MARK DION (MAYOR)
PIOUS ALI (A/L)
APRIL FOURNIER (A/L)
BENJAMIN GRANT (A/L)

SARAH MICHNIEWICZ (1)
WESLEY PELLETIER (2)
REGINA L. PHILLIPS (3)
ANNA BULLETT (4)
KATE SYKES (5)

SPECIAL CITY COUNCIL MEETING 2 - JULY 14, 2025 AT 5:30PM

The Portland City Council will hold a City Council Meeting in Council Chambers. The Honorable Mark Dion, Mayor, will preside.

To submit written public comment on an agenda item, email publiccomment@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Council meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the order number (see below).

The City Council will conduct this meeting from Council Chambers, located on the second floor of City Hall.

To watch the meeting remotely, please visit this Zoom link. Please note there is no remote participation via Zoom. This is to watch the meeting only.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

5:30 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:

ANNOUNCEMENTS:

COMMUNICATIONS:

Communication 1-25/26 Adoption of Historic Preservation Board Procedural Rules - Kevin Kraft, Director of Planning & Urban Development

On June 18, 2025, per Subsection 2.2.7 (C) of the Portland Land Use Code, the Historic Preservation Board voted to adopt procedural rules to govern the conduct of the Board's business. Per the requirements of the Land Use Code, these rules will have been filed with the City Clerk on the day of this meeting. They will go into effect 45 days after the date of filing, unless any portions of the rules are vetoed by City Council.

As a communication this item requires no public comment or formal Council action.

UNFINISHED BUSINESS:

Order 4-25/26 Designating the Portland Tourism Municipal Development District and Adopting the Development Program for the District for Fiscal Year 2025-2026 - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The District was originally approved by the City Council to begin with the second half of FY2024 – January 1, 2024, through June 30, 2024 and was then approved for its first full year beginning with FY2025, so FY2026 would be the second full year of operation.

For FY2026, City Council authorization is needed for the continued operation of the District, which includes: (1) Adopting the Development Program; (2) Establishment of Assessments for the District; and, (3) Authorizing the Agreement.

The revenue raised through the special assessment will fund the District's Development Program expenses for FY2026. The proposed assessment formula is detailed in the Staff Analysis section of this memo.

The Housing and Economic Development Committee reviewed this item at its June 17, 2025 meeting, and voted 3-1 (Phillips) to forward this to the City Council with a recommendation to approve the District.

This item must be read on two separate days. It received its first reading on July 14. Five affirmative votes are required for passage after public comment.

Order 5-25/26 Establishing Implementation Assessments for the Portland Tourism Municipal Development District for Fiscal Year 2025-2026 - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

This is a companion order to the order above.

This item must be read on two separate days. It received its first reading on July 14. Five affirmative votes are required for passage after public comment.

Order 6-25/26 Approving the Development Program Manager Agreement Between the City of Portland and Convention and Visitors' Bureau of Greater Portland, Doing Business as Visit Portland for Fiscal Year 2025-2026 - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

This is a companion order to the order above.

This item must be read on two separate days. It received its first reading on July 14. Five affirmative votes are required for passage after public comment.

Order 7-25/26 Approving the Settlement Agreement and Mutual General Release Between FEDEQ DV004, LLC and FEDEQ DV005, LLC and the City of Portland - Sponsored by Michael Goldman, Corporation Counsel

This order approves the Settlement Agreement and Mutual General Release between FEDEQ DV004, LLC and FEDEQ DV005, LLC and the City of Portland. The agreement resolves all disputes and litigation between the parties concerning the Federated/MiDTOWN Development project and associated agreements. As part of the settlement, the City will acquire Lots 1, 3, and 7 from Federated for $15,000,000, and all pending litigation will be dismissed with prejudice.

This item must be read on two separate days. It received its first reading on July 14. To make this item effective immediately, staff is requesting that this item be passed as an emergency. Seven affirmative votes are required for passage as an emergency after public comment.

