



ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, June 18, 2019

TIME: 5:30 PM

LOCATION: Room 209

NOTE: No public comment will be taken on non-action items.

- 1. Review and accept Minutes of previous meeting held on May 21, 2019.**
 - a. See attached draft Meeting Minutes.
- 2. Public Hearing and vote to recommend to the City Council Proposed Amendments to Chapter 8 to add Waterfront Reporting Requirements to the Waterfront Development Growth Area Ordinance.**
 - a. See enclosed enclosed memorandum and backup material from Bill Needelman.
- 3. General Waterfront Working Group Activity Update for Discussion to include Harbor Dredging/CAD Cell, Pier Berthing Capacity, and Fisherman Parking Options.**
 - a. See enclosed memorandum and backup material from Bill Needelman.

Next Meeting Date: July 2, 2019/CANCELED; July 16, 2019

Minutes
Economic Development Committee
May 21, 2019

NOTE: These meetings are now live-streamed, which can be viewed at this link: <http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, May 21, 2019, at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Pious Ali, and Nicholas Mavodones; Committee member Councilor Spencer Thibodeau could not be present; his comments on Agenda items via email are attached. Present from the City staff were Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Housing Manager Victoria Volent.

Chair Costa noted that first would be a meeting of the EDC from 5:30 to 6:00 p.m., followed by a joint meeting of the EDC and Housing Committee from 6:00 to 7:00 p.m. to discuss Affordable Housing TIF applications and possible lease of City land.

Item #1: Review and accept Minutes of previous meeting held on May 7, 2019.

On motion made by Councilor Ali, seconded by Councilor Mavodones, the Committee voted unanimously to accept the Minutes as presented.

Item #2: Public Hearing and vote to recommend to the City Council Portland Downtown (PD) Agreement, Development Plan, and Special Assessment Mil Rate.

Mr. Mitchell said that this item is an annual item for the City Council in June of each year. Over the past few months, City staff and PD have been working to combine what have historically been the Master Agreement and Supplemental Services Agreement into one overall agreement for clarity and streamlining. The resulting Agreement clarifies what the City provides as baseline services by City staff; supplemental services which PD will reimburse the City for; and, the services that PD provides. He also noted that this year the Agreement includes a one-time charge for Finance Department administrative services of the Agreement in the amount \$9,650.

(Councilor Duson joined the meeting.)

Mr. Mitchell then noted a typo for the amount to be paid to the City for supplemental services wherein the PD budget documents it notes, in rounding figures, \$399,000 where it should have been \$405,000. This amount can be taken care of through the PD's reserve account.

Chair Costa said that this is a unique relationship in that PD Executive Director Casey Gilbert reports to her own Board of Directors, and the City does not have control of PD's budget, but funds a portion of the budget through a special assessment set by the Council. This Municipal Development District is established by State statute.

Casey Gilbert, Executive Director of PD, thanked the Committee for reviewing this, noting that PD is a 501(C)(4). She then highlighted downtown goals for PD, programs of services, and the FY20 Development Plan for PD, noting that bottom line expenses are flat. She thanked City staff in working to combine the two Agreements, noting that last year Councilor Duson had suggested doing this, for clarity of services provided by City and by PD. Ms. Gilbert then handed out PD's Annual Report for informational purposes.

PD Board Director David Packard, residential owner in the PD district and representing the residential sector, noted that the FY20 Agreement in the packet is fine with the residential sector.

Ms. Gilbert said that with the recent expansion of the district last year, including more residential properties, PD is looking to give residential property owners a voice on the Board and various committees of PD.

Councilor Mavodones said that he is impressed with the Agreement clarity and thanked all for getting to this point.

Councilor Duson also appreciated the clarity, noting that she would miss the annual Old Port Festival, with this year being its last.

Chair Costa asked about the duration of the PD.

