

Minutes

Remote Housing and Economic Development Committee

March 16, 2021

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, March 16, 2021, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Spencer Thibodeau and members Councilors Pious Ali, Tae Chong, and Andrew Zarro (arriving as noted herein). Also present from the City Council was Mayor Karen Snyder. Present from the City staff were Public Facilities Director Kathy Alves, Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, City Manager Jon Jennings for Item #3 on the Agenda only regarding the Iris Network request, Housing and Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, Office of Economic Opportunity Director Julia Trujillo Luengo, and Housing Program Manager Victoria Volent.

Item #1: Zoom Meeting Information – no Committee action required.

Item #2: Review and vote on March 2, 2021, draft meeting Minutes.

On motion made by Councilor Zarro, seconded by Councilor Chong, the Committee voted unanimously (4-0) to accept the Minutes as published.

Item #3: Public Hearing and vote to recommend to the City Council amending the name of the Developer in the Credit Enhancement Agreement for the 66 State Street Affordable Housing Tax Increment Financing District – Mary Davis

Chair Thibodeau announced he was recusing himself from the meeting during the duration of the discussion and vote. Councilor Chong presided over the meeting for this item.

Mary Davis summarized the request for amendment to change the name of the developer in the Credit Enhancement Agreement for the 66 State Street Affordable Housing Tax Increment Financial District from Phoenix at Danforth, LP to DC 66 State LLC.

Councilor Chong opened the meeting to public comment.

George Rheault (28 Hanover Street) – Thinks tax payers deserve background on this item regarding a time line and the funding of the project (which is coming from the Hobson Landing project). Thinks the public should be more aware of when the funding from Hobson Landing will be forwarded. Would like to know when Kevin Bunker will begin construction of the promised rental units.

Chair Chong closed the public comment period.

On motion made by Councilor Ali and seconded by Councilor Zarro, the Committee voted unanimously (3-0) to forward this item to the City Council for approval.

Chair Thibodeau rejoined the meeting.

Item #3: Public Hearing and Vote to Recommend to the City Council the Iris Network

Loan Amendment Request

Mary Davis noted since the previous meeting, the Iris Network has amended their request and are now are seeking to allow a 25% payment in lieu of taxes if the title to the property is transferred to a non-profit owner. The City's Tax Assessor's office is estimating, based on the revaluation assessed value of the project, the proposed 25% PILOT would result in a payment to the City of \$11,452. A review of all 41 projects in the City's Affordable Housing Development portfolio indicates that half of the documents include a clause in the loan documents which requires

that if the property should become exempt, an amount equal to the assessed tax amount would still be payable.

Jon Jennings noted concern with both setting a precedent and the loss of tax revenue to the City when an existing entity that is paying property taxes asks to become tax exempt or 75% tax exempt.

Chair Thibodeau opened the meeting to public comment.

David Barnwell (Iris Network President) – responding to previous questions brought up earlier in the meeting, there have been steps put in place that have allowed for a stronger fiscal position - trying to ensure needed services are provided.

Chair Thibodeau closed the public comment period.

The Committee asked clarifying questions and further discussed the proposal. Chris Huff indicated within the City, 21% of the assessed value is tax-exempt (non-profit, government, etc.) The City bears a much larger burden of tax-exempt properties than other cities in Maine.

Chair Thibodeau supports assisting the Iris Network Apartments through City subsidies such as CDBG funding but is concerned with setting a precedent should the Iris Network be allowed to become tax-exempt or enter into a PILOT.

Other Councilors agreed with Chair Thibodeau's comments.

David Barnwell noted that in order to have the apartment up and running, the services necessary to run the building are needed. The \$250,000 initial investment from the City has been paid back in the last fifteen years through taxes. Now the Iris Network is looking to sustain the services required to run the apartments (but not subsidize any other portion of the organization).

On motion made by Councilor Ali, seconded by Councilor Chong, the Committee voted 0-4 to recommend to the City Council the Iris Network loan amendment request.

