/a (Amendment to Waterfront TIF Development District)		
8. Address:		
9. Telephone:	10. Fax:	11. Email:
12. Business Contact Person:		
13. Principal Place of Business:		
14. Company Structure (e.g. corporation, sub-chapter S, etc.):		
15. Place of Incorporation:		
16. Names of Officers:		
17. Principal Owner(s) Name:		
18. Address:		

B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input checked="" type="checkbox"/> job creation	<input checked="" type="checkbox"/> job retention	<input checked="" type="checkbox"/> capital investment
<input type="checkbox"/> training investment	<input type="checkbox"/> tax base improvement	<input type="checkbox"/> public facilities improvement
other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input type="checkbox"/> real estate purchase	<input type="checkbox"/> machinery & equipment purchase	<input type="checkbox"/> training costs
<input type="checkbox"/> debt reduction	other (list): See Section II, Table 1 in Attached Amendment Application.	

C. Employment Data

List the company's goals for the number, type and wage levels of jobs to be created or retained as part of this TIF development project <i>(please use next page)</i> .

EMPLOYMENT GOALS
Company Goals for Job Creation and Job Retention

<i>A. Job Creation Goals</i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical	**	**	\$
2. Administrative Support, inc. Clerical	**	**	\$
3. Sales & Service	**	**	\$
4. Agriculture, Forestry & Fishing	**	**	\$
5. Maintenance, Construction, Production, & Transportation	**	**	\$
<i>B. Job Retention Goals</i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical	4		\$50,000, estimated, annually for portion of Economic Development Staff of the City
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation			\$
<i>*Please use the Occupational Cluster descriptions on the next page to complete this form.</i>			

**A number of new jobs across different industry sectors will be created due to targeted TIF District investment.

INSTRUCTIONS

A. Job Creation Goals. Please list the number, type and wage level of jobs created as a result of the economic development incentive. NOTE: For this form, “full-time” employment means 30 hours or more; “part-time” employment means less than 30 hours. “Wage level” means the average annual wage paid for jobs created within an occupational cluster, e.g. either their annual salary, or their hourly wage times their annual hours. Also, “type” means “occupational cluster” which refers to the 12 categories defined below. Please include the number of your employees (both full-time and part-time) working within the category that most closely reflects their job duties.

B. Job Retention Goals. Please list the number, type and wage level of jobs retained as a result of the economic development incentive. Part B should be completed using same definitions in Part A.

OCCUPATIONAL CLUSTERS

1. EXECUTIVE, PROFESSIONAL & TECHNICAL

Executive, administrative and managerial. Workers in executive, administrative and managerial occupations establish policies, make plans, determine staffing requirements, and direct the activities of businesses and other organizations. Workers in management support occupations, such as accountant and auditor or underwriter, provide technical assistance to managers.

Professional specialty. This group includes engineers; architects and surveyors; computer, mathematical, and operations research occupations; life, physical, and social scientists; lawyers and judges; social, recreational, and religious workers; teachers, librarians, and counselors; health diagnosing, assessment, and treating occupations; and communications, visual arts, and performing arts occupations.

Technicians and related support. This group includes health technologists and technicians, engineering and science technicians, computer programmers, tool programmers, aircraft pilots, air traffic controllers, paralegals, broadcast technicians, and library technicians.

2. ADMINISTRATIVE SUPPORT, INCLUDING CLERICAL

Administrative support, including clerical. Workers in this group prepare and record memos, letters and reports; collect accounts; gather and distribute information; operate office machines; and handle other administrative tasks.

3. SALES AND SERVICE

Marketing and sales. Workers in this group sell goods and services, purchase commodities and property for resale, and stimulate consumer interest.

Service. This group includes a wide range of workers in protective, food and beverage preparation, health, personal, private household, and cleaning and building services.

4. AGRICULTURE, FORESTRY AND FISHING

Agriculture, forestry and fishing. Workers in these occupations cultivate plants, breed and raise animals, and catch fish.

5. MAINTENANCE, CONSTRUCTION, PRODUCTION & TRANSPORTATION

Mechanics, installers, and repairers. Workers in this group adjust, maintain, and repair automobiles, industrial equipment, computers, and many other types of machinery.

Construction trades and extractive. Workers in this group construct, alter, and maintain buildings and other structures or operate drilling and mining equipment.

Production. These workers set up, adjust, operate, and tend machinery and/or use hand tools and hand-held power tools to make goods and assemble products.

Transportation and material moving. Workers in this group operate the equipment used to move people and materials. This group also includes handlers, equipment cleaners, helpers, and laborers who assist skilled workers and perform routine tasks.

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Attachments:

1. October 2000 Mayoral Taskforce Report “Investing in Our Working Waterfront – Final Report of the Mayor’s Waterfront Task force on Economic Development”
2. Waterfront Capital Improvement and Economic Redevelopment Zone (WREZ) as passed June 4, 2001.
3. WREZ as amended December 1, 2008
4. Map of WREZ Geographic Area
5. Map of Waterfront Central Zone
6. Map Showing Site Location of the Five Original TIF Districts
7. Site Map Showing Tax Map Locations and the Five Original TIF Districts (Attachments #7A Through 7E)
8. Map showing Site location of the Original TIF District, Sub-District, and Added TIF Districts of 2018
9. Tax maps showing location of Added TIF Districts of 2018 (Attachments 9A and 9B)
10. Projections and Proposed TIF Revenue for Original TIF District

11. Projections and Proposed TIF Revenue for Sub-District
12. Projections and Proposed TIF Revenue for Added TIF Districts of 2018
13. Tax Shifts Projections for Original TIF District
14. Tax Shifts Projections for Sub-District
15. Tax Shifts Projections for Added TIF Districts of 2018
16. State Statutory Requirements and Thresholds Form
17. Public Hearing Notice
18. Minutes of City Council Meeting
19. Attested Resolution of Portland City Council Amending District
20. Assessor's Certificates for Original District; Sub-District; and Added TIF Properties of 2018.

I. Introduction

The Portland City Council on March 18, 2002, designated five properties as tax increment financing districts (the “Original TIF Districts”) as more specifically described below and adopted the Waterfront Tax Increment Financial Development District Program (the “Original Development Program”). The Original TIF Districts program was designed for the City to capture 100% of the tax increment for specified allowable uses.

On June 7, 2010, the Portland City Council amended approved the Amended and Restated the Original Development Program (“Amended Development Program”), which was approved by the Maine Department of Economic Development and Community Development (“MDECD) on June 28, 2010, as follows:

- Extend the term by twenty (20) years;
- Reduce the number of TIF investment options;
- Authorize the use of Credit Enhancement Agreements within the Waterfront Central Zone; and
- Establish a Sub-District (the “Sub-District”) within the District and to authorize a Credit Enhancement Agreement with the Developer with respect to the Sub-District in furtherance of the Cumberland Cold Storage Project.

On _____, 2018, the Portland City Council further amended the Original TIF Districts to add three properties with the following Chart, Lot, and Block (CBL) numbers (“Added TIF District Properties of 2018”):

- 019-A-014001;
- 031-K-003001; and,
- 031-K-103001.

The three additional properties include two projects under construction as follows:

WEX Headquarters (019-A-014001)

Union Wharf Mixed Use Development (031-K-003001 and 031-K103001)

History:

The history of the City of Portland is inextricably tied to the waterfront. From tourism to shipbuilding to national defense, the waterfront has been a vital part of the social and economic fabric of Portland. Always, Portland has worked to recognize the unique needs of the harbor, to protect its authentic marine heritage and to provide public access. The product of this commitment comes from the work of a Mayoral Taskforce report entitled “Investing in Our Working Waterfront – Final Report of the Mayor’s Waterfront Task Force on Economic Development”, dated October 2000 (herein referred to as the “Task

Force II Report”). An excerpt from its Executive Summary is included here, and the full Report is attached to this application labeled as Attachment #1.

“Portland is a waterfront city. Its harbor is one of the deepest on the East Coast and served as the staging area for the Atlantic Fleet during World War II. Today, it accommodates the largest petroleum trans-shipment operation on the East Coast. The inner harbor is very limited in geography; it is only about two miles in length from Bath Iron Works to Merrill’s Marine Terminal. The wharves that serve the needs of water-dependent businesses are both publicly and privately owned. Over the course of its long history, the Portland waterfront has served as a center of commerce, shipbuilding, cargo and passenger transport, fishing and defense. It has also supported a range of mixed uses, the character of which has changed over time as the City of Portland and its waterfront have evolved.

Portland has a 30-year history of commitment to its working waterfront. The City began planning the future of its waterfront in the early 1970’s, culminating in 1982 with multi-faceted development strategies, including zoning amendments, construction of public facilities, and policies to address berthing and public access. Despite these initiatives, the emergence of the Old Port as a vital retail center and tourist attraction threatened to drive traditional industries from their waterfront locations. A citizen-initiated referendum in 1987 passed by a 2-1 margin, clearly demonstrating the public’s commitment to a working waterfront, and significant limitations were placed on development of the water side of Commercial Street.

Before the development moratorium expired in 1992, the City asked waterfront interests to review the zoning and recommend any changes that might provide more flexibility in renting space, while protecting water-dependent and marine-related uses (The Waterfront Alliance Report, 1992). While some may argue otherwise, the existing zoning structure, based on the 1992 Report, strikes a reasonable balance between preserving the "working waterfront" and allowing property owners necessary flexibility in managing their assets. Since the 1980’s, Portland and the State of Maine have invested significant public dollars in supporting traditional waterfront activities such as ship repair, commercial fishing, and cargo transfer. At the same time, some private property owners have, for a variety of reasons, lacked the revenues to maintain their piers, resulting in a serious infrastructure problem, which threatens the viability of certain piers as elements of the waterfront economy.

Despite investments in publicly owned waterfront facilities, the City has done little to assist private owners of waterfront property, the uses of

which have been limited by public policy, as noted above. This report is the result of a charge issued by then-Mayor Tom Kane to “focus on economic support for the waterfront...and to make the working waterfront work.” It is the second of a three-phase process for defining the City’s vision for its waterfront.”

The Task Force II Report was presented to the City Council and the public, and the Council voted to incorporate it into the Comprehensive Plan on June 4, 2001.

The Task Force II Report identified the unique needs of the waterfront from both an infrastructure and a business development perspective, and several recommendations were made. In order to turn these recommendations into waterfront economic development opportunities, a program to create a funding mechanism through Tax Increment Financing (“TIF”) Districts was put in place.

Since the adoption of Waterfront Task Force II report, the City has systematically conducted area specific planning and re-zoning processes for the three waterfront sub-areas identified in the 1992 Waterfront Alliance Report: Eastern Waterfront, Central Waterfront, and Western Waterfront. These processes have resulted in an updated framework of regulation that reflects the industries, infrastructures, water depths, and ownership patterns on the Portland Waterfront. Current regulations continue to prioritize and protect water dependent uses while allowing reasonable flexibility to promote investment. While new zoning promotes waterfront investment, barriers remain.

Deferred pier maintenance, shifting industry needs, dredging needs, traffic congestion, and parking shortages continue to challenge public and private piers and the industries that depend on them.

II. Development Program

A. Amended Development Program

With the incorporation of the Task Force II Report into the Portland Comprehensive Plan, the City Council formally recognized the unique business development needs of the waterfront. Since a funding mechanism was required to implement the recommendations of the Report, the City began crafting what ultimately became the Waterfront Capital Improvement and Economic Redevelopment Zone (“WREZ”) Ordinance (see [Attachment #2](#) as passed June 4, 2001, and [Attachment #3](#) as amended December 1, 2008.) whereby any property within the WREZ geographic area, delineated on the attached map (see [Attachment #4](#)), that increased in value by an amount greater than \$400,000 over a two-year period would be subject to inclusion in a TIF application.

By adopting the WREZ Ordinance, the City Council recognized that the non-marine commercial development that has occurred in the Old Port and the surrounding area has benefited through the years from the authenticity of the working waterfront. Said another way, Portland’s downtown became a desirable destination for tourists,

retailers, restaurants and high-end office users in part because of the vibrant business of those that depend upon the water for their living. Portland blends a perfect mix of fishing vessels, shipbuilding, chandlery, cargo operations and the like with the lawyers, bankers, dot-com entrepreneurs and tourists. So when a revenue stream was required to maintain and improve the economic vibrancy of the Portland waterfront, the City Council acted in such a way as to nurture this symbiotic relationship by directing the incremental revenues of the new commercial development back to the working waterfront. The result of that action was the adoption of the WREZ Ordinance.

The WREZ Ordinance is intended to be in effect for several years. As such, the designation of the five Original TIF Districts described in the Original Development Program were the first in what the City hopes to be a multiple year program where several additional TIF Districts will be created. The common theme underlying the Original Development Program, this Amended Development Program, and future TIF applications is the implementation of the Task Force II Report findings. As such, the projects described in the Original Development Program and this Amended Development Program are intended to be greater in scope than the five Original TIF Districts could support by themselves. Therefore, the Original Development Program and the three Added TIF District Properties of 2018 (CBLs 019-A-014001, 031-K003001, and 031-K-103001) will serve as the model for future amendments to the Original Development Program, as amended, as properties become eligible through the WREZ Ordinance.

The activities to be funded through the Original Development Program, this Amended Development Program, and the three Added TIF District Properties of 2018 will be specifically determined on an annual basis upon recommendation by the City Manager for action by the City Council. Therefore, the City of Portland seeks authorization to fund all the activities described in this Amended Development Program so that each year the City Council could prioritize which specific activities to fund.

B. The Projects

The projects to be undertaken are derived from the recommendations of the Task Force II Report which are:

1. Encourage private and public waterfront investments;
2. Provide support to maintain a working waterfront;
3. Support clean, working harbor.

Generally, the activities to be undertaken and the approximate cost associated with each activity are described in Table 1 below.

TABLE 1

Note 1: All citations refer to Title 30-A, chapter 206, Section 5225

Project	Statutory Citation	Estimated Cost
<p>In District: Capital Infrastructure Investments, for example: Pier and Wharf Structural Repair Local Match for Ocean Gateway Project Street Improvements (Remedy Traffic Congestion) Pedestrian Circulation and Amenity Improvements Dredging Credit Enhancement Agreements</p> <p>In and out of District: City Economic Development Staff</p> <p>Total Estimate of TIF Revenue Expenditure over 30-year term:</p>	<p>(1)(A) (1)(A) (1)(A) (1)(A) (1)(A)</p>	<p>\$3,200,000 \$1,000,000 \$5,000,000 \$750,000 \$10,000,000 Per Each Individual CEA Project</p> <p>\$50,000 Annually</p> <p>\$20,450,000 – excluding CEA Projects</p>

The City recognizes that the full scope of the needs of the Waterfront Economic Redevelopment Program is beyond the funds anticipated to be generated through the five Original TIF Districts described in the Original Development Program and the three Added TIF District Properties of 2018. Since the Original Development Program, this Amended Development Program, and the three Added TIF District Properties of 2018 will serve as the template for future TIF District applications, however, the City again seeks authorization for the full “menu” of economic development activities described above. This is necessary to maintain flexibility and adaptability as the needs of the waterfront are prioritized throughout the life of this Amended Development Program.

Pier and Wharf Structural Repair

The waterfront infrastructure needs are considerable. The Task Force II Report estimates the need for \$1.4 million in repairs to 14 wharves within three years, with an additional \$1.8 million needed over the next 20 years.

Local Match for Ocean Gateway Project

The voters of the State of Maine approved an allocation of roughly \$15 million for the construction of a marine passenger facility, requiring a local match of nearly \$1 million.

Street Improvements (Remedy Traffic Congestion)

With the development of the Ocean Gateway facility, significant transportation improvements will be required to accommodate the increased traffic on the street network along and around the waterfront, with particular emphasis on Franklin Arterial, Commercial Street and India Street.

Pedestrian Circulation and Amenity Improvements

Invest in pedestrian and multi-modal infrastructure to support the working waterfront and improve public access to the waterfront.

Dredging

This recommendation recognizes the environmental and financial burdens caused by combined sewer overflows and storm water pipes that discharge into the harbor. The cost associated with disposing the contaminated dredge material jumps to more than \$100 per cubic yard vs. as little as \$12 per cubic yard for uncontaminated dredge disposal costs. Placing an additional financial burden on the marine industry, the significant cost of the disposal of the contaminated dredged material allows only a limited ability to recover those costs through increased berthing fees. Since there are public health and ecological benefits associated with removing contaminated sediment, the Report recommends that the City devise a strategy to dispose of contaminated sediments and to subsidize a portion of the costs of the dredging.

Economic Development Staffing

Fund a portion of the cost of City economic development staff involved in supporting waterfront business development activities and administration of the Original Development Program and this Amended Development Program.

Credit Enhancement Agreements

The City Council may approve credit enhancement agreements within the Waterfront Central Zone (as depicted on [Attachment #5](#)) within the remaining term of the Amended Development Program to support important private sector projects in compliance with adopted City TIF Policy and where the City Council determines that the public benefits associated with individual projects meet or exceed the current or net present value of the project's share of the TIF proceeds for activities consistent with State law. City Council approved City TIF Policy limits the Credit Enhancement Agreements to not exceed 65% of the incremental taxes up to a 20-year term.

C. Sub-District Development Program

The twenty (20) year Sub-District Development Program supports the redevelopment of the Cumberland Cold Storage 100,000± square foot building into a Class A office building. A twenty (20) year Credit Enhancement Agreement with the property owner and developer assists with project costs.

D. The Development District Property

The City Council created the WREZ Ordinance (see Attachments #2 and #3) whereby any property within the geographic area, delineated on the attached map (see Attachment #4), that increased in value by an amount greater than \$400,000 over a two-year period would be considered for inclusion in a TIF application subject to the City Council approval.

1. Original Development District Property

Five such properties were given a TIF District designation by the City Council in 2002 as part of the Original Development Program.

MAP	BLOCK	LOT
019	A	008
029	K	001
029	S	001
030	D	001
041	A	005

2. Sub-District Property

Properties 041-A-016 (0.17 acres) and 041-A-17-18 (1.38 acres) are the Sub-District for the purposes of establishing the original assessed value and allocating tax increment pursuant to the Credit Enhancement Agreement with the Developer.