Ms. Gilbert noted that a Municipal Development District has a 30-year life span per State Statute. With PD beginning in 1992, the 30 years would end 2022. Therefore, PD hired an independent attorney to draft a bill to amend the Statute to allow local control as to how long a Municipal Development District stays in existence, rather than have an expiration as do Tax Increment Financing Districts at no more than 30 years. This bill has passed and is on the way to the Governor's desk for signature.

Chair Costa opened the meeting for public comment; there being none, the public comment session was closed.

Councilor Mavodones made a motion to forward this item to the City Council for approval; Councilor Ali seconded the motion.

Chair Costa thanked PD and City staff, noting the PD does great work for the Downtown. This Committee discussed this at length last year during the geographic expansion

process so is well familiar and, therefore, the reason for no questions. He then asked for a vote on the motion and it passed unanimously.

Item #3: Public Hearing and vote to recommend to the City Council proposed amendment to the Downtown Transit Oriented TIF District to take out property at 66 State Street for it to be an Affordable Housing TIF District.

Mr. Mitchell noted that 66 State Street is at the border of this TIF District and displayed a map showing the location. This District amendment would need approval by the Council and Maine Department of Economic and Community Development (MDECD). At the Joint EDC and Housing Committee meeting coming up following this meeting, the Affordable Housing (AH) TIF application for 66 State Street will be reviewed. AH TIFs also need approval of the City Council and then approval by Maine State Housing Authority (MSHA). The subject parcel is tax-exempt so does not affect the Original Assessed Value of the District. The geographic size of the parcel is .5 acres which will reduce the acreage for this District.

Seeing no questions from the Committee, Chair Costa opened the meeting for public comment.

Kevin Bunker from Developers Collaborative questioned the need to remove the parcel prior to formal approval of the AH TIF.

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

Mr. Mitchell said that removal of 66 State Street from the Downtown TOD TIF needs needs to be done to move forward with the AHTIF.

Councilor Mavodones then made a motion to forward this item to the City Council with a recommendation for approval; Councilor Ali seconded the motion and it then passed unanimously.

There being no further business, the meeting was then adjourned at approximately 6:00
p.m.

Respectfully, Lori Paulette



Greg Mitchell <gmitchell@portlandmaine.gov>

Thibodeau Comments re: Joint EDC and Housing Comm 5/21/2019

Spencer Thibodeau <sthibodeau@portlandmaine.gov>

Tue, May 21, 2019 at 10:11 AM

To: Jill Duson <jduson@portlandmaine.gov>, Jon Jennings <jpj@portlandmaine.gov>

Cc: Justin Costa <jcosta@portlandmaine.gov>

Bcc: gmitchell@portlandmaine.gov

May 21, 2019

Councilor Duson and Costa,

As I discussed with both of you previously, I have to be away for this evening's meeting and I was hoping that you would be willing to convey my thoughts on the agenda items for the record (Please feel free to submit this e-mail if that is easier).

EDC Meeting (5:30PM):

1. Portland Downtown. I support forwarding the PD budget, to the full Council. I had hoped to learn more about the decision to discontinue Old Port Fest, but I will follow-up with Casey at another time.
2. Removal of 66 State Street. I support the removal of this parcel from the TOD TIF District to be a freestanding Affordable Housing TIF District.

Joint EDC and Housing Committee Meeting (6:00PM):

1. 66 State Street AHTIF. Consistent with my comments at the HHS Workshop, I will follow-up with staff with additional questions.
2. Front Street. I support this AHTIF.

Housing Committee (7:00PM):

1. Disposition of City Owned Property: My continued hope for City-owned property (excluding Tax Acquired Property) is that we conduct an open RFP process, with the assistance of our broker, in a similar form to what was done for the Bayside Public Works Buildings. This process allowed the EDC, through public presentations, to choose from a variety of proposals. It also allowed for the EDC to take a comprehensive look at zoning to see if any changes were necessary prior to disposition (which they were not in Bayside). Per Staff's memo, part of the analysis, I hope, is that for properties like the former West School Site, we will express our openness to increasing density and looking at parking requirements generally to allow any RFP applicant to bring forward a proposal with additional housing. I look forward to continuing this discussion with the Committee.

