

Minutes
Economic Development Committee
January 15, 2019

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, January 15, 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 Pious Ali and Spencer Thibodeau; Committee member Councilor Nicholas Mavodones could not be present. Present from the City staff were City Manager Jon Jennings, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Chair Costa welcomed everyone to the inaugural meeting of this year's EDC, noting that this was a light meeting to hear an update on the Waterfront Working Group, review this year's goals and topics of interest, followed by an executive session regarding providing staff direction for sale of a tax-acquired property on Great Diamond Island.

Item #1: Review and accept Minutes of previous meeting held on November 14, 2018.

On motion made by Councilor Thibodeau, seconded by Councilor Costa, the Committee voted 2-0-1 (Councilor Ali abstained) to accept the Minutes as presented.

Item #2: Waterfront Working Group Update – Jon Jennings

Mr. Jennings said that over the last two months he has been talking with waterfront business and pier owners, which resulted in creating the Waterfront Working Group (WWG) to discuss and take action on various issues. He noted the City Council's vote in support of a 6-month moratorium for Waterfront Central Zone (WCZ) developments, and also the application for a hotel on Fisherman's Wharf was recently withdrawn by the applicant.

Regarding the waterfront constituency's proposed referendum for the Waterfront, Mr. Jennings said that this will not be going forward, given the City's interest working with the WWG.

The first meeting of the WWG was held on January 3 and issues raised centered on parking, pier and wharf access issues, Commercial Street congestion, the WCZ Zone and eliminating contractual and conditional uses, dredging, stormwater, and space for gear for fishermen. The WWG wants this area to be well run for generations.

There was also discussion of the Waterfront Tax Increment Financing (WTIF) District Revenue, particularly with the most recent Amendment adding more properties to the District, which will result in increased TIF Revenue and could be used for the items mentioned previously, as well as Credit Enhancement Agreements for pier owners to incentivize them to invest in their piers. Mr. Mitchell will be briefing the WWG on the WTIF District in February.

Mr. Jennings said that the City will continue to meet twice a month with the WWG during the 6-month moratorium period to take action on issues raised.

Councilor Thibodeau asked about non-marine uses above the piers, and Mr. Jennings said that this remains a concern in the Non-Marine Use Overlay Zone (NMUOZ). He expects that the next WWG meeting on January 17 will talk more about this.

Councilor Thibodeau asked if the annual inventory report would come here and then to the City Council, and Mr. Jennings indicated that it would come here and then to the Council as a communication.

Chair Costa asked about the timing for the WCZ zone changes to eliminate conditional and contractual uses. Mr. Jennings said that it will be discussed at a Planning Board Workshop on

January 22, and then a Planning Board public hearing shortly thereafter for a recommendation to the City Council. All are in agreement that this needs to be resolved quickly.

Chair Costa thanked Mr. Jennings for the update.

Item #3: Discussion and EDC Direction on 2019 Committee Goals/Projects/

Programs

Mr. Mitchell reviewed his memo which categorized various items as 2018 Economic Development Goals; 2018 EDC Carry Forward items; City Property Disposition; Major Initiatives; and Routine Items (see attached). He noted that an addition to the last category would be the annual Waterfront Inventory Report.

For the Goals, particularly the Portland Transportation Center (PTC), Mr. Jennings noted that Northern New England Passenger Rail Authority (NNEPRA) is looking at a different location for its terminal to assist with not having to backup trains which they have to do now at the PTC. Rep. Brennan was previously going to sponsor a bond for PTC's expansion but will hold off until NNEPRA makes a decision on whether to stay or relocate.

Councilor Thibodeau suggested that this be a topic for the Council's Transportation Committee.

Mr. Mitchell then noted a carry-forward item being outside dining seating, where it is expected to have a pilot program for the 2019 season. Mr. Jennings added that the Planning Department is working through the regulations which will be under the City Manager's administrative authority to approve, noting that this would be publicized as a pilot program; the same process is underway for a bikeshare program.