<u>ORDERS:</u>

Order 8-25/26 Setting a Public Hearing on a Citizen Initiative Amendment to Portland City Code Chapter 17 RE: An Act to End Fugutive Coal Dust - Sponsored by Ashley Rand, City Clerk

The Portland City Council will hold a public hearing on the attached proposed amendment to Chapter 17, Sections 17-140-143 of the Portland City Code on August 11, 2025 at 4:00pm in the Council Chambers at Portland City Hall, and the amendment would be on the November 4, 2025 ballot if submission to the voters is approved by the Council.

Public comment will be limited to the topic of setting a public hearing date. Five affirmative votes are required for passage after public comment.

Order 9-25/26 Establishing a 180-Day Moratorium on Theater and Performance Hall Projects with a Capacity Exceeding 2000 People in the City of Portland - Sponsored by Sustainability & Transportation Committee, Councilor Regina Phillips, Chair

If passed, this moratorium would prohibit new theaters and performance halls with a capacity exceeding 2,000 people for 180 days while the Housing and Economic Development Committee reviews and recommends amendments to the City Code to address concerns related to the impact of large entertainment venues on public parking, traffic congestion, public safety, and other City infrastructure. This moratorium would apply retroactively to December 1, 2024.

This item must be read on two separate days. It received its first reading on April 14 and its second reading on April 28, at which point it was referred to the Sustainability & Transportation Committee. On June 16 the Sustainability & Transportation Committee voted (2-1, Phillips opposed) to refer this item back to the City Council. Five affirmative votes are required for passage after public comment.

Order 10-25/26 Approving an Option to Lease Agreement with Prosperity Housing, LP for City Land at 1125 Brighton Avenue - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on June 17, 2025, and voted 3-1 (Phillips against), to forward the Option to Lease to the City Council with an amendment to include a plan satisfactory to the City that does not reduce the total current parking spaces available for use by the Barron Center, does not include taking down trees outside the leased area, and that funding for any other parking spaces and associated infrastructure be borne by the Developers.

The review and approval of the attached Option to Lease is the next step in the process of developing affordable and workforce housing on city-owned property at 1125 Brighton Avenue. The main terms of the option and proposed lease are noted below.

- Option Period: Initial term through December 31, 2026, and an ability to extend the option for an additional one-year period. Option Payment: $1.00.
- Execution of Lease: Will occur within 90 days of the exercise of the option and concurrent with the closing of all construction financing. Lease payment is $75,000 for the full term. The lease will be substantially in the same form as Exhibit B to the Option to Lease.

- Premises will be leased as is, where is and with all faults.
- The tenant, at their own expense, will obtain a survey of the site.
- Thirty percent (30%) of the units will be occupied by individuals or families referred by the Social Services Office.
- If, in the future, ownership of the project is transferred to a tax-exempt entity, real estate taxes must be paid.

Five affirmative votes are required for passage after public comment.

Order 11-25/26 Designating Prosperity Place 1125 Brighton Avenue Site 1 an Affordable Housing Development and Tax Increment Financing District and Adopting the Municipal Development Program for the District - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend approval of this item by the City Council.

ProsperityME, along with its development partner, Developers Collaborative, requested the creation of an Affordable Housing Tax Increment Financing (AHTIF) District and Credit Enhancement Agreement (CEA) for a project located on a portion of city-owned property located on the Barron Center campus at 1125 Brighton Avenue. The proposed project would create fifty (50) units of affordable, mixed-income family rental housing. The development will include 15 one-bedroom units, 25 two-bedroom units, 8 three-bedroom units, and 2 four-bedroom units. Ten units will be affordable at 30% of the area median income (AMI) ($31,200 for a two-person household, $38,950 for a four-person household), 20 units at 50% AMI ($45,450 for a two-person household, $64,900 for a four-person household), 17 units at 60% AMI ($54,500 for a two-person household, $77,900 for a four-person household) and 3 units at 80% AMI ($72,700 for a two-person household, $103,850 for a four-person household). The building will also include a laundry room, community room, trash room and bike/stroller storage. As part of the requirements of the Request for Proposal issued by the City of Portland, 30% of the units will be set aside for referrals from the City's Social Service Division. The developer will apply for 9% Low Income Housing Tax Credits from MaineHousing through the QAP. Under the QAP the developer will be eligible for up to 3 points for an approved AHTIF district and CEA with a maximum 75% capture rate for thirty (30) years. The revenue will be used to offset project operating expenses.