Thank you again for allowing me to submit my comments for the record. Thanks!

Spencer



CITY OF PORTLAND
Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair Costa and Members of the Economic Development Committee

FROM: Bill Needelman, Waterfront Coordinator

DATE: June 12, 2019

SUBJECT: Public Hearing and vote to recommend to the City Council Proposed Amendments to Chapter 8 to add Waterfront Reporting Requirements to the Waterfront Development Growth Area Ordinance

CC: Jon P. Jennings, City Manager
Greg Mitchell, Economic Development Director
Jeff Levine, Planning and Urban Development Director
Christine Grimando, Planning Director
Matt Grooms, Planner
Jennifer Thompson, Associate Corporation Counsel

Introduction:

For the past six months, the City Manager's Waterfront Working Group has worked diligently to provide the City Council with recommendations to strengthen and improve Portland's marine economy and waterfront development. The primary product of this work to date has been a suite of staff recommended zoning amendments to the Waterfront Central Zone (WCZ) slated for Council action on June 17.

The recommended amendments include a provision that would remove an existing requirement to conduct an annual inventory of ground floor marine use within a portion of the WCZ – those portions of parcels lying outside of the so-called "Non Marine Use Overlay."

The Economic Development Committee has been asked to review a potential amendment to the City Code, Chapter 8, that would replace the WCZ *inventory* with two reporting requirements:

- Conducting a *State of the Waterfront* study and report every three to five years; and,
- Preparing an annual *Waterfront Development Report*.

The reporting requirement is recommended to move from Chapter 14, Land Use, to Chapter 8, Waterfront Growth Area Ordinance.

Existing WCZ Inventory:

The WCZ ground floor marine use inventory requirement was added to the zoning text as an amendment to the Council order redrafting the zone in 2010. The 2010 WCZ amendments permitted a large expansion of non-marine use potential and Council members wanted to be updated as to changes within the waterfront resulting from the new zoning.

The WCZ ground floor inventory requirement has three attributes worth noting:

1. The inventory requirement is applied only to the WCZ and only to areas outside of the “Non-marine Use Overlay Zone;”
2. The requirement is applied to individual property owners as a requirement of development review at the time of application to document compliance with marine use percentage requirements – the so-called **55% 45%** rule; and,
3. The City’s was required to aggregate ground floor marine use from all applicable properties within the zone into a report for communication to the City Council.

Note that only the third requirement above, the City’s responsibility to aggregate private inventories into a report, would be impacted by the recommended change. Private property owners would still be responsible for documenting the percentage of ground floor marine use as a requirement for permitting new non-marine use outside of the overlay.

Rationale for Amending the Inventory Requirement:

The WCZ inventory was completed three times between 2011 and 2018.

During the preparation and reporting of these inventories, Planning and later ED staff recognized the following:

- Relatively few properties were filing applications for non-marine use, leaving City staff with no data to aggregate. The three reports prepared largely relied on original data generated by City staff as compiled from aerial photos, property owner interviews, development permits (when available,) and building-by-building observations and estimates.
- The scope of the reporting was limited and missed significant development and change on the waterfront. Due to its limited intent – to track the 55%-45% rule – the WCZ ground floor marine use inventory did not evaluate the impact of development near Commercial Street (within the overlay), nor did it account for marine development on the Eastern or Western Waterfront.

Changes to Portland Yacht Services provides one important example of the above cited shortcoming. Between 2012 and 2018, Portland Yacht Services (PYS) moved from Berlin Mills Wharf (in the WCZ) to the Western Waterfront (WPDZ) and greatly

expanded. Given the limited scope of the WCZ inventory, the move is reported as a “loss” within the aggregated data.

