

Minutes

Remote Housing and Economic Development Committee

March 18, 2025

NOTE: This meeting was held via Zoom and 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 remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, February 25, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members, Sarah Michniewicz, Regina Phillips and Kate Sykes. Also present from the City Council was April Fournier and Wesley Pelletier. Present from the City staff were Housing and Economic Development Department Director Greg Watson, Housing and Community Development Division Director Mary Davis, Corporation Counsel Michael Goldman, Corporation Counsel Avery Dandreta, Assistant City Manager Dena Libner, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on February 25, 2025

On motion made by Councilor Michniewicz, seconded by Councilor Phillips, the Committee voted 3-0 to accept the Minutes.

Item #2: Discussion and public comment regarding 8-19-2024 Tabled City Council of Order #25-24/25- Setting Election Date on an Amendment to Chapter 33 of the Portland

City Code regarding an act to increase Portland's minimum wage- City Council referred to this Committee

Mr. Watson said this item was referred by the City Council at its 8/19/2024 to this Committee when it considered both this item and an item to eliminate sub-minimum wage for service employees. This meeting is to discuss the increase of minimum wage only, with no vote taken today. The approach is to allow Committee members that were sponsors to original order to speak to their rationale and to accept public comment.

Chair Councilor Ali concurred, this is for Committee discussion and public comment.

Councilor Sykes noted the significant public comment on website portal. The proposal is to bring minimum wage up to \$20/hour over four years, not a discussion on tipped wages, to be able to afford to live in Portland.

Chair Councilor Ali said the goal would be some sort of agreement as to what is in our best interests for workers and businesses, and he then opened the meeting for public comment.

Steve DiMillo of DiMillo's on the Waterfront on Commercial Street noted that the market dictates the minimum wage. There is a competitive labor market and they pay dishwashers \$18.00 an hour – not the current minimum wage of \$15.50. He is against this effort.

Eamonn Dundon, of the Portland Chamber of Commerce which has 1,300 members, urged the Council to oppose this effort. Portland's minimum wage is the highest in the country.

Mike Cleary of Planet Fitness on Marginal Way noted his strong opposition to this item. High performance employees get their pay adjusted and then there is the entry level. This would have a ripple effect on the entire payroll structure.

Edmund Cervone(sp?) of UNE's Internal Relations, noted opposition to this item. This would increase labor costs and thus reduce its funding for scholarships. Healthcare services they provide would also be reduced. Attention for more affordable housing is the priority.

David, a small business owner in Portland, supported this item – noting workers cannot be at this meeting because they are working. Having the highest wages in the county is something to be proud of.

Bradley Davis, Portland resident and a founding member of the Portland tenants union, supported this effort. It will not solve everything but it will help, noting the costs of rental here are very high.

Sophia Thomas of 33 State Street strongly supported this item, noting the high costs of renting and groceries. People can only afford to live in Portland if they are able split the costs of renting.

Danny Napolitano of Bruno's Restaurant opposed this item, noting that \$20/hour will not take care of this. He is all for trying to make things affordable here but this is not a good idea.

Julian of 132 Park Avenue spoke on behalf of himself and the service industry noting strong support for this effort.

Damon Yakovleff of Bolton Street supported this and encouraged the City Council to find five votes for this to pass.

Lily Wafer of 131 Chadwick Street and a renter noted her support for this effort and also noted that lower rents are needed here.

Marietta Melon of State Street noted her support of this effort and that if she had dependents, she would be in a financial crisis. Rent takes 30% of her salary and having more disposable income would support businesses.

Lila Kohrman Glaser noted supportedor this effort. Doing the math:
 $\$20 \times 40 \times 52 = \$41,600$ before taxes, which is not a lot of income. The City should prioritize your constituents' needs.

Nate Cloutier representing Hospitality Maine was not in support of this effort as it provides unpredictability. The Green New Deal has had unintended consequences on housing costs. He encouraged City Councilors to call him for more information. Many restaurants, operating on 3% to 5% margins, cannot afford this.

