



ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, January 21, 2020

TIME: 5:30 PM

LOCATION: Room 209

- 1. Review and accept Minutes of previous meeting held on November 19, 2019.**
 - a. See attached draft Minutes for approval.
- 2. Review, discuss, and provide direction to City staff on the Committee's 2020 Work Plan and Goals.**
 - a. See attached Memorandum and backup from Greg Mitchell.

Public comment will be taken on action items.

Next Meeting Dates:

- February 4, 2020 joint meeting with the Health and Human Services Committee regarding proposed marijuana regulations.
- February 18, 2020 – regular Committee meeting, followed by a possible joint meeting with the Housing Committee.
- February 25, 2020 joint meeting with the Health and Human Services Committee regarding proposed marijuana regulations.

Councilor Justin Costa/Chair

Minutes
Economic Development Committee
November 19, 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, November 19, 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 Nicholas Mavodones and Spencer Thibodeau. Committee member Councilor Pious Ali could not be present. Present from the City staff were Housing and Community Development Division Director Mary Davis, Health and Human Services Director Kristen Dow, Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Chair Costa noted that this would be the last meeting of this Committee until January. There will be a joint meeting of this Committee and the Health and Human Services Committee, however, on Tuesday, November 26, 2019, to review proposed marijuana regulations and accept public comment.

Item #1: Review and accept Minutes of previous meeting held on September 3, 2019

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

Item #2: Public hearing and vote, in the form of a recommendation to the City Council, on Proposed Option to Lease Agreement with Avesta Housing Development Corporation covering vacant land on the City's Barron Center property to support housing concepts to address senior homelessness in Portland.

- a) **See enclosed memo from Mary Davis and proposed Option to Lease Agreement.**

NOTE: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to provide City staff general policy guidance in this real estate matter.

Chair Costa noted that this Committee is familiar with this item/concept as it was reviewed earlier in a joint meeting of this Committee and the Housing Committee; the Health and Human Services Committee has also reviewed this proposed project.

Ms. Davis summarized this item noting that it is an Option to Lease a portion of vacant land at the Barron Center to Avesta Housing to help them continue to move forward with their due diligence, including financing. Avesta is proposing to develop a 36-unit assisted living facility, a 30-unit housing first development, and a 15-bed assessment center. The Option to Lease is not specific to what portion of the Barron Center Campus will be utilized as the projects are still in the planning stages, noting that it could be one, two, or three buildings. In order for Avesta to move forward, particularly with financing, they need to show site control.

Mr. Mitchell added that the option period is for one year for a total of \$1.00. When Avesta knows more of the scope of the project, the lease would be renegotiated with specifics.

Councilor Thibodeau asked about maximizing building footprints.

Mr. Mitchell said that a rezoning may need to occur for maximizing the building footprints.

Councilor Mavodones said that the project is a great outgrowth of the shelter discussion, and asked if there has been community outreach.

Mr. Totman, President of Avesta Housing, said that Avesta has met with leaders of that neighborhood three or four times and they are aware of the concept, and also realize that it is still evolving. Avesta has shared what they know so far and will continue to keep the neighborhood apprised, including new Councilor-Elect Chong for District 3. Parking would need to be considered in order to maximize development potential, as well as possible rezoning as Mr. Mitchell noted. The 3-pronged project is very complex, each with different funding to construct and pay for operations.

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

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

Councilor Thibodeau thanked staff and Avesta Housing for the work thus far on this project, noting the housing that is needed and this will help in that regard.

Councilor Mavodones agreed and indicated this to be a good partnership with Avesta.

Chair Costa also noted the tremendous amount of work done and to be done. The City has had a longstanding relationship with Avesta Housing in addressing these needs for the community. There will be a lot more conversation on these proposed projects, and this is a positive step in the right direction.

Chair Costa then asked a vote on the motion and it passed unanimously.

Item #3: Communication related to Creative Portland operational changes.
No action required.

b) **See enclosed memo from Jon P. Jennings.**

Mr. Mitchell said that this is a communication item only for this Committee, and noted the memo from the City Manager in the packet. It is an update on operational changes for

Creative Portland (CP). It currently has two staff positions, an Executive Director and a Program Assistant, who are now contract employees on the City's payroll through December 31st. This operational change would make them full-time City employees as of January 1, 2020 as part of the Economic Development Department budget, with the CP Director reporting to him. TIF funds would continue to fund the CP positions, as it does for all salaries in the Department. The CP Board would oversee CP programs and be advisory to the City. The CP Board agrees with this operational change.

Councilor Mavodones thanked Mr. Mitchell for the update and has been aware of this through the budget process; Councilor Thibodeau agreed.

Chair Costa said that it is the right move and noted CP's good work in the community.

Item #4: Communication on EDC 2019 Accomplishments to forward to the City Council.

a) See memorandum from Greg Mitchell

Mr. Mitchell said that the memo in the packet summarizes the accomplishments of this year's EDC to forward to the City Council as a communication item.