Item #4: Continued discussion and public hearing regarding Creative Portland

(CP) additional Tax Increment Financing (TIF) funds, to include:

- (a) Funding request for FY2022 to support programs and services; and,**
- (b) Possible vote to recommend to the City Council amendments to the Downtown Transit Oriented Development (TOD) TIF District to modify the TIF funding cap for CP.**

Mr. Mitchell noted that it is the CP Board of Directors requesting the increase in TIF Funding. This Committee had requested clarification as to use of funds at its previous meeting, so the original request and clarification from CP are in the backup. A companion item is to amend the Downtown TOD TIF which now has a cap of \$100,000 for CP funding.

Kate Anker, President of CP, thanked the Committee for their time in taking up this item. At the last meeting CP provided an itemized phased budget increase over four years – FY2022 through FY2025. A clarification today is “personnel” from the prior meeting, which is now labeled as “Marketing services & materials”. CP would use this line item for independent contractors to do marketing and consulting work; this was the confusion at the prior meeting. Ms. Anker noted that timing is crucial and hoped to move this forward, adding that the creative work force is on a precipice. She also noted other cities of similar size have an even larger investment in the arts. CP can leverage the City’s investment with CP’s capacity to carry through this plan and budget sustainably.

Chair Thibodeau noted that if this is recommended to increase CP funding in the Downtown TOD TIF, a companion item on today’s Agenda would be the amendment needed to the Downtown TOD TIF to increase that funding.

Councilor Zarro asked if the Committee is being asked to make a recommendation on a four-year budget increase or for one year for the upcoming FY2022, and Mr. Mitchell indicated one year for FY2022.

Chair Thibodeau noted for the first increase, the Downtown TOD TIF (DTIF) now has a cap of \$100,000 annually, and it is being recommended that it now have a floor of \$155,000. CP is requesting the \$155,000 floor in the DTIF.

Councilor Zarro asked if this would have any effect on Portland Downtown, and Mr. Mitchell said that it would not; PD is a separate organization funded by assessments on property owners in its district. PD's FY2022 Budget and annual documentation will be coming shortly to this Committee for a recommendation to the City Council.

There was discussion regarding process, and Chair Thibodeau indicated that staff would need to communicate this Committee's position to the Finance Committee, and that this Committee could make a recommendation on the DTIF Amendment directly to the Council.

Chair Thibodeau then opened the meeting for public comment.

Joey Brunnelle of 61 Kellogg Street noted that the purpose of CP is a business development organization that uses arts as a vehicle to promote business. It does a lot of great things to support the arts from the perspective of business development. In the long-term ramping up to \$1 Million to CP is very high. He also indicated that CP should track its outreach so that it is inclusive for all.

Seeing no further public comment, the public comment session was closed.

Mr. Mitchell noted that the request is for the City to continue fund the CP Executive Director and Program Assistant as City employees in his Department budget, which includes fringe benefits. The City employees in the HEDD budget are funded by area-wide TIFs. The

Downtown TOD TIF amendment is being recommended to have a floor of \$155,000 annually, instead of a cap now at \$100,000 annually.

Councilor Chong made a motion to recommend to the City Council amending the Downtown TOD TIF to have a floor of \$155,000 annually to CP; Councilor Zarro seconded the motion.

Councilor Chong said that he supports this Amendment, noting that the performing arts and arts district were hit very hard due to the Pandemic. Every Think Tank knows that if you want to recruit you go to places that have a vibrant arts community. Through the Pandemic, CP created an arts relief fund and hired local artists for public messaging displays for safety, also noting that it brings \$70 Million into the area. The City needs to invest in the arts, and others in the community will follow through. This is a smart economic investment of TIF funds to keep what we have here and build on that infrastructure. Councilor Chong then noted that for \$1 spent on the creative economy, the multiplier effect is \$16.

Chair Thibodeau questioned whether there should be a floor or a cap, and Mr. Mitchell noted that with a floor, it would not need to go back to the Council to increase funding.