The TIF Districts will apply to only new value generated within the Districts and will not affect the current property tax base.

3. Three Added TIF District Properties of 2018

MAP	BLOCK	LOT
019	A	014001
031	K	003001
031	K	103001

E. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from the five Original TIF Districts, the Sub-District, and the three Added TIF District Properties of 2018 that are created in the WREZ in support of the economic development activities called for in described in this Amended Development Program, and specifically, the activities outlined in Section II-A of this application.

F. Operational Components

1. Public Facilities

See Section IIA of this application.

2. Uses of Private Property

Subject to the approval of the City Council, the City will consider entering into credit enhancement agreements to support private projects located in the Waterfront Central Zone which meet the criteria set forth in this TIF District Program.

3. Plans for relocation of persons displaced by development activities.

No displacement or relocation of persons is associated with this TIF District.

4. Transportation Improvements

See Section IIA of this application.

5. Environmental Controls

The Original Development Program and this Amended Development Program proposes improvements that will comply with all federal, state and local rules and regulations and applicable land use requirements.

6. Plan of Operation

During the life of the five Original Districts, the Sub-District, and the three Added TIF District Properties of 2018, the City of Portland, City Council, or their designee, will be responsible for the administration of the Districts.

III. Original Development Program Physical Description

A. Total acreage of the municipality: 12,386 (taxable acres)

- B. Total acreage of five Original TIF Districts: 3.4 acres
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.03%
- D. Total acreage of all existing and Original TIF Districts in the municipality: 77.6 acres
- E. Percent line D of line A (cannot exceed 5%): 0.63%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.
 - 2. Acreage in need of rehabilitation, redevelopment or conservation N/A. Line F2 divided by line B = _____.
 - 3. Acreage suitable for commercial siting = 3.4. Line F3 divided by line B = 100%.
- G. Enclosed municipal maps:
 - 1. Area map showing site location of the five Original TIF Districts in relation to geographic location of municipality (Attachment #6).
 - 2. Site map showing tax map locations and the five Original TIF Districts (Attachments #7A through 7E).

III-A. Sub-District Physical Description

- A. Total acreage of the municipality: 12,386 (taxable acres)
- B. Total acreage proposed for Sub-District: 1.55
- C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 0.01%
- D. Total acreage of all existing and proposed TIF Districts in the municipality: 189.92
- E. Percent line D of line A (cannot exceed 5%): 1.53%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A. Line F1 divided by line B = _____.

2. Acreage in need of rehabilitation, redevelopment or conservation N/A
 . Line F2 divided by line B = _____.
3. Acreage suitable for commercial siting = ____ . Line F3 divided by line
 B = 100%.

III-B. Added TIF District Properties of 2018 Physical Description

The total acreage of the three Added TIF District Properties of 2018 is 1.675 acres. Exhibit 16 contains financial and statistical information relating to this Amendment required as a prerequisite to designation of the Amended District by the City and approval by MDECD.

Enclosed municipal maps:

1. Area map showing site location of the Sub-District, and the three Added TIF District Properties of 2018, in relation to geographic location of municipality (Attachment #8)
2. Tax maps showing locations of the three Added TIF District Properties of 2018 (Attachment #9).

IV. Original Development Program Financial Plan

A. Costs and Sources of Revenues

The five Original TIF Districts comprise an area of approximately 3.4 acres of taxable real and personal property with an original assessed value of \$6,716,410 as of March 31, 2001. The development within the Original TIF Districts is estimated to add an additional \$26,221,692 of new assessed value to the City over the 30 years.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Original TIF Districts to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #10 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Original TIF Districts. Attachment #10 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Waterfront TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the described Original TIF Districts will add approximately \$26.2 million of new taxable value in the City of Portland over 30 years. TIF revenues will be allocated as described on Attachment #10 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-A. Sub-District Financial Plan

A. Cost and Sources of Revenue

The one TIF Sub-District comprises an area of 1.55 acres of taxable real property with an original assessed value of \$950,900 as of March 31, 2010. The development within the sub-district is estimated to add an additional \$12,000,000 of new assessed value to the City.

This Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Sub-District to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to a credit enhancement agreement with the Developer and the balance of retained revenues to the economic development activities described in this Amended Development Program, with the understanding that the City Council will, on an annual basis,

determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity with its allocable share of retained revenues that is allowable under the Amended Development Program.

Attachment #11 details the projections and TIF revenue allocation schedule based upon the anticipated assessed value increases within the Sub-District. Attachment #11 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

This Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Cumberland Cold Storage TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and a and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under the credit enhancement agreement to be entered into with the Developer.

C. Financing Plan

The developments within the Sub-District will add approximately \$12 million of new taxable value in the City of Portland. TIF revenues will be allocated as described on Attachment #11 to finance the costs of this Amended Development Program and to fund the City’s payment obligations to the Developer pursuant to the credit enhancement agreement to be entered into with the Developer. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

IV-B Added TIF District Properties of 2018 Financial Plan

A. Costs and Sources of Revenues

The three Added TIF District Properties of 2018 comprise an area of approximately 1.675 acres of taxable real property with an original assessed value of \$616,430 as of March 31, 2017. The development within the three Added TIF District Properties of

2018 is estimated to add an additional \$20.7 Million of new assessed value to the City over the remainder of the term through June 30, 2032.

The Original Development Program and this Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the Original TIF Districts to be captured and designated as TIF Revenues. The City will apply the portion of retained revenues to the economic development activities described in the Amended Development Program, with the understanding that the City Council will, on an annual basis, determine which specific projects to undertake that have been outlined in the Amended Development Program.

The City of Portland reserves the right to amend this Financial Plan, subject to DECD approval, to undertake a different activity that is allowable under the Amended Development Program.

Attachment #12 details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the three Added TIF District Properties of 2018. Attachment #12 is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

The Original Development Program and this Amended Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Waterfront TIF Development Program Account is established consisting of a project cost account (“Project Cost Account”) pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of a City Cost Subaccount (the “City Cost Subaccount”) pledged to, and charged with, payment to the City for the cost of approved economic development expenses and Developer Cost Subaccount (the “Developer Cost Subaccount”) pledged to, and charged with, payment by the City under any credit enhancement agreement.

C. Financing Plan

The developments within the three Added TIF District Properties of 2018 will add approximately \$20.7 Million of new taxable value in the City of Portland over the remainder of the term through June 30, 2032. TIF revenues will be allocated as described on Attachment #12 to finance the costs of this Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained and the actual annual assessed value within the Districts.

V. Original TIF Districts Financial Data

- A. Total 2001 value of equalized property in the municipality: \$3,873,900,000.
- B. Original assessed value of all properties in all existing and proposed Original TIF districts:

Existing	\$20,961,460
Proposed	\$6,716,410
Total	\$27,677,870

Line B divided by line A = 0.71% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the Original Development Program: See Attachment #10
- D. Percentage of increased assessed value to be applied to the Original Development Program fund: See Attachment #10
- E. Estimated annual tax increment: \$400,113 (Average)
- F. Total average annual value of development program fund: \$400,113 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City’s full faith and credit. The City’s participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.
- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #13.

V-A. Sub-District Financial Data

- A. Total 2010 value of property in the municipality: \$8,196,900,000.
- B. Original assessed value of all properties in all existing TIF Districts and proposed sub-district:

Existing	\$305,455,220
<u>Proposed</u>	<u>\$950,900</u>
Total	\$306,406,120

Line B divided by line A = 3.73% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the development program: See Attachment #11
- D. Percentage of increased assessed value to be applied to the development program fund: See Attachment #11
- E. Estimated annual tax increment: \$143,503 (Average)
- F. Total average annual value of development program fund: \$143,503 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: The City of Portland seeks to implement its own Waterfront Economic Redevelopment Program and to fund its payment obligations to the Developer under the credit enhancement agreement with the Developer and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.
- I. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #14.

V-B. Added TIF District Properties of 2018 Financial Data

- A. Total 2018 value of taxable property in the municipality: \$9,049,500,000.
- B. Original assessed value of all properties in all existing and proposed Amended TIF districts:

Existing	\$1,106,422,670
Proposed	<u>\$616,430</u>
Sub-Total	\$1,107,059,100
Less Exempt	<u>-\$973,107,320</u>
Total	\$133,951,780

Line B divided by line A = 1.48% (cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the three Added TIF District Properties of 2018: See Attachment #12.
- D. Percentage of increased assessed value to be applied to the three Added TIF District Properties of 2018 Development Program fund: See Attachment #12
- E. Estimated annual tax increment: \$491,204 (Average)

- F. Total average annual value of development program fund: \$491,204 (Average)
- G. Annual principal and interest payment of bonded indebtedness: N/A
- H. Financial assumptions and safeguards: Under the Original Development Program, the City of Portland only sought to implement its own Waterfront Economic Redevelopment Program and is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit. The City's participation in this development program is voluntary and notwithstanding any approvals from the appropriate state entity, can revoke its desire to implement the plan.
- II. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #15.

VI. Original Development Program Tax Shifts (See Attachment #13)

A. *Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$137,700

Municipal Revenue Sharing Tax Shift: \$17,004

County Tax Shift: \$7,855

Total Average Annual Savings: \$162,560

VI-A Sub-District Tax Shifts (See Attachment #14)

General Purpose Aid to Education Tax Shift: \$49,822

Municipal Revenue Sharing Tax Shift: \$6,183

County Tax Shift: \$2,856

Total Average Annual Savings: \$58,860

VI-B. Added TIF District Properties of 2018 Tax Shifts (See Attachment #15)

A. *Average Annual Amount:*

General Purpose Aid to Education Tax Shift: \$122,721

Municipal Revenue Sharing Tax Shift: \$11,772

County Tax Shift: \$10,522

Total Average Annual Savings: \$145,015

VII. Amended Development Program Municipal Approvals

A. Public Hearing Notice

The City of Portland did give proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5226. The notice was published on _____ in a newspaper of general circulation (see Attachment #15).

B. Public Hearing

A Public Hearing at which the proposed Amended Development Program for adoption was held on _____, 2018 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment #16-A.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program is included as Attachment #17-A.

Investing in Our Working Waterfront

Final Report of the Mayor's Waterfront Task Force on Economic Development

October, 2000: Final Report

Task Force Members:

Councilor Karen Geraghty, Chair
Portland Harbor Commissioner Erno Bonebakker
Councilor James Cloutier
P.D. Merrill
Paul Peck
Charlie Poole
Anne Pringle
Senator Anne M. Rand
Representative G. Steven Rowe
Representative Michael Saxl
Elizabeth Sheehan

*Prepared by the Greater Portland Council of Governments
Staffed by GPCOG and the City of Portland*

Investing in Our Working Waterfront

Final Report of the Mayor's Waterfront Task Force on Economic Development

Produced by

Greater Portland Council of Governments

Karen Martin, Economic Development Director

Annie Wadleigh, Support Services

David Willauer, Transportation Director

public policy, as noted above. This report is the result of a charge issued by then-Mayor Tom Kane to "focus on economic support for the waterfront...and to make the working waterfront work." It is the second of a three-phase process for defining the City's vision for its waterfront.

The Task Force presents its work to the City Council and to the public in the hope that the recommendations outlined herein will strengthen and further extend Portland's proud heritage as a waterfront city.

Background

The Waterfront I report specified certain guiding principles for the redevelopment of the eastern waterfront area, including, in particular, the current site of the Bath Iron Works Ship Repair Facility, the Maine State Pier.

Since the submission of that report, BIW has indicated its consent to the basic provisions that the Maine State Pier would revert to public ownership. Approximately half of the funding for the redevelopment plan adopted by the Waterfront I Task Force was approved by the Legislature and voters during 1999. It is anticipated that additional funds will be sought through federal and State sources in the coming year.

The Waterfront I Task Force expressly reserved for future consideration three important general areas:

- 1.) **The Development Plan.** This plan will address the development of site plans, building purposes and specifications for the BIW site as a Transportation Center and Gateway. The plan will also address the uses of adjoining public lands and rights-of-way as well as the development of nearby private properties. Waterfront I referred to the plan to be created by an appropriate public process as the **Development Plan** of the waterfront. The process to create this plan will be take place in **Waterfront III**.
- 2.) **The Economic Plan.** An additional need acknowledged in the **Waterfront I** report was to develop practical short-term and intermediate-term means to assist in the promotion of the economic health of the private sector as it operated primarily in the inner harbor. An additional responsibility was to understand and find ways to implement practical means to assist our fishing industry. The charge for this committee – the **Waterfront II Task Force** -- was, in the words of Mayors Kane and Mavodones, "action, action, action."

- 3.) **The Master Plan.** A **Master Plan** for the entire Portland Waterfront, focused primarily on the Harbor, but including the distance from Stroudwater to the Presumpscot River, as well as the Island shores, would project long-term changes, inventory assets and under-utilized facilities and capabilities along the Waterfront. It would identify needs and opportunities for future uses and development, and outline funding and economic strategies for maintaining our maritime and marine industrial economy, while introducing opportunities for recreation, public access and appropriate other complementary uses.

Master planning for this purpose will be a central mission of **Waterfront III** and is contemplated in the current City budget. The uses and purposes set out in the **Development Plan** will necessarily depend on adjoining and nearby compatible uses and facilities.

The Mayor's Waterfront Task Force (Waterfront II) was appointed in the Summer of 1999 as a follow-on to the work of the original Waterfront Task Force (Waterfront I), which submitted its report to the Council and community in January, 1999.

Research and Findings of Waterfront II

As a group charged with narrow and specific tasks associated with focused economic planning, the Task Force has consciously sought to fully involve identified segments of the harbor economic community, focusing most directly on business owners, pier owners/operators and fishing vessel owners/operators. Involvement in the process included deliberation and discussion with affected persons and structured information gathered within the affected community. This report documents the public process, the research finding, guiding principles and goals for the waterfront and, finally, recommendations.

Information Sources: The Task Force is broadly based within the harbor community, and through its membership has created direct links to organizations that have grappled with many of the salient issues for years. The participation of waterfront officials and the ready availability of information supplemented knowledge gleaned from economic development authorities – both public and private. The Task Force used business surveys, interviews and forums to obtain direct information from the participants in the current economy. Three surveys were administered as part of the Waterfront II process. One survey focused on the waterfront property owners. A second survey included all businesses located on the water-side of the waterfront. A third survey was directed at fishing vessel owners and operators. In particular, the Task Force sought to understand operating issues, difficulties in capital flows, and other business needs. Some of these clearly implicated public policy in some way, or suggested structural economic barriers that could benefit from a public policy solution.

The research also revealed that information is an occasionally scarce resource in the waterfront economic community. Most glaring was the lack of information implicit in an often stated need or desire for precisely the same economic or technical assistance that is now routinely available through the Resource Hub, the Department of Economic Development and the Downtown Portland Corporation.

Other research completed as part of this report included a rough physical assessment of wharves and piers developed from a water-side inspection of the entire inner harbor. The assessment, conducted by a marine engineer, resulted in an inventory of the apparent conditions of all the piers. In the preliminary engineering assessment performed by TEC Associates, 14 wharves were examined for short-term and long-term maintenance and repairs. In the short term, four of the 14 wharves were in good condition and would probably require no repairs over the next three years. Six of the wharves required repairs and maintenance that was estimated to cost between \$15,000 and \$100,000. The remaining four wharves required short-term investments in repair and maintenance estimated at more than \$100,000. Two of these wharves needed maintenance and repairs estimated at nearly \$500,000 over the next three years. The assessment indicated a total need of approximately \$1.4 million in repairs over the next three years.

The Task Force also included a review of the many waterfront-related studies and task force reports over the past 20 years, made good use of technical and financial expertise of City officials in the Assessment and Finance Offices, and had the benefit of the expertise of City, regional (Greater Portland Council of Governments), and nonprofit economic development professionals. In the Appendices of the full report, we included a copy of the overview of previous studies, summaries of public meetings, our survey response compilations and copies of our meeting minutes.

Economic Findings: In summary, the Task Force concluded that the private piers suffer from a limited return on capital in relation to the most critical resource and marine heritage related uses -- the water-dependent, or so-called "working waterfront" uses. The piers are in various states of repair or disrepair, and suffer to a greater or lesser degree from obsolescence and disinvestment. Infrastructure for the piers, such as modern sewerage, electrical service or structural support, is expensive, requires permitting or environmental reviews, and, as with the piers and buildings themselves, is subject to rapid degradation from natural elements.

In a preliminary engineering assessment performed by TEC Associates, 14 wharves were examined for short-term and long-term maintenance and repairs. In the short term, four of the 14 wharves were in good condition and would probably require no repairs over the next three years. Six of the wharves required repairs and maintenance that was estimated to cost between \$15,000 and \$100,000. The remaining four wharves required short-term investments in repair and maintenance estimated at more than \$100,000. Two of these wharves needed maintenance and repairs estimated at nearly \$500,000 over the next three years. The assessment indicated a total need of approximately \$1.4 million in repairs over the next three years.

Over the next 10 years, an additional estimated \$1.8 million in investment is needed in repairs and maintenance for the 14 wharves included in the inventory. It should be noted that these estimates are for repairs and maintenance. The estimates do not include costs for any improvements or additions to the wharves. They do not take into consideration needed machinery or other types of marine-related infrastructure that may be needed to support marine-related industries.

Private Piers Dredging: Alongside the piers, the complexities of dredging, and most particularly, the expense and difficulty of obtaining permits and approval for means of dredged material disposal, has resulted in an ongoing decrease in water depths. Dredging has been a long-term problem. Hopes that the pier dredging could be addressed when the Federal Channel was dredged were dashed upon the shoals of the environmental permitting process. The private pier owners identified the soil contamination caused by combined sewer overflows (CSO's) and stormwater runoff as a major cost in environmental permitting for dredging. This contamination is beyond the control of the property owner and, therefore, the public shares some responsibility for the permitting and dredge disposal designation problems. The City's Waterfront Department is exploring State and federal participation in addressing this problem. Contamination caused by CSO's and stormwater runoff is a significant future economic roadblock, and one appropriate for public participation in a solution.