Erica Curtis – resident of District 1 – noted support of this effort. Portland needs a living wage.

David Turin – chef and owner of David's Restaurant since 1992 – noted that he continuously employs about 50 people and is opposed to this item. Raising minimum wage is extremely inflationary and will actually hurt the situation rather than make it better.

Jared Sawyer, Portland resident and the financing person for VFW did not support this effort. Tipped service workers do well. Payroll accounts for over 40% of the VFWs costs.

Jill, owner of multiple businesses employing 50 people who do not make under \$20/hour, does not support this effort. Housing is the issue for Portland.

Maddie of Phipps Street supports the effort, noting housing, food, and healthcare are more expensive than ever.

Aidan Andrews of Bedford Street supported this effort, noting that he is barely able to support groceries and rent. Let the people decide and put it out to the voters.

Todd Blanchette of West Lawn Road District 5 noted support of this effort, and business should support rent control efforts. People are leaving Portland because they cannot afford it.

Lori Ritter, with Coffee By Design (CBD), representing CBD owner Mary Allen Lindemann opposed this proposal noting that it would place an enormous strain on small businesses and negatively impact benefits. Consider a more balanced approach for small businesses.

Brian Hanson, resident of Portland and a SCORE volunteer working with various businesses, noted that there are a lot of obstacles to running a business here and further increases in minimum wage could be devastating to those businesses.

Robbie Defries of Portland and working for a non-profit that cannot raise prices and with this proposal, the non-profit would be hard-pressed to keep open.

See no further comment, Chair Councilor Ali closed the public comment session.

Councilor Michinewicz noted the City's fiscal impact in raising the minimum wage could be at \$11.5 million by 2028, and then questioned if the City could be allowed to create exceptions to the increase, such as for social services and child care.

Mr. Goldman said that he could research that and get back to the Committee. He then noted rules and regulations regarding ordinances passed by citizen initiatives or referendum, particularly that the City Council cannot amend it until five years after the effective date has passed.

Councilor Sykes noted appreciation for the public comment given and noted that the proposal is gradual over the four years to get to \$20/hour. She also noted that Portland is not alone in the highest minimum wage – Seattle and San Francisco are up there as well. She is looking forward to more discussion on how to draft this and send it to the City Council.

Councilor Phillips said that she supports this effort and also appreciated the public comment.

Councilor Pelletier thanked all and noted that commercial rent control could help to keep businesses here and that affordable housing is a multi-faceted problem that the City is focused on.

Item #3: Verbal update on drafting a Commercial Vacancy Ordinance

Greg Watson introduced this item by noting staff is working with Corporation Counsel to draft a Commercial Vacancy Ordinance that would apply to the existing Pedestrian Activities District Overlay. The PAD Overlay is found within the Downtown as well as parts of the Old Port. Staff would bring the draft ordinance to the HED Committee at their next meeting. Upon Committee approval, the draft ordinance would then go to the Planning Board for their approval.

Item #4: Verbal update on proposed Hotel Inclusionary Zoning

Greg Watson provided an update on the fee-in-lieu portion of the Hotel Inclusionary Zoning Ordinance. During 2018, the Greater Portland Council of Governments conducted a nexus study examining the feasibility of a proposal for assessing a hotel linkage fee to mitigate the effects of new commercial development on the demand and availability of affordable housing. Per the request of the City Council, staff requested GPCOG to forward an updated review using current data. Staff is reviewing GPCOG's report and hopes to bring it to the Committee within the next meeting or two.

The Committee thanked Greg for the update and indicated they hope the review includes a look at what other cities are doing around the country.

On motion made by Councilor Phillips, seconded by Councilor Sykes, the Committee voted 4-0 to adjourn the meeting at approximately 7:10 p.m.

Respectively submitted, Lori Paulette and Victoria Volent