Chair Thibodeau noted that this may be further discussed at the Council about a cap versus a floor.

There followed discussion that the current cap of \$100,000 for CP is being used to absorb the costs of CP employees as City employees on the City payroll. That \$100,000, however, does not cover salary and fringe benefits, which totals approximately \$140,000. Should there be a floor of \$155,000, it would be up to the Finance Committee to direct that use of funding. The DTIF can fund all salaries/fringe benefits of employees in HEDD which include CP Executive Director and Program Assistant. If the Finance Committee increases the floor to \$155,000, it can direct that \$55,000 go to CP programs and services, with the remainder to be used to fund HEDD

employees, or it can direct that all of the \$155,000 go to CP programs and services, excluding CP employees on the City payroll, or other direction from the Finance Committee.

Councilor Chong said that he supports the floor of \$155,000, with CP staff not included in that \$155,000 funding as they are on the City payroll in HEDD, which salaries and fringe benefits of all HEDD employees can be covered by the three area-wide TIF Districts – DTIF, Bayside, and Waterfront.

Councilor Zarro agreed.

Ms. Anker noted the relationship with the City is complicated, adding that the two City employees in HEDD that support CP also support work to the City on other items outside of the CP work plan. She understands any hesitancy of the floor of \$155k, but if that included the CP Executive Director and Program Assistant salary and fringe benefits, that would leave just \$15,000 for programs and services.

Chair Thibodeau noted that he would support the motion on the table, but it would be up to the Finance Committee to make a determination regarding disposition of DTIF Funds for CP. He may further want to discuss the floor versus a cap for CP at the Council level. He also requested to see a sliding scale of what the increase would look like at \$155,000, \$200,000, and \$255,000.

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

Item #6: Presentation on the Portland Harbor Common Plan for Committee discussion and direction.

Mr. Mitchell introduced Dick Barringer and his team as volunteers working on this Plan. He also noted that City Manager Jennings also has a brief cover memo in the packet thanking the team for their volunteer efforts and that funding mechanisms need to be worked out, as well as

public process. Mr. Mitchell indicated that this was going to be presented last year but then the Pandemic hit.

Mr. Barringer thanked the Committee and his comments are attached, as well as the four slides presented at the meeting.

Chair Thibodeau thanked Mr. Barringer and his team for their work and volunteer time, noting that this is a great space for use between Ocean Gateway and the Maine State Pier, and there is further interest in increasing access to the waterfront for all.

Mayor Snyder appreciated the presentation, and asked whether the team was looking to the Committee to say yes to move forward together to finance the project, and work with private partners in the area.

Mr. Barringer noted that he would like to take this back to the City Manager and work with City staff to create a first phase and public discussion. He anticipates funding would be both public and private, noting the private sector has indicated interest to get behind the project as it would enhance properties in the area. Crafting a budget and plan is part of the first phase.

Councilor Ali thanked the team for the work applauding its beauty.

Councilor Zarro did as well, noting that the Transportation and Sustainability Committee would be interested in a presentation of this, as well anticipated public engagement would be interesting and lively.

Mr. Barringer agreed, there are many organizations and interest that would partake in the public discussion and vetting for this waterfront property.

Chair Thibodeau thanked Mr. Barringer as they look to move forward for both funding sources and public engagement.

Item #7: Portland Adult Education (PAE) update on results of FY2021 workforce training program investment and request for continued TIF funds for workforce training for Committee discussion and direction.

Ms. Luengo said that the City has invested TIF Funding in workforce training for the past two years, and PAE is here today to update the Committee on the City's FY2021 Investment of \$100,000, and its request for another round of funding for FY2022 for \$100,000.

Anita St. Onge, Executive Director of PAE, thanked the City for their investment which significantly assists PAE in innovating and developing new programs as needed, and enhancing current programs. This extra investment allows for assistance from PAE in areas where other sources of its funding have restrictions. The TIF funding fills that gap.