Parking Issues: Traffic and parking has been repeatedly and currently identified as a burden on conducting business on the piers, and it is certainly one likely to increase in scope and severity as the eastern waterfront is redeveloped and the current islander parking area is converted to other uses. The need to accommodate on-site parking, even at the reduced levels specified for the waterfront in our zoning ordinances, contributes to the low equity return on piers by consuming, perhaps unnecessarily, large and valuable areas at the water's edge.

The Fishing Industry: The most dire predictions about the fishing industry have not come true. Nevertheless, the fleet of the Port of Portland may never recover to the degree that it will operate again in the range of its historic highs. The industry faces competition from other ports in attracting the fewest participants in the fishing industry. Research revealed a willingness by private lenders to participate in the capitalization of this industry, and there is clearly a public role in assuring a steady and economical flow of capital on a consistent and long-term basis. An important strategy for the long-term health of the port is investing in infrastructure that supports waterfront businesses. Examples of infrastructure investment could include the development of fish freezing capability on the Portland waterfront, the exploration of aquaculture enterprise, the addition of more berthing space and the rehabilitation of area clam beds.

Fiscal Analysis: The intention of the Task Force has been to develop a long-term means of addressing persistent infrastructure and business development problems. Avoiding duplication of already existing programs or administrative capabilities and minimizing, if not eliminating, impact on the City budget are additional important considerations.

The proposals have a low impact on the City budget and depend on revenues from anticipated growth as the primary means for financing the public share of lending and capital projects. As capital projects come on-line with associated revenues, and as loan funds are repaid and re-loaned, we hope that the economic impacts will combine with fund repayment cash flows and operational revenues (such as from the fish freezer or parking garages) to create a positive impact on the city budget.

Recommendations: The Task Force recommends the following actions to address the economic development needs of the Portland waterfront:

- ◆ Encourage private and public sector waterfront investments through lending programs and a capital improvements program.
- ◆ Create a waterfront-centered economic development outreach program to ensure that waterfront businesses have access to needed programs and services.
- ◆ Support the current use taxation referendum to provide property tax relief to waterfront property owners.
- ◆ Support clean, working harbors through addressing the negative effects of combined sewer overflows (CSO's) and stormwater runoff on the waterfront economy. In particular, explore ways to share the expense of dredging caused by contaminants resulting from CSO's and stormwater runoff.

I. Task Force Origin and Statement of Purpose

Task Force Origin

The Mayor's Waterfront Task Force was convened by Mayor Thomas Kane in June, 1998. Three phases were identified:

Phase I The Task Force would engage in fact-finding and solicit public comment on recommendations for use of the property currently leased by BIW, and city-owned property immediately adjacent to the BIW-leased property, on the eastern end of the Portland waterfront (essentially waterfront and upland area east of Franklin Street).

Phase II The Task Force would analyze additional data and make recommendations based on the economic development needs of the working waterfront.

Phase III The Task Force will undertake the production of a Master Plan for the entire waterfront.

Phase I work began in June, 1998 and ended in February, 1999 with the distribution of the Phase I report. The Phase II project began in May 1999 and will be completed in September of 2000 after a series of public meetings to review the recommendations contained in this report.

The focus of Phase II was to determine how to identify resources to ensure future economic development for the Port of Portland. The Phase II Task Force developed the following Statement of Purpose toward this end:

Statement of Purpose

Private property owners and businesses on the Portland Waterfront face economic challenges because of the need to make large capital investment in infrastructure. The Waterfront Task Force will review infrastructure along the waterfront to identify infrastructure challenges that may adversely affect the economy of the waterfront and to identify possible solutions that address those challenges.



II. Methodology

Overview

The purpose of Phase II of the Waterfront Task Force was to review infrastructure along the waterfront in order to identify infrastructure challenges that may adversely affect the economy of the waterfront. In order to assess infrastructure challenges, the Task Force employed several methods of collecting information.



The first and most important part of the information collection process was the development of an open and ongoing discussion with business owners, property owners and interested parties on the Portland waterfront. This chapter documents the methods used to solicit input from the various waterfront stakeholders on the needs and the potential of Portland's working waterfront.

The Task Force also developed technical approaches to assessing the needs and condition of the waterfront. These technical assessments included:

- a) an engineer's preliminary inventory and structural assessment of private piers and wharves;
- b) the development of three surveys to solicit information from property owners, businesses and owners of fishing vessels using the Portland Harbor; and
- c) an assessment of the City of Portland's financial loan programs available to businesses.

In addition to the new information developed by The Task Force, members reviewed existing assessments of waterfront infrastructure needs. A list of all previous waterfront plans and initiatives was developed and is included in Appendix F.

Public Participation

Citizens, businesses, property owners and other interested parties were invited into the Task Force process in a variety of ways. First, the Task Force meetings were open to the public and participation in the meetings was encouraged. Meetings were generally held on the third Wednesday of the month at 4:00 p.m. in Room 209 at Portland City Hall. Meeting notices and materials were distributed to any interested party. Attendance at the meetings generally included five to 10 non-committee members. Attendance at each meeting is documented in Appendix A of this report.

The Task Force also held a special luncheon meeting for pier and wharf owners. This meeting took place at DiMillo's Restaurant on January 13, 2000. Seventeen property owners attended the meeting. A full meeting summary is included in Appendix B.

The Task Force also devoted time at meetings to learn about the special demands and expenses of marine-related infrastructure. Marine construction must accommodate tremendous and dynamic energy loads in a highly corrosive and fragile environment. To better understand marine construction, the Task Force agenda included a presentation by

the Maguire Group Inc. This team of architects, engineers and planners explained to the Task Force and the public just how costly marine construction can be.

The Task Force made time on its agenda for emerging Maine State Legislative initiatives that could affect working waterfronts. By providing time at the meetings, the Task Force assisted in distributing important and late-breaking information to waterfront stakeholders.

Lastly, the public and waterfront constituents needed the opportunity to learn and discuss Task Force findings and recommendations. Four public meetings were held to present the report developed by this Task Force, including three boat tours. During the boat tours, the citizens were able to view the infrastructure of the waterfront for themselves. Summaries of these meetings are contained in Appendix H.

As we enter the action phase, we also suggest a full opportunity for public discussion on a large scale. Hopefully, public forums can be organized throughout the city where the history and philosophy of zoning, what we know of current issues, opportunities and needs and recommended actions and courses of action can be reviewed.

Technical Studies

Three inventories/assessments were developed specifically for the Task Force's use. First, a preliminary inventory and survey of private wharves and piers in the Portland Harbor was conducted by Wayne W. Duffett, P.E. of TEC Associates, in December of 1999. The work was developed by a visual inspection from a small boat. While the observations and estimates made in the report are cursory in nature and are not intended to guarantee the condition, safety, or capacity of the structures, they did give the Task Force some basic idea of the magnitude of the investment needed in private piers and wharves on the Portland waterfront.

Second, a series of survey instruments were developed to ascertain the needs of the various stakeholders for infrastructure improvements. The first target of the surveys were the property owners. This survey was mailed to every owner of waterfront property who was engaged in marine-related activities. This survey concentrated on the specifics of the improvements needed on the owners' properties.

The second survey was targeted to business owners along the waterfront – regardless of whether they were property owners. The survey identified 232 businesses that were physically located on the waterfront, most of them on the water-side. This inventory is included in Appendix E. The business list was developed by walking along each of the working piers and wharves and documenting businesses. The survey was mailed out to all of the 232 businesses, without regard to their *need* to be located on the waterfront. The survey requested, however, that each respondent indicate the percentage of their business that was *related to* waterfront activity. Of the 232 surveys mailed out, 30% were returned. Of the surveys that were returned, 80% of the respondents indicated that their business was dependent on waterfront activities. When examining the surveys by the products of each business, we found that 22% of the surveys were water-dependent,

43% of the survey respondents were marine-related, 12% identified their business as minimally related to marine activities, and an additional 22% were located on the waterfront but had no relationship to marine activities.

The third survey was targeted toward fishing vessels using the Portland Harbor. Just over 40 surveys were mailed out. Eighteen surveys were returned, representing 30 boats and approximately 125 employees. All of the respondents stated that their product line included groundfish. The majority of the boats were equipped for multi-species harvesting.

All three survey instruments and the results are included in Appendix D.

The last element to the information puzzle for the Task Force was an inventory of City of Portland loan programs and financial services that are available to Portland businesses. This inventory is available in Appendix C.

Waterfront Task Force Meeting Highlights

September 7, 1999

- The particular focus of the current Waterfront Task Force was determined to be how to generate funds for private pier owners and how to garner appropriate resources to ensure future economic development.
- The City of Portland Department of Transportation's "Strategic Action Plan" includes reinvestment in privately owned piers in its guiding principles.
- Doing comparison studies with other ports similar to Portland will generate ideas on an economic plan.
- The Task Force decided to review the City's Comprehensive Plan, clarify the zoning policy, create a current inventory of waterfront business and conduct a survey of needs, develop an action plan and make recommendations to the City Council.

October 20, 1999

- Joe Gray, from the Portland Planning Department, presented an overview of waterfront zoning ordinances and the three major waterfront zones: The Port Development Zone, the Special Use Zone and the Waterfront Central Zone.
- The Task Force reviewed the proposed Statement of Purpose and Three-Step Process to develop a scan of waterfront businesses, conduct a survey of infrastructure problems and review economic development models.
- Three Subcommittees were formed to assist in this process: The Business Survey Subcommittee, the Infrastructure/Property Owner Survey Subcommittee and the Economic Development Subcommittee.

November 17, 1999

- Lee Urban gave a presentation on the Downtown Portland Corporation Model, including five loan programs that may be relevant to waterfront needs.

- The Business and Infrastructure Survey Subcommittees reviewed survey tools and timelines. The Economic Development Subcommittee reviewed various funding ideas.

December, 1999

- Victor Calabretta, from the Maguire Group, gave a presentation on the various types, impacts, costs and special considerations related to marine construction.
- Wayne Duffet, from TEC Associates, reviewed a quick Physical Survey and Report of Waterfront Infrastructure he conducted by boat for PDOT. The report did not address dredging or building infrastructure. Many piers are better-off than their appearance would suggest.
- The Task Force planned a Property Owners Luncheon at which waterfront property owners would be invited to gather and discuss their infrastructure needs.

January, 2000

- The Task Force reviewed the Property Owners Luncheon at which various issues, including dredging, property taxes, parking and economic development were discussed. Questionnaires were also filled out at the meeting.
- The importance of the dredging issue was discussed and various recommendations and options were explored.
- Elizabeth Sheehan distributed a one-page sheet profiling existing economic development finance programs in the area.
- The Task Force reviewed draft copies of the Business Survey and the Waterfront Business Inventory list.

February, 2000

- The Task Force decided to offer conceptual support to the City's Legislative Committee to the effect that L.D. 2422, the Commercial Fishing Initiative is acceptable and should be advanced.
- Karen Martin gave an update on the surveys. Almost half of the Property Owner Questionnaires were returned. Main themes included loan fund needs, the importance of retaining marine-related uses on the waterfront, lack of economic returns on investment, infrastructure concerns and the need for increased flexibility for property owners due to changing waterfront interests.
- The Task Force requested that a Fishing Vessel Survey tool be developed and sent out in order to get feedback from boat owners.

March 15, 2000

- It was reported that L.D. 2422, the Commercial Fishing Initiative, was passed by the Maine Legislature and would go to public referendum in November, 2000.
- Outreach suggestions for the Resource Hub included giving talks to various waterfront organizations
- Discussion took place regarding the "Business Survey Result Summary" and the following conclusions were drawn: space constraints on the waterfront are a major issue; banks and other lenders are often uneducated about marine-related businesses;

there is a lack of available financing for large loans; industry perspectives often vary from public perceptions.

- A review of the “Port of Port Chronology” demonstrated ongoing attention given to waterfront issues, particularly waterfront zoning and investment in infrastructure.
- It was noted that dredging is largely beyond the scope of the Task Force.
- Jeff Monroe presented draft copies of a “Master Dredging Plan/EIR/Local Share” legislative initiative.

April 26, 2000

- Elizabeth Sheehan distributed copies of the Economic Development Subcommittee Report and reviewed the four main sections: Guiding Principles, Goals, Suggested Actions and Waterfront Fund Recommendations. The first priority should be in infrastructure investment with funding at below the market interest rates. The Subcommittee agreed to revise the report according to comments from the Task Force.
- The Task Force discussed various funding strategies.
- Karen Martin distributed copies of the Fishing Vessel Survey Summary.

May 24, 2000

- The Draft Final Report, prepared by GPCOG was reviewed by the Task Force.

September 20, 2000

- The Task Force held one final meeting to review the public outreach component and finalize details of the Final Report.

III. Guiding Principles and Goals



Before developing various strategies and recommendations, the Task Force proposed and agreed upon some basic guiding principles and goals regarding the waterfront.

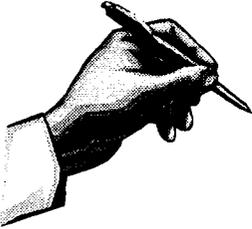
Guiding Principles

- ◆ The Portland waterfront is a limited natural resource and the City has established and should continue a policy of preserving access for both traditional and emerging water-dependent uses.
- ◆ While the Portland waterfront serves a number of functions (job center, industry center, property tax base, transportation center, retail center, gateway, home, marine ecosystem, etc.), its primary role, recognizing its unique geography, is as an economic center for water-dependent businesses which cannot exist elsewhere.
- ◆ Stable pier infrastructure is an essential element for successful water-dependent businesses.
- ◆ Easy access to land-based transportation is essential for successful water-dependent businesses.
- ◆ The array of marine-related industries on the waterfront represents a critical mass of interdependent uses and services that, in total, provide a necessary base for continued viability of water-dependent uses.
- ◆ Mixed uses, including existing tenants and, potentially, new development, present important opportunities to generate revenue streams that support infrastructure dedicated to water-dependent uses.

Goals

- ◆ To continue the policy priority of supporting water-dependent and marine-related businesses.
- ◆ Assist in maintaining the physical infrastructure of the waterfront.
- ◆ Utilize existing program and funding resources to cover gaps not being met by private financing sources.
- ◆ Address overarching needs that affect both waterfront businesses and other businesses in the Old Port area, especially regarding traffic congestion and parking.

IV. Research and Findings



This chapter presents highlights of the findings of the Task Force, based on its technical studies and public participation process. The important elements from the various assessment tools include the following:

- ◆ Assessment of the current conditions of the Waterfront infrastructure.
- ◆ Identification of the types of infrastructure needed or desired by owners and users of the waterfront.
- ◆ Identifications of barriers to investing in the waterfront.
- ◆ Identification of potential tools for improving the waterfront for business.

Current Conditions of the Infrastructure

In the preliminary engineering assessment performed by TEC Associates, 14 wharves were examined for short-term and long-term maintenance and repairs. In the short term, four of the 14 wharves were in good condition and would probably require no repairs over the next three years. Six of the wharves required repairs and maintenance that was estimated to cost between \$15,000 and \$100,000. The remaining four wharves required short-term investments in repair and maintenance estimated at more than \$100,000. Two of these wharves needed maintenance and repairs estimated at nearly \$500,000 over the next three years. The assessment indicated a total need of approximately \$1.4 million in repairs over the next three years.

Over the next 10 years, an additional estimated \$1.8 million in investment is needed in repairs and maintenance for the 14 wharves included in the inventory. It should be noted that these estimates are for repairs and maintenance. The estimates do not include costs for any improvements or additions to the wharves. They do not take into consideration needed machinery or other types of marine-related infrastructure that may be needed to support marine-related industries.

According to the property owners' survey, five of the nine respondents indicated that they had infrastructure financing needs of between \$100,000 and \$500,000. If the financing needs of all the property owners are totaled, the total sum of the investment needed amounts to approximately \$1.6 million. This figure is remarkably similar to the \$1.4 million identified as the actual costs of repairs needed in the short-term structural assessment.

Types of Infrastructure Investments

Fish harvesters, businesses and property owners were all asked about the type of infrastructure investments needed on the Portland waterfront. In addition, the TEC Associates' inventory suggested needed repairs, by wharf.

Based on surveys from 18 fish harvesters, several different types of infrastructure needs were identified. Some harvesters pointed out that some of the private wharves needed dredging and repairs. Fish harvesters also listed the need for more reasonably priced dock space; a building to work on fishing gear; more parking; and better traffic movement on Commercial Street. The need for more dockage was the most frequently cited response.

Based on the survey of property owners, their number one infrastructure need is for dredging. Six of the nine respondents stated that they needed to dredge. Four of these property owners indicated that the cost of dredging would average approximately \$100,000. Two of the six owners did not provide cost estimates. Other common infrastructure needs were for basic wharf maintenance such as pilings, bulkheads, and decking. Two of the owners listed road work as a need. One of the owners cited the need for parking infrastructure.

Based on the survey of businesses on the waterfront, infrastructure needs include: parking; transportation improvements on Commercial Street; the addition of the I-295 Connector; more restrooms; building renovations; more affordable, light-industrial space; dredging; more Internet connections; and more general development. The most frequently cited response focused on parking.

Barriers to Investment

Property owners identified a few key barriers to reinvesting in the waterfront infrastructure. At the property owners meeting, the expense of dredging was expressed by wharf owners as a key barrier. The owners indicated that contaminated storm water runoff from city streets and sewers was one of the major contributors to the cost of dredging and, therefore felt the City should participate in those costs.

The tax structure was another barrier listed by the property owners. Basic repairs are made; however, real growth in infrastructure capacity does not happen because of the fear of increased taxes. Some property owners are concerned about their ability to construct and fill new buildings, given the first-floor use restrictions. With the first floor restricted to marine uses, owners worry that marine uses really can't pay market rates and survive. The owners need market rates to pay for the new investments. Some owners were also concerned about the ability to fill first floors with marine businesses. The owners wondered if enough new marine businesses are being generated to keep up with the available space. Problems with building vacancy rates were indicated by two of the nine wharf owners who participated in the survey. An additional four owners indicated that the marine infrastructure is underutilized, due to the need for basic repairs and maintenance.