If approved, the total amount of captured revenue to be returned to the Developer is estimated to be an annual average of $118,010 over the 30-year term of the District. The amount of non-captured revenue to be deposited into the general fund is estimated to be an annual average of $39,337. Tax sheltering benefits are estimated to be an annual average of $46,186.

This item must be read on two separate days. This is its first reading.

Order 12-25/26 Approving the Prosperity Place 1125 Brighton Avenue Site 1 Affordable Housing Credit Enhancement Agreement with Prosperity Place LP - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend this item to the City Council.

This is a companion order to the order above.

This item must be read on two separate days. This is its first reading.

Order 13-25/26 Designating Mayo Housing 70 East Oxford Street an Affordable Housing Development District and Tax Increment Financing District and Adopting the Municipal Development Program for the District - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend approval of this item by the City Council.

Portland Housing Development Corporation is requesting an Affordable Housing TIF (75% for 30 years) to construct a three-story building with 27 affordable rental units, streetscape improvements, and common outdoor greenspace. The building would consist of nineteen (19) two-bedroom and 8 three-bedroom apartments. Ten (10) units would be reserved for households earning at or below 60% AMI (i.e. $62,350 for a two-person household) and seventeen (17) would be reserved for households earning at or below 50% AMI (i.e. $45,450 for a one-person household). Twenty percent of the units (6 units) would be set aside for persons experiencing homelessness or who have disabilities, are victims of domestic violence, or have other special housing needs.

The forty (40) existing Public Housing Units at the COMB Block (i.e. 70 E Oxford Street) are currently vacant and do not require any additional relocation of tenants. After completion, previous tenants will be invited back to the units and may require some relocation costs. After completion, the project would be managed by Portland Housing Authority. Mayo Housing would be built with efficient building design, materials, and mechanical systems that will strive to meet or exceed the City of Portland Green Building Code. The proximity of the development to transit lines, bike paths, and recreational opportunities would support households without automobiles. Construction would begin November 2026 and be completed December 2027.

If approved, the approximate total amount of captured revenue that would be returned to the project/developer is an annual average of $65,604 over the 30-year term. Non-captured revenue to be deposited into the general fund is approximately $21,868 per year. Tax sheltering benefits are estimated to be an annual average of $25,676.

This item must be read on two separate days. This is its first reading.

Order 14-25/26 Approving the Mayo Housing 70 East Oxford Street Affordable Housing Credit Enhancement Agreement with Mayo Housing, LP - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend this item to the City Council.

This is a companion order to the order above.

This item must be read on two separate days. This is its first reading.

Order 15-25/26 Designating Boyd Housing and Cumberland Housing Affordable Housing Development and Tax Increment Financing District and Adopting the Municipal Development Program for the District - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend approval of this item by the City Council.

Portland Housing Development Corporation is proposing the development of a seven-story, 91 unit building on approximately .55 acres to be known as the Boyd Housing and Cumberland Housing Affordable Housing Development Tax Increment Financing District. The District would have two Credit Enhancement Agreements and two Declaration of Covenants; the first between the City of Portland and Boyd Housing, LP (for Boyd Housing), and the second between the City of Portland and Cumberland Housing, LP (for Cumberland Housing). This would be a mixed-income development for older adults.

Boyd Housing would be comprised of 41 units within the overall 91 unit project. Cumberland Housing would be comprised of 50 units within the overall 91 unit project. The project consists of the construction of a ninety-one (91) unit mixed-income housing development with 55 (fifty-five) of the total units affordable to households at or below 50% of the area median income, 10 (ten) of the total units affordable to households at or below 60% of the area median income, 16 (sixteen) units affordable to households at or below 80% of the area median income, and the remaining 10 (ten) units at market price.The total bedroom count is 45 studio units, 41 one-bedroom units, and 5 two-bedroom units. Boyd Housing consists of 41 (forty-one) units of low-income housing development with 25 (twenty-five) units affordable to households at or below 50% of the area median income, and 16 (sixteen) units affordable to households at or below 60% of the area median income. Cumberland Housing consists of 50 (fifty) units of mixed-income housing development with 30 (thirty) units affordable to households at or below 50% of the area median income, 10 (ten) units affordable to households at or below 60% of the area median income, and 10 (ten) units at market rate. 19 (nineteen) units (or 20% of the units) would be set aside for people experiencing homelessness or persons who have other special housing needs. 36 (thirty-six) units would be available for persons with a physical disability.