- Users of the reported data often did not account for the inventory’s limited intent. The WCZ inventory became the de facto *waterfront report* and was used by some and reported in the press as an indicator of the health of the marine economy. The Portland Yacht Services example above demonstrates how the current inventory could mislead readers unfamiliar with the source, basis, and intent of the data. For the WCZ, the Portland Yacht Services move was a loss. For the *waterfront*, PYS’s transition into the Portland Shipyard in the adjacent zone was a significant expansion.
- The City’s role in the conducting the inventory was intended as *informational*; however, given the overlap with private inventory requirements for development review the inventory report was often read as evidence of *regulatory compliance*. City staff would like to clarify that the responsibility for demonstrating compliance with land use regulations lies with the property owner. The WCZ inventory, as described in the 2010 text, blurs lines between public and private responsibility.

Recommended Amendments

The deletion of the WCZ inventory requirements are included in the current Council Order 249-18/19. This amendment was recommended by the Planning Board and workshopped with the full City Council on May 13, 2019.

To replace and improve the function of the (potentially) deleted inventory, ED staff is requesting that the EDC consider amending the City Code, Chapter 8, Waterfront Growth Area Ordinance. to require City staff to prepare two waterfront reports:

1. *State of the Waterfront Report*: A broad assessment of the status of waterfront industries, employment, and economic value; and,
2. *Significant Waterfront Development Report*: An annual reflection on significant change in buildings and uses within the WCZ, EWPZ, and WPDZ.

Details on the reports’ intended scope, use, and responsible parties are included within the recommended ordinance language as found below.

EDC Action Requested.

ED staff requests that the EDC members review the proposed waterfront reporting ordinance changes to Chapter 8 and hold a public hearing and take action at the June 18 meeting.

Proposed Amendments to Chapter 8, Waterfront TIF Ordinance

The recommended changes to Chapter 8 are comprised of: an additional paragraph in the purpose text of Chapter 8, Section 8-3. Creation of the Waterfront Development Growth Area;

and, adding a new section, 8-5, Waterfront Reports. The proposed text is provided in full below in redline.

Chapter 8, Sec. 8-3. Creation of the Waterfront Development Growth Area

The Waterfront Development Growth Area (WDGA) is hereby created and shown on the map below, titled the Portland Waterfront Development Growth Area, which is incorporated as a component of this ordinance, as may be amended from time to time.

The City shall conduct studies and reporting on a scheduled basis as needed to track the effectiveness and impacts of the Waterfront Growth Area Ordinance and other elements of the City Code of Ordinances, including but not limited to waterfront zoning in Chapter 14, Land Use. The results of such studies may be used to support processes including but not limited to allocation of Waterfront TIF program funds, Land Use ordinance amendments, capital budgeting, and outside grant funding applications.

Sec. 8-4, Map to remain unchanged with the subject amendments

Sec. 8-5. Waterfront Reports. The City Manager shall oversee and direct City staff to generate reports documenting the state of and trends within the waterfront economy.

(a) State of the Waterfront Report. The Economic Development Department shall oversee a periodic study of the state of the marine economy for the waterfront of Portland, Maine ("State of the Waterfront") and generate a report for communication to the City Council. Starting within the first year of adoption of this provision, the State of the Waterfront Report shall benefit from the services of qualified economic professionals and be updated every three to five years, or more frequently if conditions dictate. The State of the Waterfront Report will, at a minimum, identify key indicators of economic health for marine industry: such as employment by industry, homeported commercial vessels by type, fish landings, freight volume, marine passenger volumes by type, and business output value and trends. The State of the Waterfront Report shall also provide guidance as to strengths, weaknesses, and threats to the waterfront economy and may provide recommendations to strengthen the Waterfront as a home for traditional and emerging water dependent and marine related industries.

(b) Waterfront Development Report. The Planning and Urban Development Department shall prepare a report on significant waterfront development ("Waterfront Development Report") for communication to the Planning Board and the City Council on an annual basis. The Waterfront Development Report shall highlight significant development activity in the Eastern Waterfront Port Zone, Waterfront Central Zone, and the Waterfront Port Development Zone. The Waterfront Development Report may be used to support land use decision making and to inform thinking and actions on the efficacy and impacts of zoning and land use policy on the waterfront.