Through the business owner survey, we learned that over half of the respondents felt that their space would be inadequate for their needs over the next three years. If property owners are reluctant to make investments, there is the possibility that those businesses that don't have to be on the waterfront may abandon their current facilities in search of additional space. Without new investment in the waterfront infrastructure, some

waterfront businesses may move away to suit their growth needs, even though these strong, growing companies are the ones that are needed to subsidize the investment in waterside infrastructure.

Some owners also indicated that the City lacks a clear vision of the future of the waterfront. Without a future spelled out, owners may be reluctant to make significant investments.

When we add in the fishing vessel surveys, we add another layer of complexity to the barriers to waterfront investment. Fishing is an industry that, on the surface, looks bleak, yet recent landings at the Portland Fish Exchange are up significantly. The respondents in the fishing vessel survey indicated that despite the hardships, they are continuing to invest in the industry.

Given the ever-changing combination of restrictions to days at sea, types of gear, and areas to fish, harvesters have an extremely difficult time in developing business plans. Yet the very nature of the industry demands constant investment in gear, rigging and other marine-related investments. Four of the six respondents who indicated that they needed financing for their fishing businesses stated that they have had problems with banks that don't understand the nature of their industry.

The fishing fleet also needs reasonably priced waterside infrastructure on the piers and wharves. They need berthing space, office space and gear storage space. All of which they need at the low end of the market rate.

Lastly, existing public sector financing programs present barriers to waterfront investments. Most of the public-sector lending programs are for loans of under \$100,000. The surveys illustrate that waterfront infrastructure is extremely costly and exceeds the parameters of many existing lending programs.

Potential Tools to Encourage Investment

A basic characterization of the barriers to waterfront infrastructure investment is that there is a gap between the costs of improvements and the return on the investments from these improvements. There are only a few ways to bring investments and return on investments in line: reduce the tax burden, reduce the cost of financing, or increase the potential for return on investment.

The survey instruments provided feedback regarding the need for various types of financing and business services. The following exhibits show several characteristics of the waterfront businesses, including: future plans, types of financing needs, problems with financing, and amount of financing needed. The table breaks out the business responses by water-dependent, marine-related, no relationship, and those that have a slight relationship to the waterfront.

Exhibit 1 shows results from the survey of all waterfront businesses. The exhibit indicates that nearly half of all businesses on the waterfront are planning to add new employees and invest in new equipment. These trends are true for water-dependent businesses as well as non-water-dependent uses. Another large percentage of businesses are looking to either renovate or expand their space.

Exhibit 1: Business Plans and Financial Needs

Plans	Water Dependent	Marine Related	No Relationship	< 10 % Marine Related	Total Responses	% of All Respondents Saying Yes
Renovate Space	5	6	1	1	13	21%
Expand Space	2	9	4	2	17	27%
Expand Market Area	4	10	2	4	20	32%
Move Off Waterfront	1	1	1	0	3	5%
Reduce Employees	0	1	0	0	1	2%
Change Product Mix	1	5	3	1	10	16%
Invest in Equipment	6	10	5	6	27	43%
Relocate on Waterfront	1	3	1	0	5	8%
Add Employees	6	13	7	5	31	49%
No Changes	3	6	5	2	16	25%
Total Respondents	13	29	13	8	63	

Exhibit 2 shows the financing needs of businesses along the waterfront and of the fishing vessels. More than half of the 67 business respondents stated that they would be interested in a public sector loan program. For water-dependent businesses, 67% indicated that they would be interested in financing programs. Of the 67 businesses, 27% indicated that they needed the financing programs for working capital. Of those businesses that stated that they needed financing, 18 of the 35 businesses wanted financing for working capital. A significant portion of the businesses also said that they needed financing for machinery and equipment.

Exhibit 2: Financing Needs of Waterfront Businesses

Financing Needs of Waterfront Businesses	Water Dependent	Marine Related	No Relationship	< 10% Marine Related	Total Responses	% of All Responses
Pier/Wharf Improvements	0	0	0	0	0	6%
Building	2	2	0	1	5	7%
Technical Assistance	1	1	0	0	2	3%
Machinery and Equipment	4	3	0	2	9	13%
Legal & Accounting	1	0	0	0	1	2%
Working Capital	2	7	5	4	18	27%
Total Responding that they had needs	10	13	5	7	35	52%
Total Respondents	15	29	15	8	67	100%

When fishing vessel owners were surveyed, 61% of the respondents indicated that they had financing needs. Unlike the respondents in the land side businesses, fishing vessel owners wanted financing for pier and wharf improvements. After pier and wharf improvements, owners needed financing for machinery and equipment and working capital. Exhibit 3 displays the financing needs of fishing vessels responding to the survey.

Exhibit 3: Financing Needs of Fishing Vessels

Financing Needs	Fishing Vessels
Pier/Wharf Improvements	5
Building	1
Technical Assistance	1
Machinery and Equipment	4
Legal & Accounting	1
Working Capital	4
Total Responding that they had needs	11
Total Respondents	18

Exhibit 4 shows the amount of financing needed for business owners, property owners and fishing vessels. The land-side business owners had financing needs at a variety of levels. Ten of the businesses needed financing in excess of \$100,000. Eleven of the businesses needed financing of \$50,000 or less. Fishing vessel owners and property owners generally needed larger amounts of financing. Five of the six property owners needed financing in excess of \$100,000. The larger amounts of financing needed by the fishing vessels and the property owners is consistent with their desires to invest in pier and wharf improvements.

**Exhibit 4: Amount of Financing Needed Compared: Land Side
Businesses, Fishing Vessels and Property Owners**

Amount of Financing Needed	Business Owners	Fishing Vessels	Property Owners	Total Yes's
Less than \$25,000	6	3		9
\$25,000 to \$50,000	5	2		7
\$50,000 to \$100,000	6	3	1	10
\$100,000 to \$500,000	7	4	4	15
More than \$500,000	3	1	1	5
Total Specifying Amount of Financing Needed	27	13	6	46
Total Respondents	67	18	9	94

V. Task Force Recommendations



Based on the findings identified above, the Task Force recommends the following four actions.

- ◆ Encourage private and public sector waterfront investments through lending programs and a capital improvements program.
- ◆ Create a waterfront-centered economic development outreach program to ensure that waterfront businesses have access to needed programs and services.
- ◆ Support the current use taxation referendum to provide property tax relief to waterfront property owners.
- ◆ Support clean, working harbors through addressing the negative effects of combined sewer overflows and stormwater runoff on the waterfront economy.

Recommendation One:

Encourage Private and Public Waterfront Investments

The Task Force recommends a public/ private partnership be developed for the dual purposes of providing a low-cost fixed rate loan fund and implementing a waterfront-related public improvement program to construct infrastructure for the fishing/marine resources industry and to finance parking facilities or congestion mitigation. The loan program will be a source of financing for improving privately owned waterfront piers, infrastructure and "gap" business financing,

The lending program and the infrastructure improvement program should be financed through the City's Capital Improvement Program (CIP). The CIP serves as the City's budget for capital expenditures and, if necessary, their supporting bonds. The CIP is also a multi-year strategy that provides a longer-term picture of the infrastructure needs of the City. Any bonds authorized through the CIP in support of waterfront improvements could be paid back through Tax Increment Financing Districts. A TIF could be authorized for a large geographic section of the waterfront to capture all improvements. A TIF could also be authorized for a specific business along the waterfront to spur private investment.

The effectiveness of these programs should be evaluated on a periodic basis to evaluate the degree to which they contribute to the long-term economic goals of the community on the waterfront. In particular, the economic health of "working waterfront" businesses and activities, the circumstances of the fisheries industry and the Fish Pier operations, and the physical condition of piers and the depths of water along the sides of piers have been documented in this report or in other recent research, and all should be re-evaluated periodically. The scale of investment contemplated in this report clearly indicates a path for measurable, positive change.

A. The Lending Program

We recommend that the City Council and city administration develop a lending program in conjunction with the identified partners and such others as may be identified from time to time.

- 1) Advisory Committee: We urge the city to use existing administrative capabilities and procedures for implementation of this program. In conjunction with that, however, we believe that our findings about the waterfront economic community and its unique needs means that an Advisory Committee specific to the waterfront program is needed.

The purpose of this committee will be to advise the lending partners and City concerning the purposes and uses of the loan fund, and to advise the City administration and Council concerning infrastructure investments to be financed in whole or in part by the Waterfront Investment Fund. Members should be appointed through the normal appointment process, and should include lending partners, waterfront experts or representatives, public representatives and technical advisors, (such as waterfront office staff and affected industry representatives of marine resources from areas such as harvesting, production or processing).

This group would be charged with assessing the performance of the fund, and would guide fund policy and make appropriate recommendations to participants for changes. It would not make loan decisions.

The committee should take an active, annual role in developing a capital improvement program for the waterfront, including maintaining a persistent focus on assisting the marine-related, water-dependent uses which are the core activities of the "working waterfront."

- 2) Loan Funding Goals and Criteria: The participants should implement the principles and goals as articulated in this report and as refined and elaborated by the Advisory Committee from time to time. Procedures for funding, hypothecation or securitization, underwriting and repayment will be adjusted from time to time within the program to match the needs of the borrowers and the capabilities of the lending partners.

One principal objective of the loan fund process should be to incorporate the participation of lending partners to assist in market penetration, diversify funding sources and risks and access underwriting and technical expertise on a consistent basis as it evolves in the local capital markets. In general, the funding of loans should include, from non-city participants, a 50% match for projects expending \$100,000.00 or more.

*changed to
1/3
1/3
1/3*

- 3) Lending Partners: The Task Force is aware that loan funds administered through the Economic Development Office and the Downtown Portland Corporation have been created, in whole or in part, with limited purpose grants or funding from private sector partners. We have identified lending partners, including Coastal Enterprises Inc., Greater Portland Council of Governments (GPCOG), and commercial banks, that are already lending to the waterfront commercial real estate and fishing sectors. Within the parameters of the broad purposes to be accomplished, additional participants should be recruited on an ongoing basis.
- 4) Loan Administration: The fund administration should be centralized and easy to access. The program should use existing administrative and technical resources and capabilities whenever possible. Two methods of administration could be used to create this “one-stop-shop” effect. First, the loan program could be assigned to the Downtown Portland Corporation. The Corporation should be renamed to reflect a broader mission i.e. Portland Investment Corporation. A second method for administering the program would be to outsource the program. Whichever method of administration is selected, the program must function as a “one-stop-shop” for financing to ensure ease of use.
- 5) Loan Fund Amount: Our evaluation of short-term loan demand, based on our surveys, indicates that the need for \$1,000,000.00 in City resources, assuming a 50% match from partners, to generate a total of \$2,000,000.00, would be adequate for initial periods.
- 6) Eligible Uses: The first priority we have identified would be to fund infrastructure investments and fixed assets such as utilities, pilings, dredging, deck replacement, pier improvements and renovations of lease space used or to be used for water-dependant purposes. At present, small business lending appears adequate through existing economic development programs; however, identification of gaps in available capital should lead to implementation of lending programs to fill capital gaps.
- 7) Interest Rate: A principal purpose of this program is to assure long-term capital flows to waterfront infrastructure which will assist in generating an economic return for marine-related, water-dependant activities. Lending programs financing these activities should feature a below market, blended rate.

B. Waterfront Improvement Program

The Task Force recognizes that unique conditions of congestion, economic crowding-out generated by mixed or multiple uses in certain areas, and a predictably slow return on investment in certain important economic sectors (including, currently, fisheries) make long-term capital investment a desirable public activity. Principally, parking facilities, traffic congestion and fishing industry investments are appropriate for immediate consideration for public investment.

The Task Force recognizes that some of these investments, while of great importance to the waterfront, are unlikely to enjoy prompt funding when blended with the very great demands on capital funds from other projects and undertakings in the city. The needs to be addressed include congestion and lack of parking. Use of some of Maine's most valuable real estate as surface parking lots to meet zoning and land use requirements, as well as inadequate capital bases for investment or reinvestment in marine resources, all suggest a more focused public improvement program would have lasting beneficial effects on the waterfront economy.

The Waterfront Improvement Program would outline a dedicated, multi-year strategy for public investments. The stability inherent in a multiple-year public program of investment and reinvestment is an important element in inducing business confidence. Other important elements include the future existence of adequate infrastructure, the future availability of the financing of water-dependant uses operated by the private sector, and the future commitment of the City of Portland to the working waterfront.

1. Dredging: Funds should be made available on a grant or loan basis to provide a reasonable public share of the costs of permits and disposal options development to allow dredging of the pier areas with reasonably priced disposal. The highest value should be placed on reestablishing and continuously maintaining adequate depths at piers to accommodate ocean-going vessels. Local public and private funds should be leveraged with multiple other sources to create a permanent solution to this very important problem.
2. Environmental Improvements: A number of environmental issues were raised in the context of the waterfront. As noted in the following section of this report, contaminants from a variety of sources add to the cost of dredging. To the extent that improved public infrastructure can reduce these contaminants, such expenditures should be considered as part of the Waterfront Improvement Program. Examples of such facilities could be sewer lines, the reduction of stormwater runoff, pumpout facilities and solid waste disposal.
3. Transportation Infrastructure: The Task Force recommends that the City of Portland address these waterfront concerns and issues. The Task Force is aware that Phase III will undoubtedly deal in detail with eastern waterfront issues surrounding the development of transportation facilities and other anticipated development. The I-295 Connector roadway proposal, if built, will add important roadway infrastructure to the commercial activities of the West Commercial Street area.
4. Parking Garages: The Task Force recommends the development of waterfront parking garages not located on the water-side (with appropriate streetscape for retail or office uses) to supplement or replace the surface parking which serves the area. The intent is to free up precious waterfront land for productive use while relieving the parking problems for waterfront commerce. When appropriate, a progressive lessening of the on-premise parking requirements for piers could be coupled with

revised trucking and loading arrangements to assure a freer flow of freight and supplies.

C. Financing of Loans and Public Improvements for the Waterfront.

The Task Force recommends the initiation of a dedicated fund to provide the capital for the lending program and the Waterfront Improvement Program. The fund would be part of the City's CIP program and would be managed by the by the City Council and administration, with the advice and assistance of the Advisory Committee. A dedicated bond package may be needed to finance the initial expenditures listed in the CIP. The CIP expenditures including bond payments are intended to be partially, if not completely, offset by the creation of a Tax Increment Financing District (TIF's) or Districts. The TIF Districts would capture any new valuation created by private investment into a dedicated fund.

The following actions are recommended:

1. Capitalization: A dedicated fund would be set aside to finance both the lending program and the Waterfront Improvement Program. To accomplish the goals of increasing both public and private investment, the fund should be capitalized at a level of \$1,000,000 to \$1,250,000 per year.
2. Capitalize Loan Program: The first use of the funds would be to provide capital for the lending program. To the extent that CIP or other funds are utilized to commence the lending program, these should be reimbursed or replenished to maintain the continuity and integrity of the fund.
3. Leverage Public Investments: Additional funds should be used to leverage productive capital expenditure in marine-related industries, and to create parking, through an annual plan of capital improvement.
4. Tax Increment Financing District: The amount of capitalization of the lending program and Waterfront Improvement Program will be dependent on the ability of the City to capture revenues through the creation of either one large Tax Increment Financing District (TIF) or a series of TIF's. Both sides of Commercial Street east of the Casco Bay Bridge, and an area of Fore Street and India Street within the region of the Development Plan could be designated, through effective Council and administrative action, to capture new assessments in the District. Funds captured by this method should be meaningfully restricted to assure they are devoted to economic development and investment as detailed in the Waterfront Improvements Program.

Recommendation Two:

Create a Waterfront-Centered Economic Development Outreach Program.

The surveys show that many waterfront businesses are simply unaware of the business services available through the City of Portland, and, in particular, the Resource Hub and

Downtown Portland Corporation. Waterfront business operators have routinely expressed as a high priority a desire for the very programs that the city offers.

The waterfront economic community can be treated as somewhat distinct for purposes of marketing the availability of business development services. The addition of specialized lending programs for the specific "gap" needs of waterfront businesses (see Recommendation One above) and the continued emphasis on developing marine-related, water-dependant uses should be prominently highlighted as the core economic policies of the community on the waterfront.

The Task Force recommends developing a waterfront business development marketing program, and specifically a brochure for waterfront businesses and pier owners, which outlines these community priorities and the associated financing and business assistance programs.

Recommendation Three:

Support the Current Use Taxation Referendum to provide Property Tax Relief

Since reducing property taxes would be one way of reducing costs for waterfront property owners, the City of Portland should support the Legislative Referendum that would address current use taxation for waterfront properties through amending the Maine State Constitution. Without such an amendment, the City has no mechanism to address property tax concerns of the waterfront property owners. These concerns were expressed in the meeting with waterfront business owners. The potential for increasing property taxes is a major concern of property owners who are considering re-investing in waterfront infrastructure. Discussions with the Portland Tax Assessor's office suggest that the impact of this change to the Maine State Constitution would have a minimal effect on the City's tax revenues.

Recommendation Four:

Support Clean, Working Harbors

There are numerous combined sewer overflows (CSO's) and stormwater pipes that discharge into the harbor. They carry contaminants such as heavy metals from the land and spread them over the harbor floor. The contaminants build up in the mud that must be dredged in order to maintain a working water depth at the piers and wharves. The cost to dispose of the contaminated mud is about \$100 per cubic yard of contaminated mud vs. about \$12 per cubic yard for uncontaminated mud. The cost to dredge 200 to 300 feet of wharf face, depending on depth and width could be around \$30,000. If the mud is contaminated, the cost could increase up to \$300,000. These costs are almost impossible to recover in increased berthing fees. This situation is a significant future economic roadblock to our working waterfront, and one appropriate for public participation in a solution.

