Minutes

Remote Housing and Economic Development Committee

June 17, 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, June 17, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members, Sarah Michniewicz, Reginia Phillips and Kate Sykes. 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, Assistant City Manager Dena Libner, Business Programs Manager Nancy Martin, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on April 15, 2025, May 12, 2025, and May 20, 2025

On motion made by Councilor Sykes by Councilor Phillips, the Committee voted 4-0 to accept the Minutes from the April 15, 2025 meeting.

On motion made by Councilor Sykes, seconded by Councilor Phillips, the Committee voted 4-0 to accept the Minutes from the May 12, 2025 meeting.

On motion made by Councilor Sykes, seconded by Councilor Phillips, the Committee voted 4-0 to accept the Minutes form the May 20, 2025 meeting.

Item #2: Communication – Portland Adult Education Fy2025 Update on TIF Funded Workforce Training Programs and Program Planning for FY2026 Workforce Training Programs

Mr. Watson gave some highlights of this communication item for Portland Adult Education's (PAE) TIF workforce training programs for FY2025, noting that PAE met 145% of their goal in enrolling students in these programs. He noted that 99% of the students identified themselves as BIPOC and the training programs included transportation, bank teller, medical assistant, CNA, clean energy, and ESOL. The communication also details PAE's plans for FY2026, and the City has budgeted $200,000 for this program, as it has in the past, from the Downtown Transit Oriented Tax Increment Financing District.

The Committee discussed the need to train childcare providers and possibly hospitality workers. If funding is not available for FY2026, perhaps the following year. Also, if the data is available, information on students and where they are now. Lastly, not all of the TIF workforce programs are 100% funded by TIF and questioned where funding was coming from for the other portion.

Mr. Watson said that he would reach out to PAE for their feedback.

Item #3: Review and Vote on a recommendation to the City Council: FY26 Agreement for the Portland Tourism Development District

Chair Councilor Ali noted that public comment would not be taken as it was already taken at a previous meeting.

Mr. Watson noted that the backup has redlines to the proposed Agreement and Development Plan based on Councilor Sykes and Ms. Tillotson meeting to discuss priorities, including more attention to hospitality workforce development.

Councilor Sykes agreed that her major concerns have been alleviated in the redlined version, particularly transparency, with VP's Board meeting minutes to be published to its website and to have a good understanding where funds are allocated, i.e., accounting of expenses and results. Also, support for the hospitality workforce to create spaces for peer led conversations about best practices and training and VP is including this in its workplan.

Councilor Sykes also noted the City takes 10% for administration of the District. Any funds leftover from administering the District could be put to use for, for example, public restrooms/maintenance. She noted that she has not received a report from the City on its plan for use of those excess funds.

Councilor Phillips requested that reporting from VP should include how it specifically reached out to, according the Development Plan, "Ten percent (10%) of the Sales, Marketing, Promotions, Destination Development, and Special Events budget shall be allotted specifically to reach the BIPOC, LGBTQ+ markets, and community DEI efforts."

Discussion followed about how VP did this, with Ms. Tillotson noting that VP's annual report will have those details included.

Chair Councilor Ali noted that Ms. Tillotson used Influencers for reaching these communities and DEI effort, which should be included in the Annual Report. He asked her if VP's efforts met the 10% for FY2025, and Ms. Tillotson noted that VP exceeded it.

Councilor Michniewicz noted that VP gave a thorough report at the Finance Committee level, which report noted engagement with the BIPOC community. She would support this and would look forward to seeing first year data, and balance from the initial year on the City side for reinvestment.

Councilor Sykes thanked Ms. Tillotson for VP's work to get Portland on the map. There is a lot of work behind the scenes they do for conferences, races, and sporting events to name a few.

A motion was then made by Councilor Michniewicz to forward this to the City Council with a recommendation of approval. Councilor Sykes seconded the motion and added to the motion that a report be included in the Council packet regarding expenditures from last year and unexpended funds from the City's 10% administrative fee.

Chair Ali then asked for a vote on the motion and it passed 3-1 (Phillips).

<u>Item #4: Review and Vote on a recommendation to the City Council: Consideration of Proposed Commercial Vacancy Program.</u>

Greg Watson provide an overview of the recommendation to the City Council regarding the proposed Commercial Vacancy Program. During the May 20, 2025 HEDC meeting, the Committee went line by line with proposed amendments. Based on that feedback from the Committee, staff is bringing back a proposed Ordinance for further review and possible recommendation to the City Council.

The Committee held a discussion regarding the proposal including fees, the targeted geographic area (i.e. The City's Pedestrian Activities District Overlay Zone), administration of the program, artist compensation (a $25,000 fiscal note has been set aside), a publicly available registry, and inclusion of the BIPOC Community.

Within the packet of material was a draft outreach plan for the Storefront Vacancy Ordinance. Staff noted the outreach list is not fixed and looks for suggestions for broadening the number of organizations. further noting there is a viable opportunity for increasing equity when finding art to go into the windows.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee vote (4-0) to recommend to the City Council the proposed Commercial Vacancy Program.