CITY OF PORTLAND
Economic Development Gregory A.
Mitchell, Director

MEMORANDUM

TO: Chair Costa and Members of the Economic Development Committee

FROM: Bill Needelman, Waterfront Coordinator

DATE: June 12, 2019

SUBJECT: Waterfront Working Group: Activity Update for Discussion to include Harbor Dredging/CAD Cell, Pier Berthing Capacity, and Fisherman Parking Options.

CC: Jon P. Jennings, City Manager
Greg Mitchell, Economic Development Director

Introduction:

For the past six months, the City Manager's Waterfront Working Group (WWG) has met 14 times to provide the City Council with recommendations to strengthen and improve Portland's marine economy and waterfront development. The primary product of this work to date has been a suite of staff recommended zoning amendments to the Waterfront Central Zone (WCZ) slated for Council action on June 17.

Economic Development staff is preparing material summarizing significant elements of WWG's work to date (apart from zoning) for presentation at the June 18 meeting of the EDC. This memo provides an introduction to that work.

The complete record of the WWG process is posted on the City website at:
<https://www.portlandmaine.gov/2411/Waterfront-Working-Group>

Related to the WWG work, but administered under a separate process, ED staff has been working with a State funded consulting team on dredging issues for the piers and wharfs of Portland Harbor. ED staff will also brief the Committee on the progress and status of that effort.

Waterfront Working Group (WWG) Process:

As the Committee is well aware, a potential citizen referendum, an implemented non-marine development moratorium, and a Central Waterfront zoning process have occupied City government's and the public's attention since late 2018. Recognizing the need for stakeholder

input, the City Manager invited a diverse group of fishermen, pier owners, waterfront business owners, and community members to provide formative contribution and input to City staff to address the many issues causing controversy on the waterfront.

Starting their work in early January 2019, the WWG has met 14 times with remarkable consistency of participation. The City Manager has chaired each meeting with staff support from Economic Development, Planning, Corporation Counsel, and Parking. Detailed minutes were recorded by Sara Trautman from Springborn Staffing.

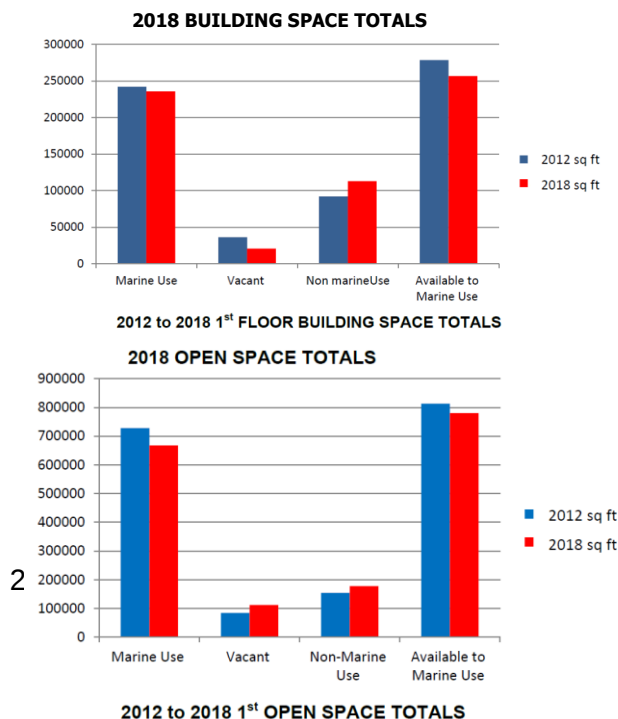
The group established a work plan at their first meeting with the intent of covering the following issues:

- **Evaluate** the current physical, functional, and business **conditions** within the Central Waterfront using the results of the 2018 WCZ Marine Use Inventory.
- Provide recommendations on **early deliverables and areas of general agreement**.
- Make recommendations on prioritization of short-term **Waterfront TIF funding allocations** and recommend structure and process for long-term Waterfront TIF funding decisions.
- Discuss **land use recommendations** on areas of concern. (Zoning)
- Provide formative contribution to the ongoing **Commercial Street Operations and Master Plan** process.
- Evaluate **berthing and marine access** conditions and recommend potential improvements, as needed.