Liz Love, Assistant Director at PAE, provided an update on recent successes in the ELL Commercial Driver's License (CDL) Permit Course, ELL Intensive Job Readiness Class, Education Academy, and New Mainer Teller Training Program with 36 currently enrolled. These have been well-received and PAE would like to continue with these classes in FY2022, requesting level support at \$100,000. Ms. Love added that PAE is also looking at three other new courses: New Mainer Employee Advancement Initiative across the financial services industry, retail, and healthcare; CDL Program Expanse to include pathways to full CDL Class A and B Licensure; and, Green Jobs Training Program where renewable energy jobs are a growth area and programs for solar and heat pump technicians are envisioned at PAE.

Regarding the Education Program with students obtaining jobs as ED Tech III, Councilor Chong asked if this was the highest ED Tech position and how many were people of color.

Ms. Love indicated that ED Tech III is the highest ED Tech position working as an assistant in the classroom. Teachers require State certification, and this is where credentialing can be an issue. PAE continues to work with these individuals in obtaining that certification.

Ms. St. Onge said that the majority of ED Tech III positions were people of color, if not all.

Councilor Chong asked about the cost for the three new programs just described, and Ms. St. Onge estimated another \$100K, but would need guidance from the City as to what was doable.

Councilor Chong indicated that the estimate sounded reasonable, noting the work of PAE getting people out of poverty.

Councilor Zarro also noted that PAE is doing phenomenal work and has his total support.

Councilor Ali also noted support for PAE. When he toured the building with parents, the parents also wanted to participate in classes. PAE does a great job getting people interested and educated.

Chair Thibodeau said it is great to hear students are getting into the job market, which expands Portland's diversity. He noted that alumni connections would be impactful.

Mr. Mitchell said that he sees consensus for additional \$100,000 for PAE for FY2022 and will communicate that to the Finance Committee.

Councilor Chong asked PAE how quickly it could draft up a budget for the additional new programs, and noting Ms. St. Onge's response, Councilor Chong requested to have it presented at the next meeting of the HEDC to coincide with the City's budget process.

Item #8: Quarterly HEDC 2021 Work Plan Check-in. Postponed from the March

2nd meeting.

Consensus of the Committee was to table this to the next meeting to be first on the Agenda.

On motion then made by Councilor Zarro, seconded by Councilor Chong, the Committee voted unanimously (4-0) to adjourn at 8:00 p.m.

Respectfully, Lori Paulette and Victoria Volent

Richard Barringer Remarks

City Council Housing and Economic Development Committee

March 16, 2021

- Thank you, Greg, and good afternoon Mayor Snyder, Chairman Thibodeau; Council Members Ali, Chong, and Zarro; and City Manager Jennings. (Councilors Dion, Fournier, Mavodones, Ray?)
- If you will, let me introduce my teammates in this presentation: Michael Boucher of Michael Boucher Landscape Architecture, Patrick Costin of Canal 5 Studio (architects), and Barry Sheff of Woodard & Curran (engineers).
- We bring before you today a high-level concept plan – a “Platform” we call it – as the basis for a great public space *for all people* who live in and enjoy this city, along the water between the State Pier and the former Portland Company (now the Portland Foreside) property.
- We see this as the best opportunity to protect from future development the last remaining stretch of publicly-owned land along the Harbor. A once-in-a-century opportunity, it compares in importance to the Baxter Boulevard, completed in 1917 and tree-lined in memory of the many victims of World War I just a century ago, in 1921,
- The departure of the international ferry service to Bar Harbor in 2019 led to designation of the large queueing-area at the foot of India Street as "temporary" public parking.
- In May of 2019 we met with City Manager Jennings to offer a *pro-bono* effort to transform this area to benefit *all* the people of Portland. The City Manager offered that we work with him and his senior staff through the year's end on a vision for the city-owned land from State Pier to the Portland Foreside.¹