Item #5: Review and recommendation to the City Council on the Option to Lease portions of 1125 Brighton Avenue with Developers Collaborative Predevelopment LLC, and ProsperityME.

Greg Watson provide an overview of the recommendation to the City Council regarding the option to lease portions of 1125 Brighton Avenue with Developers Collaborative Predevelopment LLC, and ProsperityME.

The review and approval of the Option to Lease is the next step in the process of developing a portion of the property for affordable and workforce housing. The option term would have an end date of December 31, 2026 with the ability to extend the option for an additional one-year period. The lease payment would be $75,000 for the full term. Included in the packet of material is a copy of the draft Option to Lease Agreement. Though most items for discussion between the City and the Developers has been agreed upon, there is one issue not resolved. Staff is suggesting entering into an Executive Session for direction around negotiation.

Councilor Ali asked the Committee for a motion to enter into Executive Session.

On a motion by Councilor Michniewicz, seconded by Councilor Sykes, the Committee voted (4-0) to enter into executive session.

Councilor Ali opened the meeting to public comment on the vote to enter into executive session. Seeing no comment, Councilor Ali closed the public comment period.

The Committee entered into Executive Session at 6:54 p.m.

The Committee exited from Executive Session at 8:13 p.m.

Councilor Ali opened the meeting to public comment. Seeing none, Councilor Ali closed he public comment period.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee vote (3-1) 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 needed infrastructure be borne by the Developers.

Item #6: Review and recommendation to the City Council of Proposed RFP to lease space at the Barron Center for a Child Care Facility.

Ms. Libner presented this item noting that staff created this RFP as a result of the Health and Human Services Committee meetings where the state of child care in Portland had been discussed. This RFP seeks to lease the majority of Barron Center 2 building at 1125 Brighton Avenue, partially occupied by the City's Office of Elder Affairs, for a childcare center. She noted that to be eligible you would need to be a resident of Portland or a City employee with childcare needs, the latter would help the City retain and recruit employees. Fifty percent (50%) of the newly created space would be reserved for City employees. The initial term of the lease is proposed for 5 to 7 years to determine if it is a success or if healthcare beds may be needed again in the future. Regarding lease rates, the City would be willing to reduce lease rental terms for affordable childcare. The RFP noted that the successful proposer would have a food care program in addition to child care programs, and a strong preference for a proposal that carries a minimal requirement for the City to undertake capital improvements.

The Committee and staff held a discussion regarding this, including a nutrition plan for all dietary concerns and staff noting that it would expect the operator to deliver services that serve all families equally regardless of dietary preferences. There was also discussion regarding the Barron's Center foster grandparent program perhaps being a partner, with staff noting there is language in the RFP that the City would be open to considering a collaborative partnership with Elder Affairs. Also discussion regarding experience of childcare providers and pay/benefits, including locating employees for the childcare center issues, and staff would look at that industry for guidance to perhaps include something.

Staff noted that there is a standard provision in all of its contract for non-discrimination.

Discussion also brought up regarding 50% of the space for City employees, i.e., should it be open for all, as well as a good benefit and need for City employees. City employees have been surveyed and there is a need.

Lease terms and how that would work, with staff noting the proposer would offer their best proposals to make things work which would be reviewed by a staff committee and scored.

Timeline was discussed with staff noting that if it needed to wait for an excellent provider they would consider a longer timeline.

The Chair then opened the meeting for public comment.

Nicole Hoglund, owner/director of Portside Learning Center for 40 years, noted that renovations would be substantial due to many licensing requirements and assistance from the City may be needed. Staffing is always an issue, and noted concern for those City employees who currently use her center.

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

The Committee expressed concern about voting on this today, noting it needs to be further vetted from a policy perspective and perhaps make it better. It was also noted that perhaps a joint meeting with the City's Health and Human Services Committee would be helpful. (It was brought to this Committee because it is a disposition of City property.) Examples of topics that could be further discussed could be: scholarships, local supplement for childcare workers, State ARPA funds used for childcare and build capacity – any statistics from that would be helpful, City data on real need for City employees, and see what current childcare centers struggle with.

Chair Councilor Ali suggested that Councilor Sykes send a memo to staff outlining her thoughts/questions on issues she would like to take up.

Councilor Sykes made a motion to postpone this item; Councilor Michniewicz seconded the motion.

Ms. Libner requested Committee members provide any suggested amendments to the RFP to both herself and Michael Goldman as soon as possible.

The Chair asked for a vote on the motion and it passed 4-0.

Item #7: July and August Meetings

Staff and Committee consensus was to have meeting on July 1 and 15 and no meeting in August.

On motion then made by Councilor Michniewicz, seconded by Councilor Phillips, the Committee vote 4-0 to adjourn at approximately 9:21 p.m.

Respectively submitted, Lori Paulette and Victoria Volent