Within the above list, *land use recommendations* (zoning) have occupied the large majority of time at the WWG's many meetings. By now, the Committee is well briefed on the content and results of those discussions.

In addition to zoning, the WWG made progress on the following:

- **Existing Conditions and Policies**
Using the 2018 WCZ Marine Use Inventory as a basis, the WWG spent their first meeting introducing themselves to the general mix of uses in the WCZ and their distribution in the zone. The bar graphs to the right were excerpted from the 2018 Inventory report and provide an example of the material presented. Staff also provided pier-by-pier aerial photos, with use

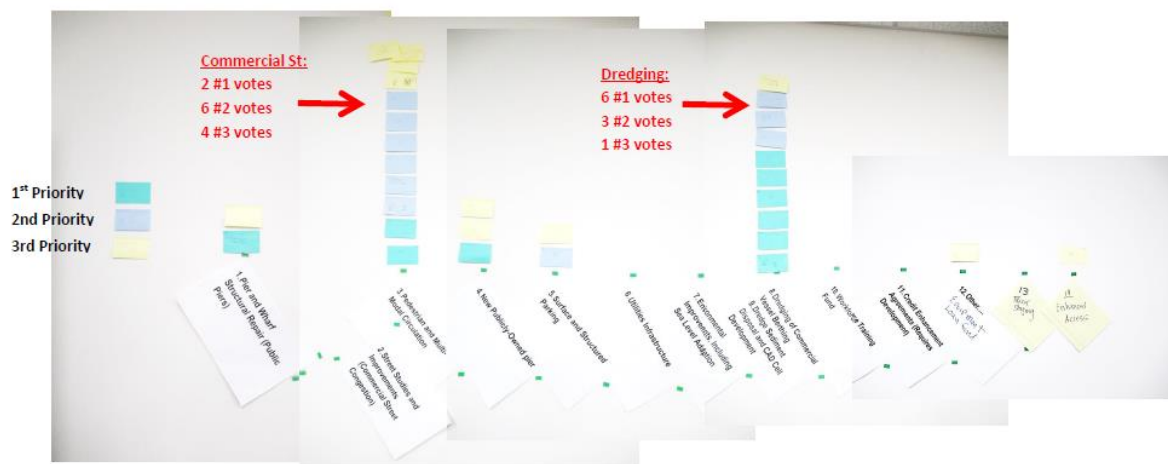


distribution described and illustrated, as a mechanism to virtually “tour” every property in the zone.

At their second meeting, Planning provided background on current waterfront policies and zoning, as well as an update on the status of various development projects on and near the waterfront.

- **Waterfront TIF Program and Recommendations on Allocation of Funds**

At meetings 4 and 6, the WWG spent considerable time on the Waterfront TIF program. After a detailed TIF primer and case study presentation by Greg Mitchell, the group participated in a prioritizing process to provide recommendations to the City Manager on allocation of funds. The WWG was able to coalesce around prioritizing available Waterfront TIF funds on **dredging** and **Commercial Street** congestion mitigation.



WWG, Meeting 6. TIF Priorities Results

March 21, 2019

The above image documents the results of the WWG’s TIF allocation prioritization process.

The WWG also received a briefing at Meeting 6 on various business support programs administered by the City through the ED office and the PDC.