¹ In addition to the City Manager, the City staff included Kathy Alves, Lena Geraghty, Christine Grimando, Greg Mitchell, and Bill Needleman. It has been said, however, that “We *all* stand on the shoulders of those who have gone before.” If asked, we would put the Platform’s origins on the shoulders of former Councilors Cloutier, Cohen, Duson, Geraghty, Gorham, Hibbard,

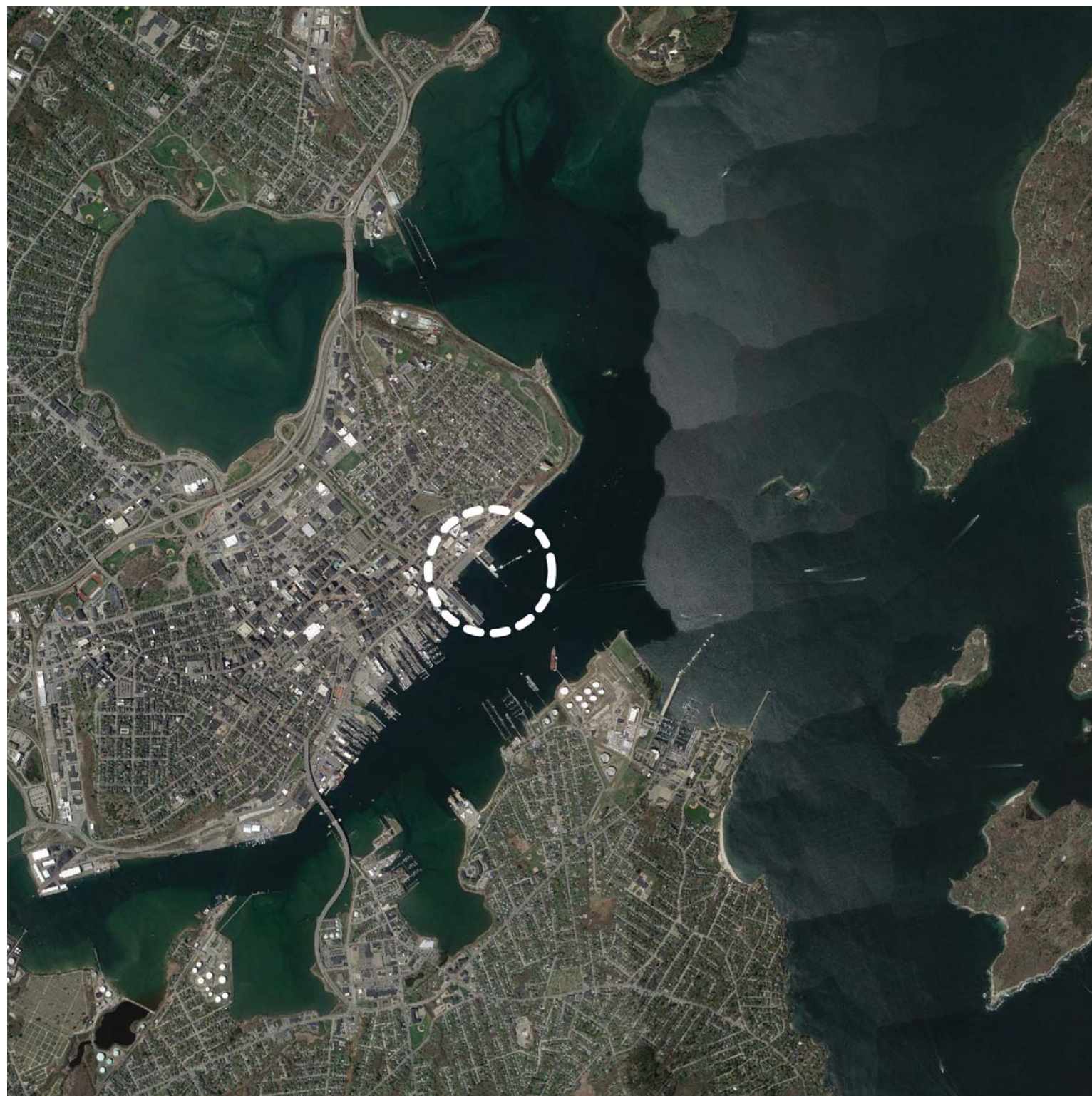
- The team used as its foundation the work of the 2001 Waterfront Development and Master Planning Committee – in which Councilor Mavadones participated – and which declared that, for all time, “*The water’s edge is the most precious resource we have.*”
- (*Show Platform cover*) We developed the Platform based on research here in the United States and elsewhere, about what makes a great public space:²
 - Most important is to focus on People, and their ability to enjoy people-watching; and in addition:
 - Direct Public Access to the Sidewalk and Streetscape
 - Places for Sitting and Enjoyment
 - Sun
 - Food
 - Water
 - Music and Entertainment
 - Artists and Crafts-persons, and
 - Trees for Shade
- With these principles in mind, our goals were to:
 - Complement and enhance Portland’s working waterfront,
 - Leverage the City’s ongoing public investments,
 - Support a wide variety of public activities; and
 - Add greatly to a vibrant city and region.
- We sought to accomplish these through:
 - Simplicity in design,
 - Resilience in the face of climate change,
 - Flexibility in usage, and
 - Affordability and Phase-ability in implementation.

O’Donnell, and Smith, along with Councilor Mavadones, former City staff Joe Gray and Lee Urban, and others for the foresight to envision re-development of the Eastern Waterfront for all the people of the city, our visitors and guests.)

² See William H. Whyte, *The Social Life of Small Urban Places*, Street Films, NYC, 1980.

- (*Show slide of Areas of Study briefly, then the Proposed Platform*) Here you see the area we studied; and here are just a few highlights of the Platform we created:
 - Direct, permanent visual access to the water throughout.
 - Direct Public access from each intersecting street (Franklin, India, Hancock, and the new Fore Street Connector)
 - A Roundabout at the foot of Franklin Street (26)
 - A Metro Transit Hub nearby (25)
 - A Public Pavilion (6) for events and sale of goods (*Show slide of the Pavilion briefly, then go back to the Proposed Platform for the remainder*)
- Like much in our lives, however, the Platform was put on hold by the pandemic. With your support, we propose now to:
 - Re-visit the Platform with City staff,
 - Design a first-phase implementation plan,
 - Cost it out, and
 - Explore federal, state, and local private funding sources,³ in anticipation of further consideration by this Committee.
- We hope you will think of this as a possible, great gift to the people of Portland at a time when we *all* could use a lift – as the best opportunity in a century to protect permanently from development the last remaining stretch of publicly-owned land along the Harbor – to create a new, world-class civic space in Portland *for the enjoyment and benefit of all our citizens*.
- Thank you for your time and consideration. We're happy to respond to any questions and to receive any suggestions you have. Thank you again.

³ These include the new America's Great Outdoors Act and the NPS' Outdoor Recreation Legacy Partnership Grants (for Portland and Bangor only in ME), with local matching money required. Many hotels, commercial and office buildings, and others in the area– WEX, the Roux Institute, Shipyard Brewing (and hotel), Portland Foreside, Verdante at Lincoln Park, Gorham Savings Bank, Hampton Inn, Hilton Garden, Marriott, etc. – all have a tangible interest in the future of this space as a great public amenity for their customers, employees, and residents.



Platform for a new Portland Harbor Common

“A park is a great gathering space for *people*.”

Fredrick Law Olmsted, 1822-1903

Prepared for the City of Portland by Richard Barringer,
Michael Boucher, Patrick Costin, Amy Magida and Barry Sheff,
in collaboration with senior City officials.