The developer is requesting a unique financing structure with MaineHousing which would allow them to apply for 9% and 4% LIHTCs for the same building. Per the developer, this approach is beneficial for obtaining additional investor equity to finance larger developments with more low-income units. This “twin” LIHTC request would result in two Affordable Housing Tax Increment Financing requests and two Credit Enhancement Agreements for this one project. Both of these requests are for 75% for 30 years. Approval of an AHTIF district and CEA with a maximum 75% capture rate for 30 years allows the developer to be eligible for up to 3 points during the scoring process with MaineHousing.

The total project development cost is estimated to be $35,866,594 million and the estimated assessed value is $13,582,980. 75% of the new tax revenue would be captured and returned to the developer through two credit enhancement agreements. The remaining 25% is called non-captured revenue, which would become general fund revenue. 75% of $13,866,594 at the projected mill rate would return $210,912 per year or $6,327,347 over 30 years. The general revenue generated for the City would be $70,304 per year or $2,109,116 over 30 years.

With the tax-sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $82,544, or $2,476,329 over 30 years,

This item must be read on two separate days. This is its first reading.

Order 16-25/26 Approving the Credit Enhancement Agreement with Boyd Housing, LP - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend this item to the City Council.

This is a companion order to the order above.

This item must be read on two separate days. This is its first reading.

Order 17-25/26 Approving the Credit Enhancement Agreement with Cumberland Housing, LP - Sponsored by the Housing & Economic Development Committee, Councilor Pious Ali, Chair

The Housing and Economic Development Committee met on July 1, 2025, and voted 3-0 (Sykes absent) to recommend this item to the City Council.

This is a companion order to the order above.

This item must be read on two separate days. This is its first reading.

Order 18-25/26 Adopting Development Program for Portland Downtown for Fiscal Year 2025-2026 - Sponsored by the Finance Committee, April Fournier, Chair

The PD District was originally established by the City Council on March 16, 1992. Since then, each year in June, for the following fiscal year starting July 1, City Council authorization of establishing the special assessment and approval of the documents is needed.

For FY2026, City Council authorization is needed for the continued operation of PD, which documents include: (1) Adopting the Development Program for the PD; (2) Assessing Maintenance and Implementation Assessments in the PD District; and, (3) authorizing the Agreement for work to be done by PD and work to be done by the City.

The budget for PD is funded largely from special assessments on all real estate in the current District. The revenue raised through the special assessment will fund the majority of PD development program expenses for FY2025. The proposed mil rate to raise the assessment revenue budget is estimated at $1.00 per $1,000 of property value in the current district in order to raise the PD Board approved assessment revenue of approximately $2.3M.

Portland Downtown representatives provided a presentation to the Finance Committee (FC) at the May 8, 2025 meeting and answered additional questions from Committee members and Council members at the June 18, 2025 meeting.

This item must be read on two separate days. This is its first reading.

Order 19-25/26 Establishing Maintenance and Implementation Assessments for Portland Downtown for Fiscal Year 2025-2026 - Sponsored by the Finance Committee, April Fournier, Chair

This is a companion order to the Adopting Development Program for Portland Downtown for Fiscal Year 2025-2026 order above.

This item must be read on two separate days. This is its first reading.

Order 20-25/26 Order Approving the Agreement Between the City of Portland and Portland Downtown For Fiscal Year 2025-2026 - Sponsored by the Finance Committee, April Fournier, Chair

This is a companion order to the Adopting Development Program for Portland Downtown for Fiscal Year 2025-2026 order above.

This item must be read on two separate days. This is its first reading.

EXECUTIVE SESSION:

ADJOURNMENT: