

Order 79-18/19

Passage: 8-0 (Strimling absent) on 10/15/2018

Effective 10/25/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
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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 TO INCREASE PUBLIC INVESTMENT OPTIONS
AND TO ADD NEW PROPERTIES**

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, 182-11/12 and 161-17/18, is hereby further amended to increase public investment options in substantially the form attached hereto as Exhibit A; and

BE IT FURTHER ORDERED, that the 2002 Waterfront Tax Increment Financing District is further amended to include properties numbered One (1) to Sixteen (16) as shown on the map attached hereto as Exhibit B; 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
District Approved by City Council March 18, 2002*

AMENDMENTS:

1. AMENDED AND RESTATED PER CITY COUNCIL APPROVAL
ON JUNE 7, 2010 – INCREASE TERM AND CREATE SUBDISTRICT;

1.2. AMENDED AND RESTATED PER CITY COUNCIL APPROVAL ON
MARCH 6, 2018 – ADD ADDITIONAL PROPERTIES

2.3. AMENDMENTS TO INCREASE INVESTMENT OPTIONS, ADD
ADDITIONAL PROPERTIES, AND INCREASE GEOGRAPHICAL BOUNDARY
– SEPTEMBER 2018, 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 and Restated March 6,
2018; Amended and Restated

9/2018 – AMENDMENT #3 TO WATERFRONT TIF: INCREASE CITY INVESTMENT OPTIONS, ADD ADDITIONAL PROPERTIES, AND INCREASE GEOGRAPHICAL AREA

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.

Amendment #1: 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 (Merrill’s Wharf) Project.

Amendment #2: On March 6, 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)

MDECD approved Amendment #2 on May 29, 2018.

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

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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.

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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 in 2000, with these policies recently reinforced with the redrafted Portland 2030 Plan, the City Council formally recognizes ~~the~~ 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; and Attachment 3(A) as amended and renamed “Waterfront Growth Area Ordinance” [WGA, as referred to from now on within this document]:) whereby any property within the WGAREZGA geographic area, delineated on the attached map (see Revised 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 WREZGA 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-vibrant mix of fishing vessels, shipbuildingvessel repair, chandlery, cargo operations and the like with ~~the~~ lawyers, bankers, ~~dot com~~ technology entrepreneurs and tourists. ~~So when~~ Given that non-marine uses place strains on the working waterfront, and that a revenue stream was required to maintain and improve the economic vibrancy of the Portland waterfrontarea, the City Council acted ~~in such a way as~~ to nurture this symbiotic relationship by directing the incremental revenues of the new

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commercial development back to the working waterfront. The result of that action was the adoption of the [WREZGA](#) Ordinance.

The [WREZGA](#) 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.

1. Amendment #2 – Three Added Parcels Approved by City Council March 16, 2018

~~Therefore,~~ the Original Development Program and the three Added TIF District Properties of [March](#) 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 [WREZGA](#) Ordinance.

2. Amendment #3 – Additional Parcels to be Added – September 2018

Additional Parcels to be added include those listed in Section II(D)(4).

In addition, this proposed Amendment increases City TIF revenue investment options, as well as increases the geographic area by amending and renaming the WREZ to the “Waterfront Development Growth Area Ordinance”. See proposed amendments to the WREZ as noted on Attachment #3(A).

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 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 a clean, working harbor.

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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 |
|---|---------------------------|--|
| In District: Capital Infrastructure <u>Design and Investments, including financing costs, for example:</u> | | |
| Pier and Wharf Structural Repair | (1)(A)(1)(2)(3)(6)(7) | \$ <u>15,3,200</u> ,000 |
| Local Match for Ocean Gateway Project | (1)(A)(2) | \$1,000,000 |
| Street <u>Studies and Improvements (Remedy Traffic Congestion)</u> | (1)(A)(1)(2)(3)(6)(7) | \$ <u>205</u> ,000,000 |
| Pedestrian <u>and Multi-Modal</u> Circulation and Amenity Improvements | (1)(A)(1)(2)(3)(6)(7) | \$ <u>2,0075</u> 0,000 |
| <u>Dredging</u> | <u>(1)(A)(1)(2)(6)(7)</u> | \$10,000,000 |
| <u>New Publicly Owned Pier</u> | (1)(A)(1)(2)(3)(6)(7) | \$3,000,000 |
| <u>Multi-Modal Surface and Structured Parking</u> | (1)(A)(1)(2)(3)(6)(7) | \$10,000,000 |
| <u>Utilities Infrastructure</u> | (1)(A)(1)(2)(3)(6)(7) | \$15,000,000 |
| Credit Enhancement Agreements | (1)(A) | \$4,000,000 |
| In and out of District: | | Per Each Individual CEA Project |
| <u>(a) Funding the City Economic Development Department, including prorated salaries of City Manager, Finance, and Planning Urban Development Director and Planning staff; Staff</u> | (1)(A)(5) and (C)(1) | \$50,000 Annually effective 7/1/2010 for 22 years, or \$1,100,000 total. |
| <u>(b) Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained, of value to marine industry;</u> | (1)(C)(4) | \$750,000 |
| <u>(c) Costs of funding economic development programs or events; and</u> | (1)(C)(1) | \$250,000 |
| <u>(d) Costs of funding environmental improvements projects for commercial use, including sea level adaptation studies and infrastructure improvements; and</u> | (1)(C)(2) | \$5,000,000 |
| <u>(e) Professional services costs.;</u> | (1)(A)(4); 1(C)(1) | \$1,000,000 |
| <u>(f) Dredging of commercial vessel berthing; and</u> | (1)(A)(1)(2)(6)(7) | \$5,000,000 |
| <u>(g) Dredge sediment disposal and CAD Cell development.</u> | (1)(A) and (1)(C)(2) | \$5,000,000 |
| Total Estimate of TIF Revenue Expenditure over 30-year term: | | \$<u>88,1021,050</u>,000 – excluding CEA Projects |