April 2020

PLATFORM FOR A NEW PORTLAND HARBOR COMMON



IMAGE 2 EXISTING CONDITIONS

PLATFORM FOR A NEW PORTLAND HARBOR COMMON

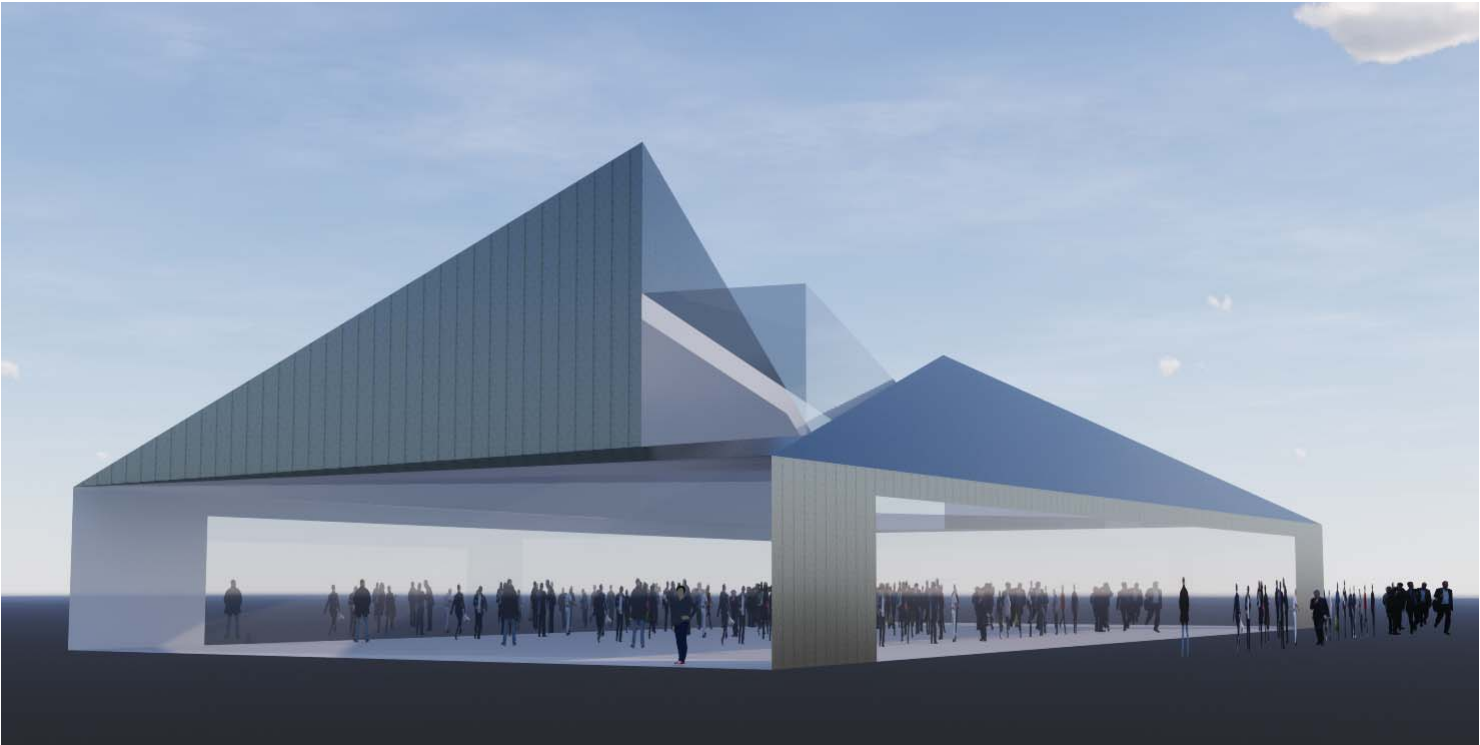


IMAGE 3 PROPOSED PLATFORM

PLATFORM FOR A NEW PORTLAND HARBOR COMMON



Public Pavilion Key Plan



Concept Rendering 1



Concept Rendering 2

IMAGE 4 CONCEPT RENDERINGS OF PUBLIC PAVILION (#6 on Platform For A New Portland Harbor Common)