To address this problem, the Task Force recommends that the City develop and implement a plan to mitigate the effects of Combined Sewer Overflows (CSO's) and stormwater runoff on the ~~economy~~ of the working waterfront and on the ecological health

of the harbor. The cost of some of these measures will be incorporated into the Waterfront Improvement Fund. The plan would accomplish the following

- 1) Devise a strategy that subsidizes dredging of sediments contaminated due to CSO's and stormwater runoff.
- 2) Incorporate the costs of addressing stormwater runoff in calculating infrastructure needs/costs.
- 3) Encourage the DEP initiative to eliminate illegal discharges.
- 4) Assess the potential for providing for sewer access out to the end of the wharves.
- 5) Assess the adequacy of pumpout facilities, solid waste disposal and hazardous waste disposal at the waterfront.
- 6) Explore the possibility of conducting a statewide environmental impact review
- 7) Request that the State develop a comprehensive process for future dredging.
- 8) Work with other port communities to address dredging issues at the national level.
- 9) Develop a specific plan to capture and treat street and stormwater runoff that contaminates the harbor.



As passed by City Council on June 4, 2001

AMENDMENT TO THE PORTLAND CITY CODE,
CHAPTER 14, ARTICLE XV
(WATERFRONT CAPITAL IMPROVEMENT AND ECONOMIC
REDEVELOPMENT ZONE AND ORDINANCE)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:

1. *That Chapter 14, Article XV Waterfront Capital Improvement and
Economic Redevelopment Zone and Ordinance is hereby enacted to read as follows:*

Article XV. WATERFRONT CAPITAL IMPROVEMENT AND ECONOMIC
REDEVELOPMENT ZONE AND ORDINANCE

Sec. 14.905. Title.

This ordinance shall be known as the Waterfront Capital Improvement and
Economic Redevelopment Ordinance.

Sec. 14-906. Purposes.

The purpose of this ordinance is to implement those provisions of the Waterfront
Economic Development Task Force Report, (Waterfront II) entitled "Investing in Our
Working Waterfront: Final Report of the Mayor's Waterfront Task Force on Economic
Development," dated September 2000, as adopted by the Portland City Council on
June 4, 2001 which create a capital improvement plan for redevelopment on the Portland
Waterfront. That plan includes funding the loan fund described in that report, the
financing and installation of infrastructure to support the economy of that area of the City
of Portland, such as parking facilities, utilities, traffic and congestion management
installations, operating facilities for the cargo, fishing and other water-dependent, marine
related industries, environmental protection and improvement, including the management
and abatement of combined sewer overflows, appropriate assistance in the permitting and
completion of dredging of siltation at piers wharfs and weirs, and such other matters as
the City Council shall approve from time to time. These activities shall be collectively
known as the redevelopment program.

Sec. 14-907. Creation of the Waterfront Redevelopment Economic Zone (WREZ).

The Waterfront Redevelopment Economic Zone is hereby created.

Beginning at a point on the southerly side of the Eastern Promenade at the intersection of the Westerly side of the Portland House Condominium and the Easterly sideline of land now or formerly of Dan Haley.

Thence Southwesterly along the Southerly side of Eastern Promenade to Fore Street.

Thence Westerly along the Southerly side of Fore Street to the intersection of Fore Street and Montfort Street.

Thence Northerly along Montfort Street to the Southeast corner of the lot referenced as 20-C-2 on City of Portland Tax maps as of April first, 2001.

Thence Westerly along lot 20-C-2 about 72 feet.

Thence Northerly along 20-C-2 to 20-C-5.

Thence Westerly along 20-C-5 to the south corner of 20-C-5.

Thence Northwesterly along 20-C-5 to Newbury Street.

Thence Southwesterly along Newbury Street to Hancock Street.

Thence Southeasterly along Hancock Street to Middle Street.

Thence Southwesterly along Middle Street to 20-C-27.

Thence Southeasterly along the Northeast sideline of 20-C-27 about 99.99 feet.

Thence Southwesterly along the Southeast sideline of 20-C-27 to India Street.

Thence South along India Street to the Northern corner of 29-N-26.

Thence Westerly along the Northern side of lot 26 to lot 24.

Thence Westerly, Northerly, Westerly, and Southerly along 29-N-24 to Bradbury Court.

Thence Westerly along Bradbury Court to the Franklin Street Arterial.

Thence Northerly along Franklin Street Arterial to Fore Street.

Thence Westerly along Fore Street to Pearl Street.

Thence Southerly along Pearl Street to Gold Street.

Thence Westerly along Gold Street to Silver Street.

Thence Northerly along Silver Street to Fore Street.

Thence Westerly along Fore Street to Market Street.

Thence Southerly along Market to the dividing line between 32-S-3 and 32-S-4 & 5.

Thence Northerly along Moulton Street to Wharf Street.

Thence Westerly along Wharf Street to a passage between Assessor's map 32 blocks "T" and "U" leading to Commercial Street.

Thence Southerly along said passage about 28 feet to the dividing line between lots 32-U-3 and 32-U-5.

Thence Westerly, Southerly, and Westerly along the Southerly line of lot 5 to Dana Street.

Thence Westerly across Dana Street and following the Northern boundary of lots 32-V-2, 4, 5, 8, and 12 to Union Street.

Thence Northerly on Union Street to Fore Street.

Thence Westerly on Fore Street to parcel 38-F-8.

Thence Southerly along the Easterly sideline of 38-F-8.

Thence Westerly along the Southerly sideline of 38-F-8 to Cross Street.

Thence Northerly to Fore Street

Thence Westerly along Fore Street to 38-G-7.

Thence Southerly along the Easterly sideline of 38-G-7.

Thence Westerly along the Southerly sideline of 38-G-7 to the Easterly sideline of Center Street.

Thence Northerly along Center Street to the Southerly sideline of 40-F-11.

Thence Southwesterly along the Southerly sideline of 40-F-11 and 40-E-1.

Thence Westerly along the South side of 42-A-8.

Thence Northerly along the Westerly line of 42-A-7 to York Street.

Thence Westerly along the Southerly side of York Street to High Street.

Thence Southerly along High Street 44 feet ± to Southern sideline of 42-B-7.

Thence Westerly along the Southerly sideline of 44-B-2 to Park Street.

Thence Westerly across Park Street to the Southerly sideline of 43-C-7.

Thence Westerly along the Southern sideline of 43-C-7 to the edge of proposed State Street.

Thence Westerly across proposed State Street to the Southerly sideline of 43-E-8.

Thence Westerly along the Southerly sideline of 43-E-8 to the Casco Bay Bridge.

Thence Southeasterly along the Casco Bay Bridge to the Harbor Commissioner's Line.

Thence Northeasterly along the Harbor Commissioner's line to a point which is the intersection of the Harbor Commissioner's line and a line which is the extension of the lot line between the Southeasterly line of land now or formerly of Dan Haley and the Southwesterly line of the Portland House Condominium.

Thence Northwesterly along said line to the Southerly side of the Eastern Promenade at the point of beginning.

All as shown on a map dated April 13, 2001 entitled "Proposed Waterfront Redevelopment Area" on file in the Planning Office.

Any inconsistencies between this description and the map shall be controlled by the map.

Sec. 14-908. Financing Activities.

The following financing activities are authorized for the creation of funds to be used for the activities approved for funding by this ordinance:

(a) Tax Increment Financing Districts Revenues.

(1) Within the Waterfront Redevelopment Economic Zone (WREZ) all activity except minor changes as defined below, which results in an increase in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment, shall be subject to designation as a Tax Increment Finance (TIF) District to support redevelopment activities within the WREZ pursuant to 30-A M.R.S.A. §§ 251-526, as amended.

Minor changes shall mean those physical changes, minimal in scope or purpose, which when accumulated with previous and anticipated other changes, over a period of

two years, increase the assessed value of the affected property by a cumulative total of \$400,000 or less.

(2) Affected properties shall mean those properties within the zone which undertake activity, except minor changes as defined above, which results in a change in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment.

Affected properties within the WREZ shall be designated for inclusion in this redevelopment program as a TIF District, and the tax increment from the captured assessed value shall be applied to the redevelopment program purposes, subject to approval by the City Council on a TIF-by-TIF basis.

A property is an affected property if it otherwise so qualifies, and the total aggregate amount of captured assessment in the TIF Districts devoted to this redevelopment program does not exceed 1.25% (.0125) of the total taxable valuation of the City of Portland, when adjusted as necessary to reflect 100% valuation, as determined by the City Assessor.

(3) The redevelopment program shall be that series of investments, expenditures, guarantees and supports which are planned for project fund expenditures.

(b) Program Income and Other Revenues.

The City Manager will budget the program activities, including the program income and expense, of the redevelopment program annually for approval and implementation by the City Council. The redevelopment program is authorized to receive program income, grants, participations, joint ventures, investments and other revenues for the purposes of the redevelopment program as approved by the City of Portland from time to time.

(c) Advisory Committee.

At least once each fiscal year, the Waterfront Economic Development Advisory Committee established in Sec. 14-909 shall meet for the purpose of evaluating and proposing updates to the Development Plan, and for identifying properties developed in the redevelopment zone which qualify as TIF District properties. The Advisory Committee shall make an annual report of conditions and changes in conditions addressing the economic circumstances of the waterfront economy, and shall include in said report detail on at least the following issues:

(1) The utilization, adequacy and capital and operating position of the enterprise loan fund designed to assist water-dependant, marine-related properties and businesses;

(2) The state of the fishing industry, the adequacy and demand for berthing space and operating facilities, financing, local markets and opportunities, and the operations of public operations pertaining to the fishing industry;

(3) The status of other water dependant industries and operations along the Portland waterfront, including opportunities to develop or promote water dependent and marine resource dependant economic opportunities;

(4) The status of dredge operations and needs at public and private piers, the nature of impediments to maintaining full depths at all working Portland piers;

(5) The status of cargo operations in the Port of Portland, including analysis of surface transportation capacities serving the Port cargo operations, whether public or private;

(6) The status of parking availability, public access to the waterfront and to water dependent recreational activities and pursuits;

(7) The status of environmental concerns, programs and issues along the Portland waterfront, and particularly in the inner harbor; and

(8) Such other information, data or findings concerning conditions as affects the economic and environmental health of the waterfront area, or the recommendations of the Advisory Committee concerning the operations of the loan fund or the capital improvement program.

(d) Recommendations.

As often as it deems prudent, but at least once each fiscal year, the Advisory Committee shall, after notice and public hearing, prepare and submit to the City Manager and Council a recommended capital improvement plan, utilizing the revenues of the WREZ. The Finance Committee of the City Council or such other committee as the Council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action.

(e) Adoption.

The City Council shall adopt amendments to the WREZ, designate TIF Districts and authorize expenditures and take such other actions as are necessary each year to implement this redevelopment plan and administer its revenues and expenses.

Sec. 14-909. Waterfront Economic Development Advisory Committee.

(a) Creation and Purpose.

The Waterfront Economic Development Advisory Committee is hereby created for the purpose of advising the City and its lending partner on the purposes and uses of the waterfront loan fund recommended in the Task Force Report and to advise the City administration and Council concerning infrastructure investments to be financed in whole or in part by the Waterfront Investment Fund.

(b) Other Responsibilities.

The Committee shall also:

- (1) fulfill its responsibilities under Sec. 14-908(b) and (c);
- (2) assess the performance of the fund, guide fund policy and make appropriate recommendations for change;
- (3) take an active annual role in developing a capital improvement program for the waterfront; and
- (4) maintain a persistent focus on assisting the marine-related, water dependent uses which are the core activities of the working waterfront.

(c) Membership.

There shall be nine members on the Committee including lending partners, waterfront experts or representatives, public representatives, and technical advisors such as City waterfront staff and affected industry representatives of marine resources from areas such as harvesting, production or processing.

(d) Appointment.

Appointments shall be made by the City Council based on the recommendations of the Appointments Committee.

(e) Term of Office.

The term of office for each member shall be three (3) years. Members shall serve until their successors have been appointed.

City of Portland
Code of Ordinances
Sec. 14-902

Land Use
Chapter 14
Rev.2-4-10

Standards of Chapter 14 of the Portland Code prior to July 1, 2002, so long as such approval is valid and in effect on the date of this ordinance.

(Ord. No. 26-02/03, 8-5-02)

ARTICLE XV. WATERFRONT CAPITAL IMPROVEMENT AND ECONOMIC REDEVELOPMENT ZONE AND ORDINANCE

Sec. 14-905. Title.

This ordinance shall be known as the Waterfront Capital Improvement and Economic Redevelopment Ordinance.

(Ord. No. 249-01, 6-4-01)

Sec. 14-906. Purposes.

The purpose of this ordinance is to implement those provisions of the Waterfront Economic Development Task Force Report, (Waterfront II) entitled "Investing in Our Working Waterfront: Final Report of the Mayor's Waterfront Task Force on Economic Development," dated September 2000, as adopted by the Portland City Council on June 4, 2001 which create a capital improvement plan for redevelopment on the Portland Waterfront. That plan includes funding the loan fund described in that report, the financing and installation of infrastructure to support the economy of that area of the City of Portland, such as parking facilities, utilities, traffic and congestion management installations, operating facilities for the cargo, fishing and other water-dependent, marine related industries, environmental protection and improvement, including the management and abatement of combined sewer overflows, appropriate assistance in the permitting and completion of dredging of siltation at piers, wharfs and weirs, and such other matters as the City Council shall approve from time to time. These activities shall be collectively known as the redevelopment program.

(Ord. No. 249-01, 6-4-01)

Sec. 14-907. Creation of the Waterfront Redevelopment Economic Zone (WREZ).

The Waterfront Redevelopment Economic Zone is hereby created.

Beginning at a point on the southerly side of the Eastern Promenade at the intersection of the Westerly side of the Portland House Condominium and the Easterly sideline of land now or formerly of

Thence Southwesterly along the Southerly side of Eastern Promenade to Fore Street.

Thence Westerly along the Southerly side of Fore Street to the intersection of Fore Street and Mountfort Street.

Thence Northerly along Mountfort Street to the Southeast corner of the lot referenced as 20-C-2 on City of Portland Tax maps as of April first, 2001.

Thence Westerly along lot 20-C-2 about 72 feet.

Thence Northerly along 20-C-2 to 20-C-5.

Thence Westerly along 20-C-5 to the south corner of 20-C-5.

Thence Northwesterly along 20-C-5 to Newbury Street.

Thence Southwesterly along Newbury Street to Hancock Street.

Thence Southeasterly along Hancock Street to Middle Street.

Thence Southwesterly along Middle Street to 20-C-27.

Thence Southeasterly along the Northeast sideline of 20-C-27 about 99.99 feet.

Thence Southwesterly along the Southeast sideline of 20-C-27 to India Street.

Thence South along India Street to the Northern corner of 29-N-26.

Thence Westerly along the Northern side of lot 26 to lot 24.

Thence Westerly, Northerly, Westerly, and Southerly along 29-N-24 to Bradbury Court.

Thence Westerly along Bradbury Court to the Franklin Street Arterial.

Thence Northerly along Franklin Street Arterial to Fore Street.

Thence Westerly along Fore Street to Pearl Street.

Thence Southerly along Pearl Street to Gold Street.

Thence Westerly along Gold Street to Silver Street.

Thence Northerly along Silver Street to Fore Street.

Thence Westerly along Fore Street to Market Street.

Thence Southerly along Market to the dividing line between 32-S-3 and 32-S-4 & 5.

Thence Northerly along Moulton Street to Wharf Street.

Thence Westerly along Wharf Street to a passage between Assessor's map 32 blocks "T" and "U" leading to Commercial Street.

Thence Southerly along said passage about 28 feet to the dividing line between lots 32-U-3 and 32-U-5.

Thence Westerly, Southerly, and Westerly along the Southerly line of lot 5 to Dana Street.

Thence Westerly across Dana Street and following the Northern boundary of lots 32-V-2, 4, 5, 8, and 12 to Union Street.

Thence Northerly on Union Street to Fore Street.

Thence Westerly on Fore Street to parcel 38-F-8.

Thence Southerly along the Easterly sideline of 38-F-8.

Thence Westerly along the Southerly sideline of 38-F-8 to Cross Street.

Thence Northerly to Fore Street

Thence Westerly along Fore Street to 38-G-7.

Thence Southerly along the Easterly sideline of 38-G-7.

Thence Westerly along the Southerly sideline of 38-G-7 to the Easterly sideline of Center Street.

Thence Northerly along Center Street to the Southerly sideline of

City of Portland
Code of Ordinances
Sec. 14-905
40-F-11.

Land Use
Chapter 14
Rev.2-4-10

Thence Southwesterly along the Southerly sideline of 40-F-11 and 40-E-1.

Thence Westerly along the South side of 42-A-8.

Thence Northerly along the Westerly line of 42-A-7 to York Street.

Thence Westerly along the Southerly side of York Street to High Street.

Thence Southerly along High Street 44 feet ± to Southern sideline of 42-B-7.

Thence Westerly along the Southerly sideline of 44-B-2 to Park Street.

Thence Westerly across Park Street to the Southerly sideline of 43-C-7.

Thence Westerly along the Southern sideline of 43-C-7 to the edge of proposed State Street.

Thence Westerly across proposed State Street to the Southerly sideline of 43-E-8.

Thence Westerly along the Southerly sideline of 43-E-8 to the Casco Bay Bridge.

Thence Southeasterly along the Casco Bay Bridge to the Harbor Commissioner's Line.

Thence Northeasterly along the Harbor Commissioner's line to a point which is the intersection of the Harbor Commissioner's line and a line which is the extension of the lot line between the Southeasterly line of land now or formerly of Dan Haley and the Southwesterly line of the Portland House Condominium.

Thence Northwesterly along said line to the Southerly side of the Eastern Promenade at the point of beginning.

All as shown on a map dated April 13, 2001 entitled "Proposed Waterfront Redevelopment Area" on file in the Planning Office.

Any inconsistencies between this description and the map shall be controlled by the map.
(Ord. No. 249-01, 6-4-01)

Sec. 14-908. Financing Activities.

The following financing activities are authorized for the creation of funds to be used for the activities approved for funding by this ordinance:

(a) Tax Increment Financing Districts Revenues.

- (1) Within the Waterfront Redevelopment Economic Zone (WREZ) all activity except minor changes as defined below, which results in an increase in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment, shall be subject to designation as a Tax Increment Finance (TIF) District to support redevelopment activities within the WREZ pursuant to 30-A M.R.S.A. §§ 251-526, as amended.

Minor changes shall mean those physical changes, minimal in scope or purpose, which when accumulated with previous and anticipated other changes, over a period of two years, increase the assessed value of the affected property by a cumulative total of \$400,000 or less.

- (2) Affected properties shall mean those properties within the zone which undertake activity, except minor changes as defined above, which results in a change in assessed value due to new construction, development or redevelopment, renovation, refitting or other physical change to structures or uses, including acquisition of equipment.

Affected properties within the WREZ shall be designated for inclusion in this redevelopment program as a TIF District, and the tax increment from the captured assessed value shall be applied to the redevelopment program purposes, subject to approval by the City Council on a TIF-by-TIF basis.

A property is an affected property if it otherwise so qualifies, and the total aggregate amount of captured assessment in the TIF Districts devoted to this redevelopment program does not exceed 1.25% (.0125) of the total taxable valuation of the City of Portland, when adjusted as necessary to reflect 100% valuation, as determined by the City Assessor.

- (3) Paragraphs (1) and (2) notwithstanding, the Council may by Council order determine that the increases in assessed value that would otherwise be designated for the first time as TIF districts under (1) and (2) above for the next succeeding fiscal year shall not be so designated.
- (4) The redevelopment program shall be that series of investments, expenditures, guarantees and supports which are planned for project fund expenditures.

(b) Program Income and Other Revenues.

The City Manager will budget the program activities, including the program income and expense, of the redevelopment program annually for approval and implementation by the City Council. The redevelopment program is authorized to receive program income, grants, participations, joint ventures, investments and other revenues for the purposes of the redevelopment program as approved by the City of Portland from time to time.

(c) Updates to development plan.

Periodically, the city manager shall evaluate and propose updates to the Development Plan, and identify properties developed in the redevelopment zone which qualify as TIF District properties. The city manager shall report to the council on conditions and changes in conditions addressing the economic circumstances of the waterfront economy, and shall include in said report detail on at least the following issues:

- (1) The utilization, adequacy and capital and operating position of the enterprise loan fund designed to assist water-dependant, marine-related properties

and businesses;

- (2) The state of the fishing industry, the adequacy and demand for berthing space and operating facilities, financing, local markets and opportunities, and the operations of public operations pertaining to the fishing industry;
- (3) The status of other water dependant industries and operations along the Portland waterfront, including opportunities to develop or promote water dependent and marine resource dependant economic opportunities;
- (4) The status of dredge operations and needs at public and private piers, the nature of impediments to maintaining full depths at all working Portland piers;
- (5) The status of cargo operations in the Port of Portland, including analysis of surface transportation capacities serving the Port cargo operations, whether public or private;
- (6) The status of parking availability, public access to the waterfront and to water dependent recreational activities and pursuits;
- (7) The status of environmental concerns, programs and issues along the Portland waterfront, and particularly in the inner harbor; and
- (8) Such other information, data or findings concerning conditions as affects the economic and environmental health of the waterfront area, or recommendations concerning the operations of the loan fund or the capital improvement program.

(d) Recommendations.

As often as he or she deems prudent, the city manager shall submit to the city council a recommended capital improvement plan, utilizing the revenues of the WREZ. The finance committee of the city council or such other committee as the Council shall designate shall conduct

public hearings on the recommended plan and refer the matter to the council for action.

(e) Adoption.

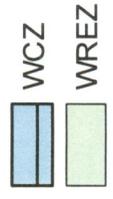
The City Council shall adopt amendments to the WREZ, designate TIF Districts and authorize expenditures and take such other actions as are necessary each year to implement this redevelopment plan and administer its revenues and expenses.

(Ord. No. 249-01, 6-4-01; Ord. No. 151-02/03, 2-3-03; Ord. No. 116-08/09, 12-1-08)

**Editor's Note:* Sec. 14-909 *Waterfront economic development advisory committee* was repealed in its entirety per council order no. 116-08/09 and passed on 12/1/08.

Sec. 14-909. Reserved.
Sec. 14-910. Reserved.
Sec. 14-911. Reserved.
Sec. 14-912. Reserved.
Sec. 14-913. Reserved.
Sec. 14-914. Reserved.
Sec. 14-915. Reserved.
Sec. 14-916. Reserved.
Sec. 14-917. Reserved.
Sec. 14-918. Reserved.
Sec. 14-919. Reserved.
Sec. 14-920. Reserved.
Sec. 14-921. Reserved.
Sec. 14-922. Reserved.
Sec. 14-923. Reserved.
Sec. 14-924. Reserved.
Sec. 14-925. Reserved.
Sec. 14-926. Reserved.
Sec. 14-927. Reserved.
Sec. 14-928. Reserved.
Sec. 14-929. Reserved.
Sec. 14-930. Reserved.
Sec. 14-931. Reserved.
Sec. 14-932. Reserved.
Sec. 14-933. Reserved.
Sec. 14-934. Reserved.
Sec. 14-935. Reserved.

Waterfront Capital Improvement & Economic Redevelopment Zone (WREZ) Waterfront Central Zone (WCZ)

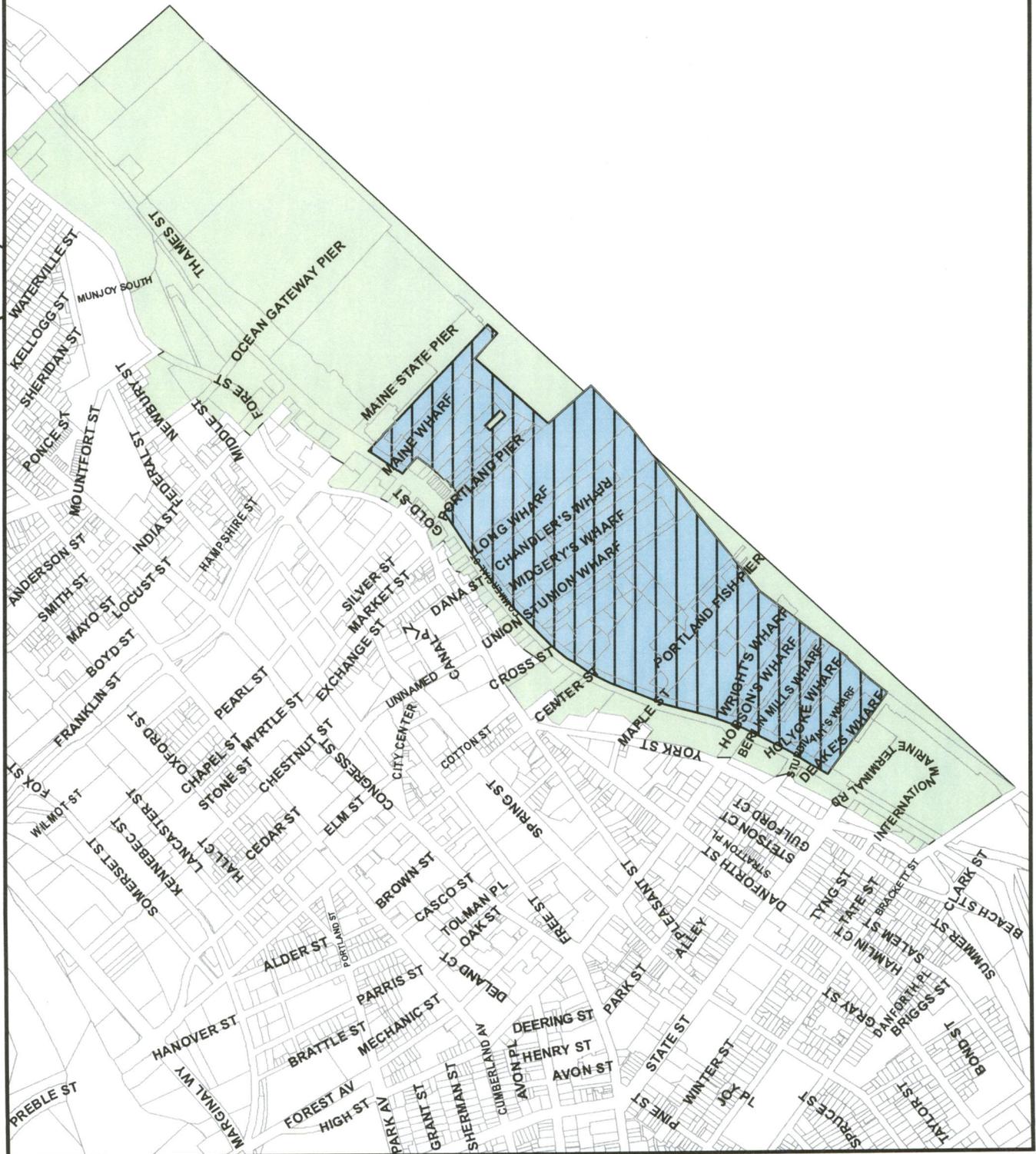


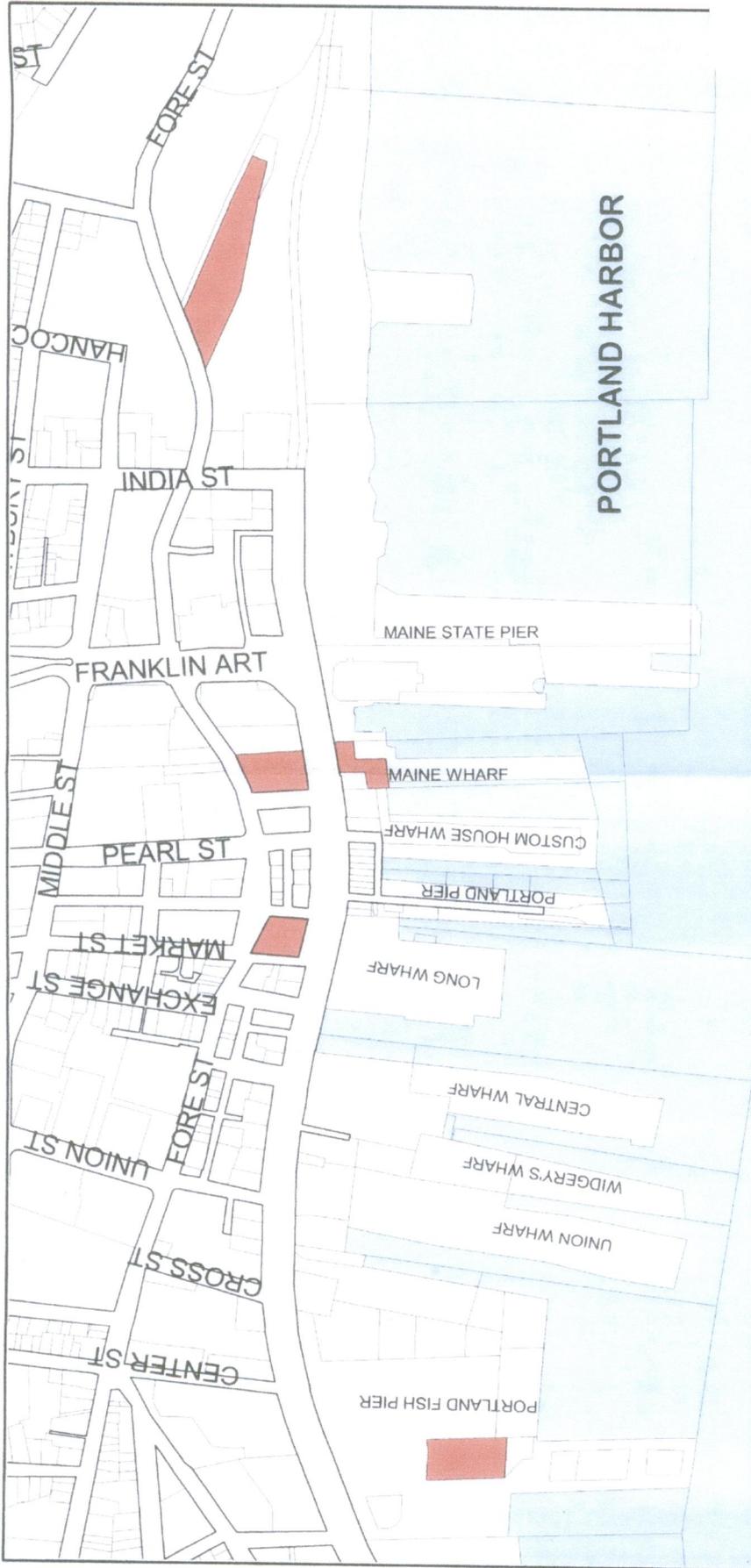
Attachment #5



Map Produced by the City of Portland's MIS Division.