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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 ~~this e-five Original TIF Districts described in the Original Amended~~ 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.

In District Use of Funds

Pier and Wharf Structural Repair

The waterfront infrastructure needs are considerable. The Task Force II Report estimated ~~s~~ 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. Over the last 18 years, these costs have grown considerably and the Task Force II Report estimates should be considered woefully inadequate. Working pier space and commercial berthing are the foundational resources promoting water-dependent industries. Piling replacement, deck repair, structural repair, seawall maintenance, and berthing improvements are constant necessities in any marine environment. See Dredging below.

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 Studies and Improvements (Remedy Traffic Congestion)

~~With the development of the Ocean Gateway facility~~ For more than the last 10 years, the Portland Waterfront has experienced a historic development cycle that continues to this day. ; To keep pace with development and to retain and grow marine industry, significant transportation improvements will be required to accommodate the increased traffic. -on the street network along and around the waterfront, wWith particular emphasis on Commercial Street, Franklin Arterial Street, Commercial Street and the India Street neighborhood, street system improvements are and will continue to be studied and improved.

Pedestrian Circulation and Multi-modal Transportation, ~~and Amenity~~ Improvements

With the growth of tourism, cruise ships, and non-marine development, waterfront industries increasingly share roadway capacity with, pedestrians, bicycles, tour vehicles, and non-marine delivery trucks. To both accommodate these new users and

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protect existing marine industries, the City will need to invest in pedestrian infrastructure, bicycle infrastructure (lanes, racks and stations,) public transit, and other multi-modal transportation improvements to promote a safe and functional transportation network. Multi-modal investments provide the additional opportunity to remove single occupancy vehicles from the network, reducing traffic, and to promote public access to the water.

~~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. See CAD Cell Development discussion below.~~

New Publicly Owned Pier

Located between the Portland Ocean Terminal and Ocean Gateway, a new deep-water pier will offer expanded berthing supporting cruise ship, home porting, tug boat, and transient berthing for current and future marine transportation industries.

Multimodal Surface and Structured Parking

Existing and future waterfront industries and developments require shared parking resources to promote continued growth and opportunities for transportation choice.

Economic Development Staffing, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning Staff

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, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

Utilities Infrastructure

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The design, upgrades, and construction of utility infrastructure including, but not limited to, lighting, water, stormwater and sewer systems, telecommunication, and electrical distribution upgrades.

Credit Enhancement Agreements

The City Council may approve credit enhancement agreements within the ~~WGAaterfront Central Zone~~ (as depicted on Attachment #45) 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 commercial Credit Enhancement Agreements to not exceed 65% of the incremental taxes up to a 20-year term; for Affordable Housing TIF District, the TIF Policy limits Credit Enhancement Agreements to not exceed 75% of the incremental taxes up to a 30-year term.

In and Out of District Use of Funds

Workforce Training Funds

Marine Industries are increasingly challenged to find qualified workers to fill open positions and to capitalize on opportunities for growth. TIF funding can help expand the pool of applicants for current and future employment while improving employment options.

Economic Development Programs and Events

Job fairs, technology conferences, industry open houses, and other such events to market and promote the waterfront and its industries.

Environmental Improvement Projects

Waterfront industries, such as fisheries and tourism benefit from water quality improvement studies and projects. Likewise, sea level rise and other climate change related stresses on industries will increasingly require studies and infrastructure improvements to adapt to changing conditions and promote resiliency.

Professional Services Costs

Waterfront TIF funds may be used to support consulting and professional services needed for special projects and to conduct the everyday ongoing work implementing the development program.

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Dredging

Urban harbors require periodic dredging to retain access to and utility of commercial berthing. Typically located on state-owned submerged lands controlled by a submerged lands lease, berthing is the foundation resource supporting water-dependent employment and development. Un-dredged pier edges continually lose their value to marine industry through natural sedimentation and urban storm water runoff. The costs of dredging these public lands are prohibitive, with costs escalating due to contamination resulting from legacy industries, combined sewer overflows, and street runoff. With the support of the Maine Department of Transportation and the Portland Harbor Commission, the City of Portland has worked for the last several years to quantify volumes, sediment contamination, and sediment disposal options. TIF funding will promote dredging of public and private berthing and provide local match for additional state and federal funds.

~~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. See CAD Cell Development discussion below.~~

Dredged Sediment Disposal Costs and CAD Cell Development

The City is working with State and local partners to construct a Contained Aquatic Disposal (CAD) cell in Portland Harbor to address the needs of pier dredging for both public and private piers. Typical urban sediments are not suitable for open water disposal, necessitating creation of a local disposal option. On-land disposal is prohibitively expensive. A CAD cell location has been identified and TIF funding will provide local match to state and federal funds needed for final design and construction of the CAD cell.

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

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The City Council created the [WREZGA](#) Ordinance (see [Attachments #2, and #3, and #3A](#)) whereby any property within the geographic area, delineated on the attached map (see [Revised 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.

[NOTE: This Amendment #3 also proposes to amend the WREZGA Ordinance to expand the geographic area and rename the Ordinance the “Waterfront Development Growth Area Ordinance”, as noted on Attachment #3\(A\).](#)

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 [March](#) 2018

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

[4. Added TIF District Properties of September-Fall 2018](#)

[Additional Parcels to be added include: NOTE: a/o 9/14/2018, City is confirming the various parcels sizes, assessed values, and CBLs. A map, however, is attached showing the location of the subject properties.](#)

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E. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from ~~this Amended Development Program five Original TIF Districts, the Sub-District, and the three Added TIF District Properties of 2018~~ that are created in the WREZGA 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

~~This 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 ~~this Amended District 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

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- 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%.

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

The total acreage of the three Added TIF District Properties of March 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 March 2018, in relation to geographic location of municipality (Attachment #8)
2. Tax maps showing locations of the three Added TIF District Properties of March 2018 (Attachment #9).

III-C. Added TIF District Properties of September 2018 Physical Description

The total acreage of the added September 2018 TIF District Properties is estimated at 80 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 Added September 2018 TIF District Properties, in relation to geographic location of municipality (Attachment #9(C)).
2. Tax maps showing locations of the added September 2018 TIF District Properties (Attachments #9(D) through ()).

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.

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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 ~~Amended~~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.

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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 March 2018 Financial Plan

A. *Costs and Sources of Revenues*

The three Added TIF District Properties of March 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 March 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

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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 [March 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 [March 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.

IV-C Added TIF District Properties of September 2018 Financial Plan

A. Costs and Sources of Revenues

The Added TIF District Properties of September 2018 comprise an area of approximately 80 acres of taxable real property with an original assessed value of \$20,049,870 as of March 31, 2018. The development within the Added TIF District Properties of September 2018 is estimated to add an additional \$300 Million of new assessed value to the City over the remainder of the term through June 30, 2032.

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The Original Development Program and this Amended Development Program provide for the new tax revenues generated by the increase in assessed value of the Original TIF and Amended 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(A) details the projections and proposed TIF revenue allocation based upon the anticipated assessed value increases within the Added TIF District Properties of September 2018. Attachment #12(A) 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 Added TIF District Properties of September 2018 will add approximately \$300 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(A) 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

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| | |
|----------|--------------|
| 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)

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- 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 March 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: \$200,000-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.

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

V-C. Added TIF District Properties of September 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>\$1,107,059,100</u> 6,422,670 |
| <u>Proposed</u> | <u>\$20,049,870</u> |
| <u>Sub-Total</u> | <u>\$1,127,108,970</u> |
| <u>Less Exempt</u> | <u>-\$973,107,320</u> |
| <u>Total</u> | <u>\$154,001,650</u> 433,951,780 |

Line B divided by line A = 1.7% (cannot exceed 5%).

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

D. Percentage of increased assessed value to be applied to the ~~three~~-Added TIF District Properties of September 2018 Development Program fund: 100%

E. Estimated annual tax increment: \$7,282,000 (Average)

F. Total average annual value of development program fund: \$7,282,000 (Average)

G. Annual principal and interest payment of bonded indebtedness: \$200,000

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.

III. Statement of impact of TIF on taxing jurisdictions within the county: See Attachment #15(A).

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

A. *Average Annual Amount:*

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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 March 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

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

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: \$2,341,121

Municipal Revenue Sharing Tax Shift: \$160,724

County Tax Shift: \$150,869

Total Average Annual Savings: \$2,652,714

VII. Amended Development Program Municipal Approvals

A. Public Hearing Notice

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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 February 22, 2018 in a newspaper of general circulation (see Attachment #17).

B. Public Hearing

A Public Hearing at which the proposed Amended Development Program for adoption was held on March 6, 2018 in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Attachment #18.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council amending the Waterfront Redevelopment Program is included as Attachment #19.