Committee members thanked Mr. Mitchell and staff for their work in organizing the Agendas and backup, noting staff's responsiveness to the Committee's requests. Consensus of the Committee was to forward this item to the City Council as a communication.

On motion then made by Councilor Mavodones, seconded by Councilor Thibodeau, the Committee voted unanimously to adjourn the meeting at approximately 6:05 p.m.

Respectfully, Lori Paulette



CITY OF PORTLAND
Economic Development
Gregory A. Mitchell, Director

MEMORANDUM

To: Economic Development Committee
From: Greg Mitchell, Economic Development Director
Date: January 17, 2020
Subject: 2020 EDC Goal and Work Plan Discussion

In preparation for the January 21, 2020 EDC meeting to discuss the 2020 EDC Goals and Work Plan, attached please find the following:

EDC Accomplishments for Calendar Year 2019. The enclosed memo was presented to the City Council at their December 16, 2019 meeting.

2020 EDC Draft Work Plan and Meeting Schedule as of January 15, 2020. This document includes near-term confirmed EDC meeting dates and tentatively assigned topics for future meetings. I note that a joint meeting with the City Council Housing Committee is recommended to hold an executive session to discuss and receive Committee direction on a number of public-private affordable housing projects. February 18th is the tentative date for this joint Committee meeting.

I look forward to discussing this year's EDC Work Plan with you.



CITY OF PORTLAND
Economic Development
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: November 14, 2019

SUBJECT: Committee Accomplishments for Calendar Year 2019

The following will provide you with the Economic Development Committee accomplishments, by subject area, during calendar year 2019:

WATERFRONT WORKING GROUP

The Committee was kept apprised of the meetings with this Group, providing guidance and feedback to staff on various items including proposed amendments to the Waterfront Central Zone and Waterfront TIF Investment options, particularly dredging/CAD Cell and Commercial Street improvements.

TAX INCREMENT FINANCING

Workforce Development Investment Options using Tax Increment Financing (TIF):

The Committee recommended two investments through TIF funds, which were approved through the City's annual budget process:

- An allocation of \$100,000 in funding for Portland Adult Education to augment its existing workforce training programming in the banking and medical fields; and,
- An allocation of \$150,000 in funding as a City pilot program to invest in Portland employer workforce training needs. This was done through competitive bid and resulted in the City drafting an Agreement with Coastal Counties Workforce, Inc., (CCW - our region's Workforce Board) currently under review. CCW proposed a new training program "Frontline Health Care Career for New Immigrants Program".

Assignment of Credit Enhancement Agreement (CEA) Regarding Portland Public Market, LLC: The Committee reviewed the proposed Assignment of the CEA to East End Corporation who purchased the property. The Committee recommended that it be forwarded to the City Council for approval, which the City Council approved at its April 8, 2019 meeting.

Amendments to Waterfront TIF District: The Committee reviewed proposed amendments to the Waterfront TIF to add additional properties to the TIF District and a proposed map amendment to the Waterfront Development Growth Area Ordinance (WGA). By adding the properties, the City would realize tax sheltering savings, while also increased TIF revenue for City public infrastructure investment. The Committee voted to forward this to the City Council for approval, and the City Council approved this item at its June 17, 2019, meeting.

Amendment to Downtown TOD TIF District: The Committee reviewed an amendment to take out 66 State Street from this TIF District for it to be its own free-standing AHTIF District. It recommended to the City Council approval of the amendment, which the City Council approved at its July 15, 2019, meeting.

CITY PROPERTY SALES/ACQUISITIONS

Sale of a Vacant, Land-Locked City-Owned Property Adjacent to the Maine Turnpike to Waterstone Properties: Recommended to the City Council sale of this property to Waterstone Properties for \$100,000, which the City Council approved on April 8, 2019. Waterstone Properties is the developer of Rock Row in Westbrook, and this property lies at the outer edge of the development. Closing on this sale is expected by the end of the year.

654 Riverside Street City-Owned Property: The Committee reviewed offers received in executive session. However, post that meeting, the City Council decided that this location was the best option for the City to locate and construct a Homeless Service Center.

Two Property Acquisitions for Somerset Street Extension Project: The Committee reviewed two Purchase and Sale Agreements (PSA) for property abutting the proposed Somerset Street Extension project, one being with BOPO LLC and the other being with Kennebec Crossing, LLC. The Committee voted to forward these to the City Council with a recommendation for approval. The City Council reviewed the PSA with Kennebec Crossing LLC on September 16, 2019, and voted to approve the item. It then reviewed the PSA with BOPO, LLC on October 7, 2019, and voted to approve the item.

Tax-Acquired Property on Great Diamond Island: Provided guidance, in executive session, regarding future sale and development of this property, known as the former Fort McKinley Hospital.

PORTLAND DOWNTOWN

Portland Downtown (PD) Annual Documents: Historically, the City Council has approved a Master Agreement and a Supplemental Services Agreement (SSA) that detail the work that PD is to do, and the services provided by the City as part of the SSA. Staff

worked to combine the two Agreements for clarity, and the Committee then reviewed the combined Agreement resulting in a recommendation to the City Council for approval. The City Council voted to approve the one combined Agreement at its June 17, 2019, meeting.

JOINT COMMITTEE MEETINGS - Housing, Health & Human Services

Joint Meeting with the Housing Committee to review/recommend to the City Council Affordable Housing (AH) TIF Requests, and possible public/private partnerships with Avesta Housing and Community Housing of Maine (CHOM) to support affordable housing projects on City property. More information as follows:

- **66 State Street AHTIF:** The Committees reviewed this AHTIF application to redevelop the property with the creation of 30 units of rental housing affordable to households earning at or below 60% of the area median income and a lodging house with approximately 38 rooming units affordable to households earning at or below 50% of the area median income. The request was for a 30-year AHTIF at 75% capture rate. The Committee voted to forward this item to the City Council with a recommendation for approval. The City Council voted to approve this item at its July 15, 2019, meeting.
- **Portland Housing Authority (PHA) Front Street AHTIF:** The Committees reviewed this AHTIF application to create 105 units of rental housing, with 84 of those units affordable to households earning at or below 60% of area median income. The request was for a 30-year AHTIF at 75% capture rate. The Committee voted to forward this item to the City Council with a recommendation for approval. The City Council voted to approve this item at its July 15, 2019, meeting.
- **CHOM lease at existing surface parking lot at Franklin and Middle Streets.** The Committee reviewed a proposed lease with CHOM for 99 years at \$1/year to develop 49 units of affordable rental housing for seniors aged 55 and older, with a preference for 11 units for long-term shelter stayers, parking, and ground level commercial space. The Committee forwarded this to the City Council with a recommendation for approval. The City Council voted to approve this item at its September 4, 2019, meeting.
- **Avesta Project at Barron Center:** The Committee will be reviewing a proposed lease with the Avesta Housing for vacant land at the City Barron Center property at its November 19, 2019 meeting.

Joint Meetings with the Health and Human Services Committee Re: Proposed Marijuana Regulations: Two joint meetings are being held this calendar year, including public comment taken at the second meeting to be held on November 26, 2019. It is anticipated that final recommendations to the City Council will occur early 2020.

2020 EDC DRAFT WORK PLAN AND MEETING SCHEDULE

As of January 15, 2020

MAYOR AND CITY COUNCIL 2020 GOALS

#1 Increase access to rental and home ownership that is safe, affordable, and accessible.

#2 Continue efforts to reduce homelessness; assist people experiencing homelessness through city, regional and state efforts.

#3 Increase public transit infrastructure and capacity in the city.

#4 Seek to address the high property tax burden in Portland by passing an affordable combined School/City budget and by pursuing other revenue sources.

PROPOSED EDC MEETING SCHEDULE AND WORK ITEMS

January 7, 2020 - Joint EDC and HHS Committee public hearing on marijuana regulations.

Done.

January 21, 2020

2020 EDC Work Plan and Goals Discussion.

February 4, 2020 - Joint EDC and HHS Committee meeting on marijuana regulations.

February 18, 2020 - EDC meeting from 5:30 p.m. to 7:00 p.m. and **POSSIBLE** Joint Housing Committee and EDC meeting from 7:00 p.m. to 7:30 p.m.)

5:30 p.m. to 7:00 p.m.

Presentation on the Institute of Digital Engineering and Life Science (IDEALS) Project.

Maine State Pier to Ocean Gateway Redevelopment Plan

Portland Harbor Dredge Project/BUILD Grant Update, Marine Industry Update, and Waterfront TIF District Allocation (Note: BUILD Grant deadline is July 1, 2020).

7:00 p.m. to 7:30 p.m.

Executive Session Discussions (City Housing Goal)

- Direction on property dispositions for 21 Randall Street, 165 Lambert Street and 43/91 Douglass Street.
- Direction on a number of possible public-private affordable housing projects.

February 25, 2020 - Joint EDC and HHS Committee public hearing on marijuana regulations.

March 3, 2020

Possible Commercial Tax Increment Financing District Credit Enhancement Agreement Request.

City TIF District Workforce Training Investment Update (PAE and CCW, Inc.) and Staff Recommendation for future investment.

April 7, 2020

Portland Downtown Annual Work Plan, Special Assessment, and Development District Time Extension.

May 5, 2020

June 2, 2020

July 7, 2020

August 4, 2020

September 1, 2020

October 6, 2020

November 3, 2020

TIF District Annual Activity Report

EDC 2020 Work Plan Accomplishments Communication

December, 2020

No Committee meetings.

EDD MAJOR WORK PLAN ACTIVITIES NOT SCHEDULED FOR EDC MEETINGS

Possible public-private partnership to support investment in remote public parking to support increased transit service to Portland Peninsula (*City Transit Goal*).

Possible Land Exchange Agreement to support realignment of Kennebec Street from Brattle Street to Forest Avenue.

Homeless Service Center RFP Oversight and Developer Selection.