05/11/2010



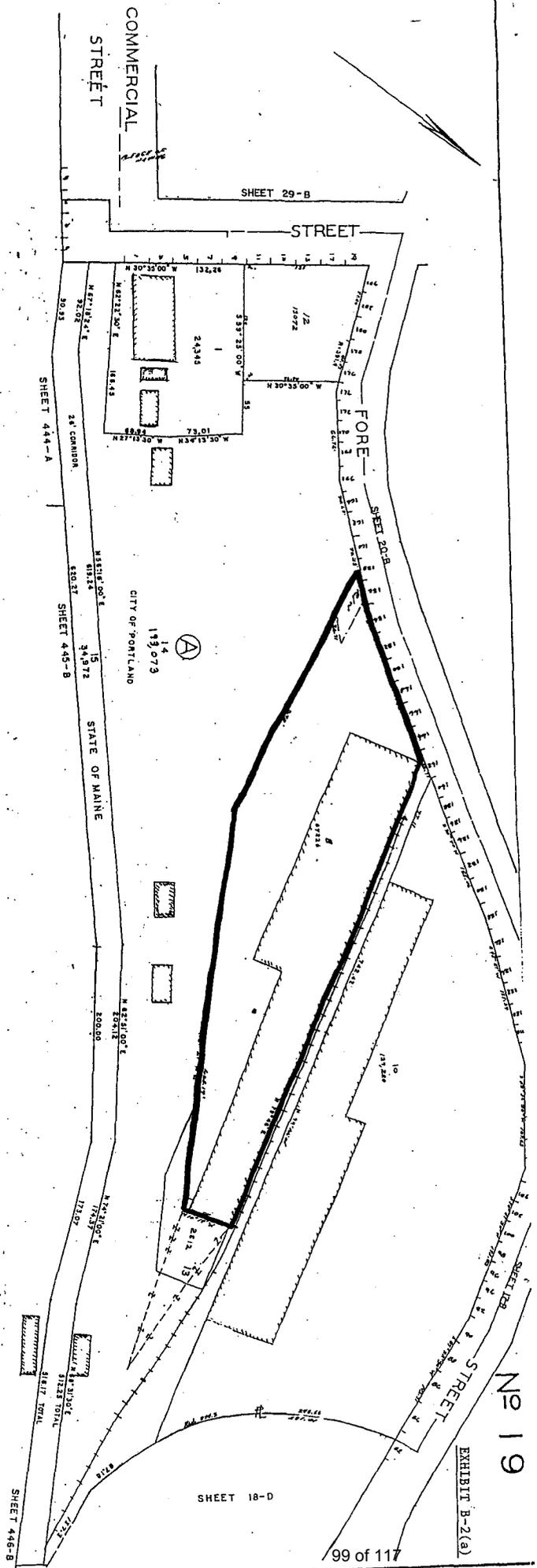


Waterfront Economic Redevelopment Program - 2002 TIF Districts

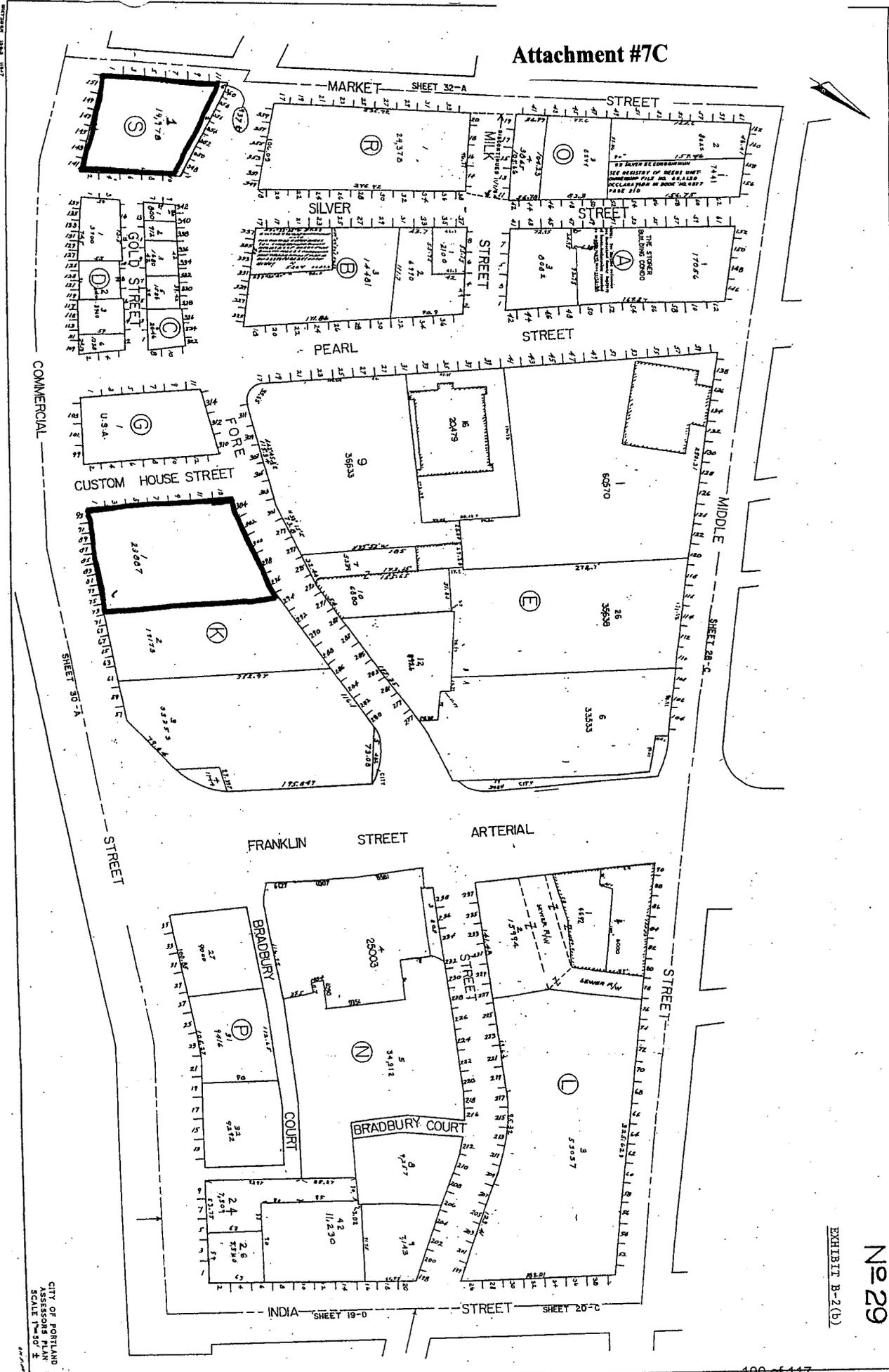


Map produced by the City of Portland's GIS Workgroup February 2002

Attachment #7B



Attachment #7C



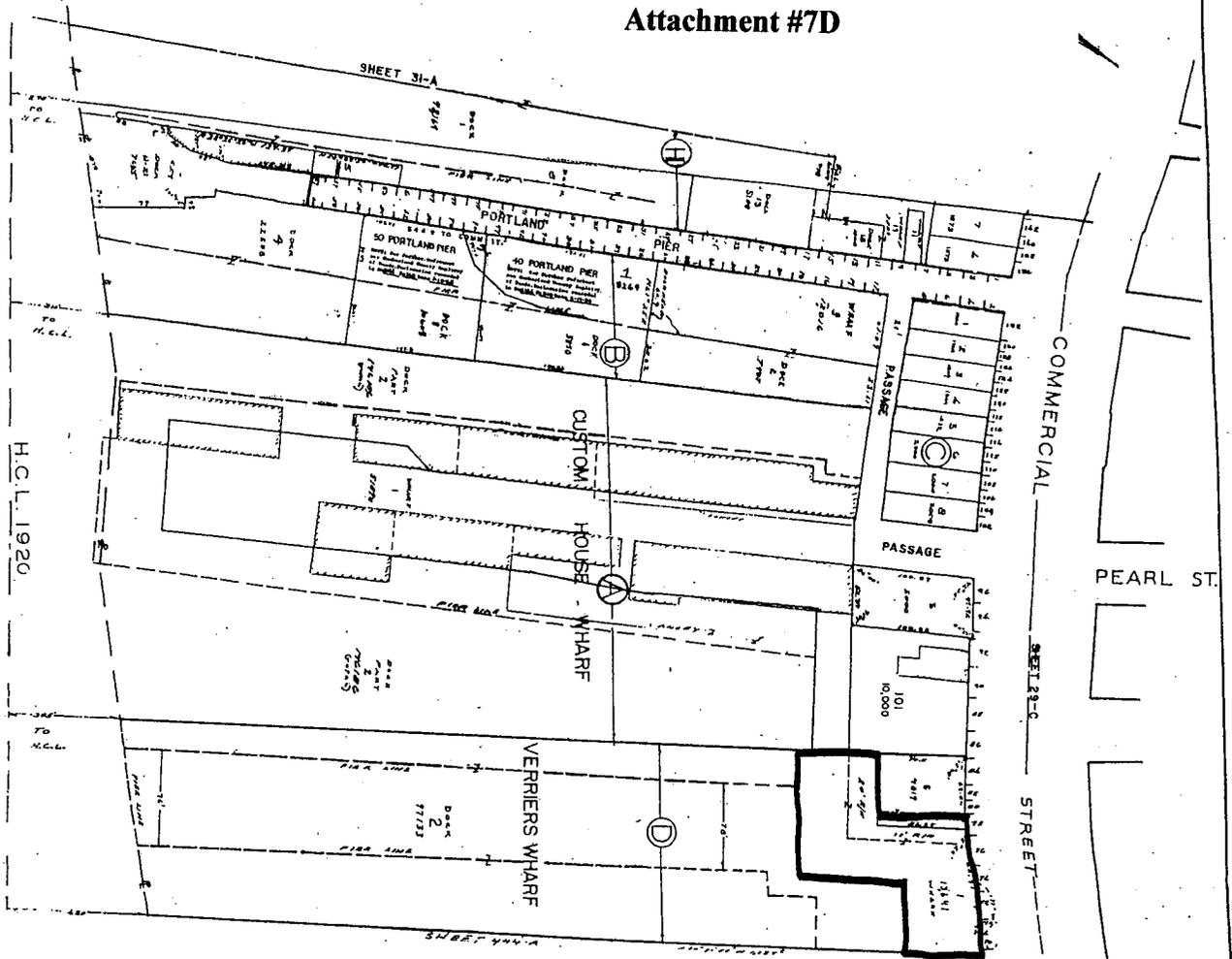
COMMERCIAL

CITY OF PORTLAND
ASSESSOR'S PLAN
SCALE 1"=50' ±

EXHIBIT B-2(b)

N 29

Attachment #7D

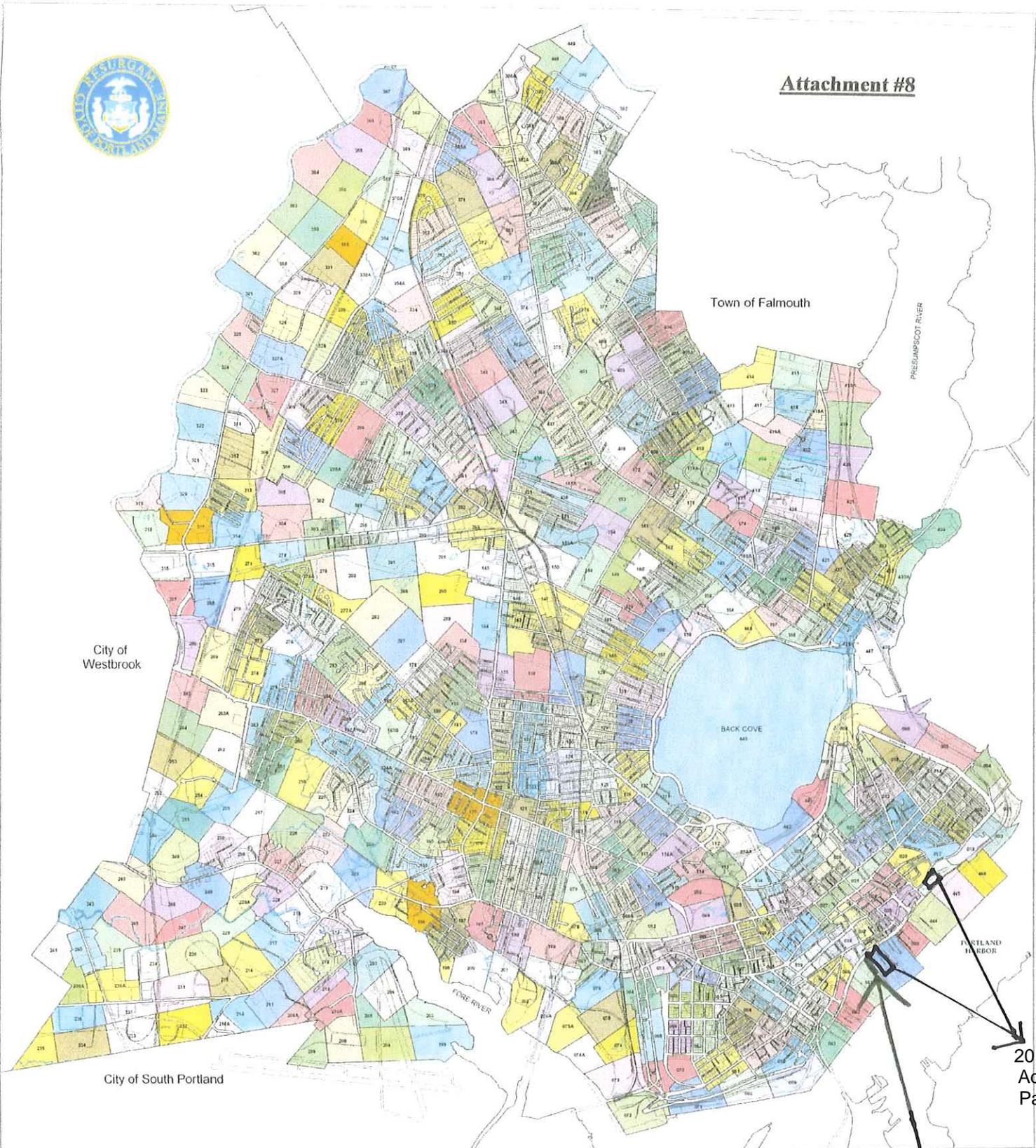


FRANKLIN
ARTERIAL

№ 30
EXHIBIT B-2(c)



Attachment #8



City of Westbrook

Town of Falmouth

PRESUMPSCOT RIVER

BACK COVE

FORE RIVER

PORTLAND HARBOR

City of South Portland

2018 Added Parcels

**City of Portland, Maine
Tax Map Index**

Scale: 1 Inch = 850 Feet
0 500 1000 1500 2000 2500 3000 Feet

Map produced by the City of Portland's Assessor Office and the GIS Workgroup June 2004



Subdistrict
103 of 117

Attachment 9A-Tax Map of Lots 031-K003001 and 031-K103001



April 1 2012 fy 2013

Tax Map Index; <http://www.portlandassessors.com/taxmaps.htm>

Index Number - E10NW

Attachment 9B - Tax Map of 019-A014001



WATERFRONT TIF		5/12/2010		Based on 3/31/01 Original Assessed Value of \$6,716,410.									
*NOTE: FY11 numbers are projections.		Original TIF District was ten years ending FY12; this spreadsheet is based on extending the TIF District for 20 years.											
TIF PLAN YEAR	CITY FY	REAL ESTATE	PERSONAL PROPERTY	TOTAL ASSESSED	ORIGINAL ASSESSED	CAPTURED VALUE	TAX RATE	PERCENT RETAINED	TIF DISTRICT PROCEEDS	General Fund Proceeds			
1	2003	11,603,350	6,646,410	18,249,760	6,716,410	11,533,350	0.02572	1%	2,966.38	293,671.38			
2	2004	11,767,990	3,915,280	15,683,270	6,716,410	8,966,860	0.02680	1%	2,403.12	237,908.73			
3	2005	12,827,340	5,830,410	18,657,750	6,716,410	11,941,340	0.02653	1%	3,168.04	313,635.71			
4	2006	15,480,490	5,277,320	20,757,810	6,716,410	14,041,400	0.02013	35.38%	100,000.00	182,650.62			
5	2007	20,261,470	5,031,690	25,293,160	6,716,410	18,576,750	0.01631	1%	3,029.87	299,956.92			
6	2008	22,112,170	5,285,400	27,397,570	6,716,410	20,681,160	0.01710	100%	353,647.84	0.00			
7	2009	21,843,970	4,922,550	26,766,520	6,716,410	20,050,110	0.01774	62%	220,527.15	135,161.80			
8	2010	22,046,270	4,680,700	26,726,970	6,716,410	20,010,560	0.01774	79%	280,439.99	74,547.34			
9	2011	22,046,270	4,680,700	26,726,970	6,716,410	20,010,560	0.01797	58%	208,562.06	151,027.70			
10	2012	22,266,733	4,727,507	26,994,240	6,716,410	20,277,830	0.01797	100%	364,392.60	0.00			
11	2013	22,489,400	4,774,782	27,264,182	6,716,410	20,547,772	0.01833	100%	376,628.33	0.00			
12	2014	22,714,294	4,822,530	27,536,824	6,716,410	20,820,414	0.01870	100%	389,258.21	0.00			
13	2015	22,941,437	4,870,755	27,812,192	6,716,410	21,095,782	0.01907	100%	402,294.62	0.00			
14	2016	23,170,851	4,919,463	28,090,314	6,716,410	21,373,904	0.01945	100%	415,750.35	0.00			
15	2017	23,402,560	4,968,657	28,371,217	6,716,410	21,654,807	0.01984	100%	429,638.57	0.00			
16	2018	23,636,585	5,018,344	28,654,929	6,716,410	21,938,519	0.02024	100%	443,972.86	0.00			
17	2019	23,872,951	5,068,527	28,941,479	6,716,410	22,225,069	0.02064	100%	458,767.23	0.00			
18	2020	24,111,681	5,119,213	29,230,893	6,716,410	22,514,483	0.02105	100%	474,036.12	0.00			
19	2021	24,352,798	5,170,405	29,523,202	6,716,410	22,806,792	0.02148	100%	489,794.42	0.00			
20	2022	24,596,326	5,222,109	29,818,434	6,716,410	23,102,024	0.02191	100%	506,057.46	0.00			
21	2023	24,842,289	5,274,330	30,116,619	6,716,410	23,400,209	0.02234	100%	522,841.07	0.00			
22	2024	25,090,712	5,327,073	30,417,785	6,716,410	23,701,375	0.02279	100%	540,161.57	0.00			
23	2025	25,341,619	5,380,344	30,721,963	6,716,410	24,005,553	0.02325	100%	558,035.75	0.00			
24	2026	25,595,035	5,434,147	31,029,182	6,716,410	24,312,772	0.02371	100%	576,480.96	0.00			
25	2027	25,850,985	5,488,489	31,339,474	6,716,410	24,623,064	0.02419	100%	595,515.06	0.00			
26	2028	26,109,495	5,543,374	31,652,869	6,716,410	24,936,459	0.02467	100%	615,156.49	0.00			
27	2029	26,370,590	5,598,807	31,969,398	6,716,410	25,252,988	0.02516	100%	635,424.22	0.00			
28	2030	26,634,296	5,654,796	32,289,092	6,716,410	25,572,682	0.02567	100%	656,337.84	0.00			
29	2031	26,900,639	5,711,344	32,611,983	6,716,410	25,895,573	0.02618	100%	677,917.52	0.00			
30	2032	27,169,645	5,768,457	32,938,102	6,716,410	26,221,692	0.02670	100%	700,184.08	0.00			
Assumptions:										TOTAL TIF District Proceeds:			
1% Increase yearly beginning with FY12 through FY32 for Real Estate and Personal Property Values										12,003,389.77			
2% yearly increase in tax rate													

WATERFRONT TIF SUB-DISTRICT REVENUE SCHEDULE

TIF Year	FY	Projected Annual Assessment	OAV	Projected Increase in Assessment	Mil Rate 2%	Property Taxes		Developer Share %	City Share
						OAV	Increased Value		
							Total		
base valuation	2009	\$12,950,900	\$950,900						
1	2012	\$12,000,000	17,088	17.97	215,640	232,728	63.00%	\$135,853	\$96,874
2	2013	\$12,000,000	17,429	18.33	219,953	237,382	63.00%	\$138,570	\$98,812
3	2014	\$12,000,000	17,778	18.70	224,352	242,130	63.00%	\$141,342	\$100,788
4	2015	\$12,000,000	18,134	19.07	228,839	246,972	63.00%	\$144,169	\$102,804
5	2016	\$12,000,000	18,496	19.45	233,416	251,912	63.00%	\$147,052	\$104,860
6	2017	\$12,000,000	18,866	19.84	238,084	256,950	64.00%	\$152,374	\$104,576
7	2018	\$12,000,000	19,243	20.24	242,846	262,089	64.00%	\$155,421	\$106,668
8	2019	\$12,000,000	19,628	20.64	247,703	267,331	64.00%	\$158,530	\$108,801
9	2020	\$12,000,000	20,021	21.05	252,657	272,678	64.00%	\$161,700	\$110,977
10	2021	\$12,000,000	20,421	21.48	257,710	278,131	64.00%	\$164,934	\$113,197
11	2022	\$12,000,000	20,830	21.91	262,864	283,694	55.00%	\$144,575	\$139,119
12	2023	\$12,000,000	21,246	22.34	268,121	289,368	55.00%	\$147,467	\$141,901
13	2024	\$12,000,000	21,671	22.79	273,484	295,155	55.00%	\$150,416	\$144,739
14	2025	\$12,000,000	22,105	23.25	278,953	301,058	55.00%	\$153,424	\$147,634
15	2026	\$12,000,000	22,547	23.71	284,532	307,079	55.00%	\$156,493	\$150,586
16	2027	\$12,000,000	22,998	24.19	290,223	313,221	45.00%	\$130,600	\$182,620
17	2028	\$12,000,000	23,458	24.67	296,028	319,485	45.00%	\$133,212	\$186,273
18	2029	\$12,000,000	23,927	25.16	301,948	325,875	40.00%	\$120,779	\$205,096
19	2030	\$12,000,000	24,405	25.67	307,987	332,392	40.00%	\$123,195	\$209,198
20	2031	\$12,000,000	24,894	26.18	314,147	339,040	35.00%	\$109,951	\$229,089
		\$240,000,000	\$5,239,484		\$5,654,670	50.76%	\$2,870,058	\$2,784,613	
							NPV (6.5%)	\$1,598,938	\$1,391,832.59

TIF Term Years 1-20: Fixed TIF annual reimbursement amount up to Developer cap of \$2,870,058.