- **Parking**

Meetings 9 and 10 of the WWG concentrated on parking issues. While parking was covered extensively in the zoning conversations, the WWG discussed:

- Private Off-Street Options



- Public Off-Street Options
- Public On-Street Options

The group discussed several options for prioritizing water dependent use parking on the Waterfront, including a potential “hang tag” system for exclusive use of limited on-street parking resources near the Casco Bay Bridge.

- **Dredging and Berthing**

At meeting 13, the WWG received a briefing on the status of harbor dredge planning for the piers and wharfs of Portland Harbor.

The need for dredging is tightly aligned with the supply of commercial berthing (vessel parking or “home port” support) and the two conversations were logically linked.

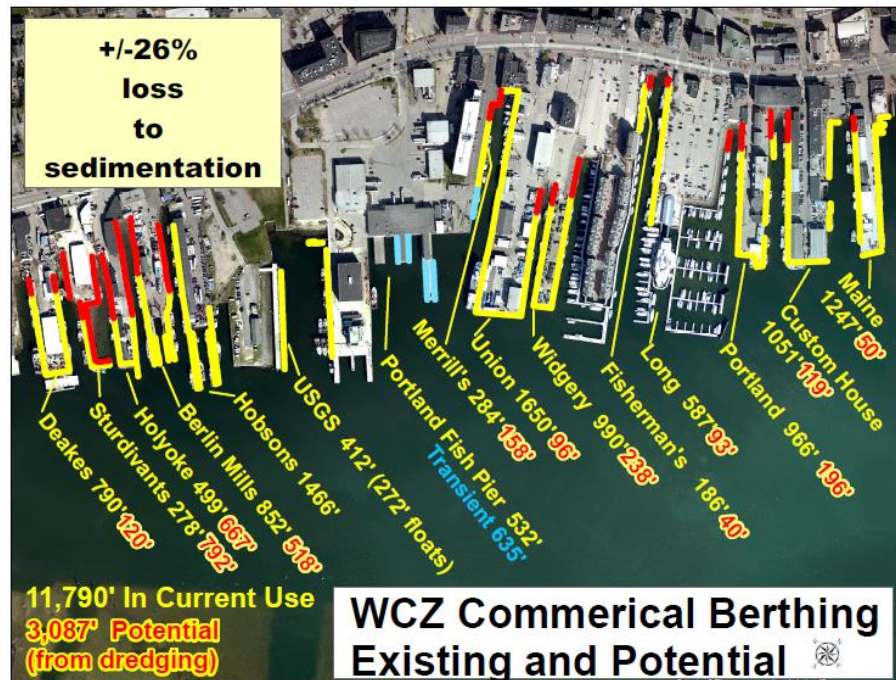
ED staff produced the image to the right to help describe the scale of commercial berthing in the Central

waterfront and how sedimentation has reduced the overall supply of berthing options for commercial vessels. Similar to the Inventory reporting at the beginning of the WWG process, ED generated detailed images for every property in the zone, pier-by-pier. Participants stressed both the need for dredging and the need for caution when evaluating the current berthing supply according to the image above. Much of what is shown, even if berthing is available, may not be useful or valuable depending on many water-side and land-side variables. Not all berthing is of equal value.

ED staff concluded the discussion with an overview of the on-going CAD (Confined Aquatic Disposal) cell planning for the harbor. A CAD cell would provide a disposal option for dredged harbor sediments and is the subject of long term MDOT funded effort by multiple harbor interests, including the City of Portland and the Portland Harbor Commission. ED staff will provide the EDC with a brief summary of the status of dredge planning with an overview of anticipated next steps.

- **Commercial Street Operations and Master Plan**

One area that the WWG has not yet addressed is Commercial Street. The Commercial Street Operations and Master Plan process has been delayed due to a number of factors,



including staff turnover within the consulting group. WWG members will be encouraged to participate in the evaluation of potential alternatives for mitigating congestion within the corridor when the alternatives are presented to the public. A role out of Commercial Street alternatives for consideration is anticipated within the next few weeks, or sooner.

ED staff will have more detailed material on the above issues for presentation at the June 18 meeting.