File: Cumberland Storage Project TIF Projections 5-21-10 GAM.XLS

City of Portland- TIF Projection Table for WTIF Added Parcels of 2018

TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues	Taxes from OAV of \$616,430
1	2018	\$2,978,680	100.00%	\$2,978,680	22.08	\$65,778	\$0	\$65,778	\$0	\$13,611
2	2019	\$19,200,000	100.00%	\$19,200,000	22.52	\$432,473	\$0	\$432,473	\$0	\$13,882
3	2020	\$20,700,000	100.00%	\$20,700,000	22.98	\$475,586	\$0	\$475,586	\$0	\$14,166
4	2021	\$20,700,000	100.00%	\$20,700,000	23.43	\$485,097	\$0	\$485,097	\$0	\$14,443
5	2022	\$20,700,000	100.00%	\$20,700,000	23.90	\$494,799	\$0	\$494,799	\$0	\$14,733
6	2023	\$20,700,000	100.00%	\$20,700,000	24.38	\$504,695	\$0	\$504,695	\$0	\$15,029
7	2024	\$20,700,000	100.00%	\$20,700,000	24.87	\$514,789	\$0	\$514,789	\$0	\$15,331
8	2025	\$20,700,000	100.00%	\$20,700,000	25.37	\$525,085	\$0	\$525,085	\$0	\$15,639
9	2026	\$20,700,000	100.00%	\$20,700,000	25.87	\$535,587	\$0	\$535,587	\$0	\$15,947
10	2027	\$20,700,000	100.00%	\$20,700,000	26.39	\$546,298	\$0	\$546,298	\$0	\$16,268
11	2028	\$20,700,000	100.00%	\$20,700,000	26.92	\$557,224	\$0	\$557,224	\$0	\$16,594
12	2029	\$20,700,000	100.00%	\$20,700,000	27.46	\$568,369	\$0	\$568,369	\$0	\$16,927
13	2030	\$20,700,000	100.00%	\$20,700,000	28.01	\$579,736	\$0	\$579,736	\$0	\$17,266
14	2031	\$20,700,000	100.00%	\$20,700,000	28.57	\$591,331	\$0	\$591,331	\$0	\$17,611
14 Year TIF		\$270,578,680		\$270,578,680		\$6,876,849	\$0	\$6,876,849	\$0	\$217,446
14 Year Averag		\$19,327,049	\$0	\$19,327,049	\$0	\$491,204	\$0	\$491,204	\$0	\$15,532

Tax Shift Analysis Assumptions	
The mill rate is estimated to be 17.97 mills in Tax Year April 1, 2011 with a 2% annual increase for future years.	
The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which a statewide mill rate of 6.90 mills in FY 2010-11 and 7.48 mills thereafter is applied to a district's state valuation to determine the amount of local property taxes to be raised for education. By sheltering valuation through a TIF, the district avoids having to raise an amount equal to the valuation sheltered X mills.	
State Municipal Revenue Sharing amounts are calculated from spreadsheet provided by Maine Revenue Services, FY 2011 Projected Municipal Revenue Sharing - updated 3-31-10.	
County tax calculations are based on data from the Cumberland County Finance Department for the FY 2010 County Tax Year. For purposes of this analysis the total county tax assessment is assumed to remain constant throughout the life of the TIF when in actuality increases in the total county tax assessment are likely.	

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: Original Waterfront TIF Being Extended 20 Years from Tax Year 2011 to Tax Year 2031.*									
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			Total Avoided Impacts		
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax			
1	2002	\$11,533,350	\$115,334	\$796	\$107	\$49	\$952		
2	2003	\$8,966,860	\$89,669	\$671	\$83	\$38	\$792		
3	2004	\$11,941,340	\$119,413	\$893	\$110	\$51	\$1,055		
4	2005	\$14,041,400	\$4,967,847	\$37,159	\$4,591	\$2,121	\$43,871		
5	2006	\$18,576,750	\$185,768	\$1,390	\$172	\$79	\$1,641		
6	2007	\$20,681,160	\$20,681,160	\$154,695	\$19,113	\$8,825	\$182,633		
7	2008	\$20,010,560	\$15,808,342	\$118,246	\$14,610	\$6,746	\$139,602		
8	2009	\$20,050,110	\$12,431,068	\$92,984	\$11,488	\$5,305	\$109,778		
9	2010	\$20,010,560	\$11,606,125	\$86,814	\$10,726	\$4,953	\$102,493		
10	2011	\$20,277,830	\$20,277,830	\$151,678	\$18,740	\$8,653	\$179,071		
11	2012	\$20,547,772	\$20,547,772	\$153,697	\$18,990	\$8,768	\$181,455		
12	2013	\$20,820,414	\$20,820,414	\$155,737	\$19,242	\$8,884	\$183,862		
13	2014	\$21,095,782	\$21,095,782	\$157,796	\$19,496	\$9,002	\$186,294		
14	2015	\$21,373,904	\$21,373,904	\$159,877	\$19,753	\$9,120	\$188,750		
15	2016	\$21,654,807	\$21,654,807	\$161,978	\$20,013	\$9,240	\$191,231		
16	2017	\$21,938,519	\$21,938,519	\$164,100	\$20,275	\$9,361	\$193,736		
17	2018	\$22,225,069	\$22,225,069	\$166,244	\$20,540	\$9,483	\$196,266		
18	2019	\$22,514,483	\$22,514,483	\$168,408	\$20,807	\$9,607	\$198,822		
19	2020	\$22,806,792	\$22,806,792	\$170,595	\$20,807	\$9,731	\$201,133		
20	2021	\$23,102,024	\$23,102,024	\$172,803	\$21,350	\$9,857	\$204,010		
21	2022	\$23,400,209	\$23,400,209	\$175,034	\$21,626	\$9,984	\$206,644		
22	2023	\$23,701,375	\$23,701,375	\$177,286	\$21,904	\$10,113	\$209,303		
23	2024	\$24,005,553	\$24,005,553	\$179,562	\$22,185	\$10,242	\$211,989		
24	2025	\$24,312,772	\$24,312,772	\$181,860	\$22,469	\$10,373	\$214,702		
25	2026	\$24,623,064	\$24,623,064	\$184,181	\$22,756	\$10,506	\$217,442		
26	2027	\$24,936,459	\$24,936,459	\$186,525	\$23,046	\$10,639	\$220,210		
27	2028	\$25,252,988	\$25,252,988	\$188,892	\$23,338	\$10,774	\$223,005		
28	2029	\$25,572,682	\$25,572,682	\$191,284	\$23,634	\$10,911	\$225,828		
29	2030	\$25,895,573	\$25,895,573	\$193,699	\$23,932	\$11,048	\$228,679		
30	2031	\$26,221,692	\$26,221,692	\$196,138	\$24,233	\$11,187	\$231,559		
30 Year TIF Total		\$632,091,854	\$552,284,490	\$4,131,021	\$510,135	\$235,651	\$4,876,807		

*Note: Tax Years 2002 through 2009 are actual numbers as of May 14, 2010, model based on OAV of \$6,716,410 as of March 31, 2001.

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland-Cumberland Cold Storage Building		Avoided Formula Impacts from Sheltering of Valuation					
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2011	\$12,000,000	\$7,560,000	\$52,164	\$6,987	\$3,227	\$62,378
2	2012	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
3	2013	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
4	2014	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
5	2015	\$12,000,000	\$7,560,000	\$56,549	\$6,987	\$3,227	\$66,762
6	2016	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
7	2017	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
8	2018	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
9	2019	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
10	2020	\$12,000,000	\$7,560,000	\$57,446	\$7,098	\$3,278	\$67,822
11	2021	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
12	2022	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
13	2023	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
14	2024	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
15	2025	\$12,000,000	\$6,600,000	\$49,368	\$6,100	\$2,817	\$58,285
16	2026	\$12,000,000	\$5,400,000	\$40,392	\$4,991	\$2,305	\$47,688
17	2027	\$12,000,000	\$5,400,000	\$40,392	\$4,991	\$2,305	\$47,688
18	2028	\$12,000,000	\$4,800,000	\$35,904	\$4,436	\$2,049	\$42,389
19	2029	\$12,000,000	\$4,800,000	\$35,904	\$4,436	\$2,049	\$42,389
20	2030	\$12,000,000	\$4,200,000	\$31,416	\$3,882	\$1,793	\$37,090
20 Year TIF Total		\$240,000,000	\$133,800,000	\$996,439	\$123,654	\$57,112	\$1,177,205

Tax Shift Analysis Assumptions

The mill rate is estimated to be 17.97 mills in the first year of the TIF with a 2% annual increase for future years.

The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which a statewide mill rate of 6.90 mills in FY 2010-11 and 7.48 mills thereafter is applied to a district's state valuation to determine the amount of local property taxes to be raised for education. By sheltering valuation through a TIF, the district avoids having to raise an amount equal to the valuation sheltered X mills.

State Municipal Revenue Sharing amounts are calculated from spreadsheet provided by Maine Revenue Services, FY 2011 Projected Municipal Revenue Sharing - updated 3-31-10

County tax calculations are based on data from the Cumberland County Finance Department for the FY 2010 County Tax Year. For purposes of this analysis the total county tax assessment is assumed to remain constant throughout the life of the TIF when in actuality increases in the total county tax assessment are likely.

6/2/2010
OAV on 3/31/10 = \$950,900 for Cumberland Cold Storage Building, the "Sub-District".

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model for WTIF Added Parcels of 2018									
100% Sheltered - 14 years - 100% to City Development Account									
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			Total Avoided Impacts		
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax			
1	2018	\$2,978,680	\$2,978,680	\$0	\$1,814	\$1,622	\$3,437		
2	2019	\$19,200,000	\$19,200,000	\$0	\$11,694	\$10,453	\$22,148		
3	2020	\$20,700,000	\$20,700,000	\$0	\$12,608	\$11,270	\$23,877		
4	2021	\$20,700,000	\$20,700,000	\$57,270	\$12,608	\$11,270	\$81,147		
5	2022	\$20,700,000	\$20,700,000	\$114,540	\$12,608	\$11,270	\$138,417		
6	2023	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
7	2024	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
8	2025	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
9	2026	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
10	2027	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
11	2028	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
12	2029	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
13	2030	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
14	2031	\$20,700,000	\$20,700,000	\$171,810	\$12,608	\$11,270	\$195,687		
14 Year TIF Total		\$270,578,680	\$270,578,680	\$1,718,100	\$164,804	\$147,310	\$2,030,214		
14 Year Average		\$19,327,049	\$19,327,049	\$122,721	\$11,772	\$10,522	\$145,015		

STATUTORY REQUIREMENTS AND THRESHOLDS
Portland Waterfront TIF | AMD-2

SECTION A. Acreage Caps		
1. Total municipal acreage;		12,386
2. Acreage of proposed Municipal TIF District;		1.675
3. Downtown-designation ¹ acres in proposed Municipal TIF District;		0
4. Transit-Oriented Development ² acres in proposed Municipal TIF District;		0
5. Total acreage [=A2-A3-A4] of proposed Municipal TIF District counted toward 2% limit;		1.675
6. Percentage [=A5÷A1] of total acreage in proposed Municipal TIF District (CANNOT EXCEED 2%).		.0135%
7. Total acreage of all <u>existing/proposed</u> Municipal TIF districts in municipality including Municipal Affordable Housing Development districts: ³ See attached listing.	Existing	602.047
	Proposed	1.675
	Total:	603.722
30-A § 5223(3) EXEMPTIONS ⁴		
8. Acreage of an <u>existing/proposed</u> Downtown Municipal TIF district;		421.520
9. Acreage of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: Thompson’s Point TOD TIF/30 Acres		30
10. Acreage of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: None		0
11. Acreage in all <u>existing/proposed</u> Municipal TIF districts common to ⁵ Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such acreage also factored in Exemptions 8-10 above: None		0
12. Total acreage [=A7-A8-A9-A10-A11] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;		152.202
13. Percentage of total acreage [=A12÷A1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).		1.29%
14. Real property in proposed Municipal TIF District that is:	ACRES	% [=Acres÷A2]
a. A blighted area;		
b. In need of rehabilitation, redevelopment or conservation;		
c. Suitable for commercial or arts district uses.	1.675	100%
TOTAL (except for § 5223 (3) exemptions a., b. OR c. must be at least 25%)		

¹ Before final designation, the Commissioner will seek advice from MDOACF and MDOT per 30-A § 5226(2).

² For Transit-Oriented Development (TOD) definitions see 30-A § 5222 sub-§§ 19-24.

³ For AH-TIF acreage requirement see 30-A § 5247(3)(B). Alternatively, Section B. must exclude AH-TIF valuation.

⁴ Downtown/TOD overlap nets single acreage/valuation caps exemption.

⁵ PTZ districts approved through December 31, 2008.

STATUTORY REQUIREMENTS AND THRESHOLDS
Portland Waterfront TIF | AMD-2

SECTION B. Valuation Cap		
1. Total TAXABLE municipal valuation—use most recent April 1;	\$9,049,500,000	
2. Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;	\$616,430	
3. Taxable OAV of all <u>existing/proposed</u> Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts: See Attached Listing	Existing	\$1,106,422,670
	Proposed	\$616,430
	Total:	\$1,107,059,100
30-A § 5223(3) EXEMPTIONS		
4. Taxable OAV of an <u>existing/proposed</u> Downtown Municipal TIF district;	\$968,136,850	
5. Taxable OAV of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: Thompson’s Point TOD TIF	\$4,970,470	
6. Taxable OAV of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: None	\$0	
7. Taxable OAV of all <u>existing/proposed</u> Single Taxpayer/High Valuation ⁶ Municipal TIF districts: None	\$0	
8. Taxable OAV in all <u>existing/proposed</u> Municipal TIF districts common to Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such OAV also factored in Exemptions 4-7 above: None	0	
9. Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	\$133,951,780	
10. Percentage of total taxable OAV [=B9÷B1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	1.48%	

COMPLETED BY	
NAME :	Lori Paulette
DATE :	2/13/2018

⁶ For this exemption see 30-A §5223(3)(C) sub-§§ 1-4.

**Listing of Existing TIF Districts for MDECD for City's Application for Amending WTIF to
add Parcels - Approved by City Council a/o _____**

Active TIFs			
TIF District	FY Start/End	Original Assessed Value (OAV)	Acres
Bramhall/Holt Hall	FY1999-00/FY2018-19	\$349,110	1.030
Waterfront/and Sub District	FY2002-03/FY2031-32	\$7,667,310	4.950
- adding Union Wharf and Wex	FY2018-19/FY2031-32	\$616,430	1.675
Bayside Expanded TIF District	FY2003-04/FY2032-33	\$122,318,180	129.180
Riverwalk/Ocean Gateway	FY2006-07/FY2018-19	\$1,085,550	3.680
Pearl Place/Avesta-AH TIF	FY2007-08/FY2035-36	\$0	1.035
Baxter Library TIF District	FY2010-11/FY2018-19	\$0	0.370
Public Market/Power Pay	FY2010-11/FY2039-40	\$1,862,600	1.070
McAuley Place	FY2009-10/FY2038-39	\$0	5.320
Avesta/409 Cumberland Ave-AH TIF	FY2013-14/FY2034-35	\$0	0.410
Thompson's Pt TOD/TIF II	FY2014-15/FY2043-44	\$4,970,470	30.000
134 Washington Avenue/AH TIF	FY2014-15/FY2033-34	\$0	0.230
17 Carleton St/AH TIF	FY2015-16/FY2036-37	\$0	0.572
Downtown TOD and Omnibus TIF District	FY2015-16/FY2044-45	\$968,136,850	421.520
ImmuCell TIF	FY2017-18/FY2028-29	\$52,600	1.110
58 Boyd Street/AH TIF		\$0	0.480
Deering Place/AHTIF		\$0	1.090
Sub-Total:		\$1,107,059,100	603.722
Less Exempt:			
Thompson's Point (TOD TIF)	FY2014-15/FY2043-44	-\$4,970,470	-30.000
Downtown TOD and Omnibus TIF District	FY2015-16/FY2044-45	-\$968,136,850	-421.520
Totals for Caps:		\$133,951,780	152.202
FY18 Aggregate Total Value:		\$9,049,500,000	
Total Acreage for Ptl'd:			12,386.000
5% Allowed to be TIF'd:		\$452,475,000	619.300
Current Amounts TIF'd:		\$133,951,780	152.202
Amount Remaining that can be TIF'd:		\$318,523,220	467.098

THE CITY OF PORTLAND
TAX INCREMENT FINANCING DEVELOPMENT PROGRAM

EXHIBIT D

ASSESSOR'S CERTIFICATE

The undersigned Tax Assessor for the City of Portland, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. § 5254 that the assessed value of the FY02 Waterfront Economic Redevelopment Municipal Tax Increment Financing Districts as described in the Waterfront Economic Redevelopment Program to which this certificate is included, was \$6,716,410 as of March 31, 2001.

IN WITNESS WHEREOF, this certificate has been executed as of this 27th day of February 2002.

CITY ASSESSOR

By 

Richard W. Blackburn



CITY OF PORTLAND

Waterfront Economic Redevelopment Program
*Application for FY02 and FY10 Amended Waterfront Tax Increment
Financing Development Districts and Sub-District*

ASSESSOR'S CERTIFICATE
Sub-District

The undersigned Tax Assessor for the City of Portland, Maine does hereby certify, pursuant to the provisions of 30-A M.R.S.A. Section 5227, that the assessed real value of the Municipal Waterfront Economic Redevelopment Program Municipal Development District and Tax Increment Financing Sub-District as described in the Amended TIF District Program to which the certificate is included was \$950,900 as of March 31, 2010.

IN WITNESS WHEREOF, this Certificate has been executed as of this 13th day of February 2018.

WITNESS:

CITY ASSESSOR





Christopher Huff



CITY OF PORTLAND

Waterfront Economic Redevelopment Program
*Application for FY18 Amended Waterfront Tax Increment Financing
Development Districts*

ASSESSOR'S CERTIFICATE

The undersigned Tax Assessor for the City of Portland, Maine does hereby certify, pursuant to the provisions of 30-A M.R.S.A. Section 5227, that the assessed real property value of the Added TIF District Properties of 2018 to the Municipal Waterfront Economic Redevelopment Program Municipal Development District and Tax Increment Financing District as described in the Amended TIF District Program to which the certificate is included was \$616,430 as of March 31, 2017.

IN WITNESS WHEREOF, this Certificate has been executed as of this 13th day of February 2018.

WITNESS:



CITY ASSESSOR



Christopher Huff