Mr. Mitchell noted under "City Property Disposition", for the 7-acre site on Riverside Street property, that this is being marketed to area-wide brokers, notices were sent to abutters

and property owners within a 500-foot radius, and on-site signage with a “Call For Offers” deadline of 2/8/2019. He expects to have an executive session with the Committee at its 2/19/2019 meeting to review offers received.

In addition, Mr. Mitchell noted that there is one remaining Bayside property to be sold, that is 181 Forest Avenue. It is a .20 acre site and the goal is to do a land exchange with the adjacent property owner to assist with the Kennebec Street realignment to Forest Avenue.

Mr. Jennings noted that there are other things happening, conceptual at this time, in the City which, when ready, will be brought here.

Chair Costa noted that there are many moving pieces along the waterfront from the Amethyst Lot/Portland Landing to the Maine State Pier, and with no Ferry service needing queuing lanes, sequencing of proposed uses for all these areas for the future will be important. This could be a topic at the upcoming City Council goal setting session, and another topic could be finding partners to conduct a convention center feasibility study.

Councilor Thibodeau asked about allocation of sales proceeds from the City sale of property for the WEX headquarters, and Mr. Jennings noted that it sold for \$3.2 Million, with \$1 Million for the Allen Avenue Fire Station; \$1 Million to the Housing Trust Fund; and \$1 Million remains to be allocated for, perhaps, Portland Landing, of which Phase I would be Moon Tide Park and its serious erosion issues.

Councilor Thibodeau noted past high numbers to move forward with Portland Landing, and Mr. Jennings agreed, adding that the City would need to engage with other partners in raising money, and scaling back from the original \$16 Million proposal.

Chair Costa noted that Portland Landing was also discussed at the Finance Committee, and that the first phase was to be for environmental issues; there are no further commitments at this time.

Councilor Thibodeau indicated that the first proposal had all the elements - access to water, boardwalk, among others – and looked forward to moving it forward at a scaled back version.

Other items raised for inclusion at upcoming meetings was a monthly 5 to 10 minute high level update on various projects and developments; update on the Permitting office based on the reorganization; cannabis regulations for adult use being drafted; and perhaps creating a historic district on Munjoy Hill – with the latter most likely for Housing Committee review.

Chair Costa thanked everyone for their input.

Item #4: Executive session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide guidance to staff related to the Fort McKinley Hospital sale opportunity (a tax-acquired property).

A motion was made by Councilor Thibodeau to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to provide guidance to staff related to the Fort McKinley Hospital sale opportunity; Councilor Ali seconded the motion.

Chair Costa asked if there was any public comment on the executive session item.

George Rheault of Bayside opposed going into executive session as he sees no evidence of tax delinquency. The public needs to understand what can be done with this.

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

Mr. Mitchell said that his Department manages the foreclosed tax-acquired properties, and this has appeared on the annual public listing. It foreclosed in FY03 and every year since.

This property, and the former Fort McKinley Barracks, also tax-acquired, were placed under Purchase and Sale Agreement in 2007 with the Inn At Diamond Cove, LLC. The purchaser closed on the Barracks and developed it into the Inn. However, it did not choose to pursue this property and the PSA expired this past September. He is now seeking direction for property disposition from the Committee.

Chair Costa, before taking a vote on the motion, noted that this is the last item on the Agenda and the Committee would be adjourning at the end of the executive session.

A vote was then taken on the motion and it passed unanimously at approximately 6:20 p.m. At 6:40 p.m., the Committee came out of executive session and the meeting adjourned.

Respectfully, Lori Paulette



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell

DATE: January 8, 2019

SUBJECT: EDC 2019 Goals/Projects/Programs

This memo is intended to serve as the framework for EDC discussion and direction to establish 2019 Committee goals, projects and programs.

2018 Economic Development Committee Goals include:

- ***Improved Broadband Access.*** The EDC was updated on this topic at their November 14, 2018 meeting. Future updates will be provided for direction as needed.
- ***Amethyst Lot/Portland Landing.*** The EDC was updated on this topic at their November 14, 2018 meeting. The EDC recommended that the costs for this project be presented to the City Council as part of next year's Capital Improvement Plan (CIP) and FY2020 operation budget.
- ***Portland Transportation Center (PTC) Expansion.*** Various options are being explored to expand the PTC. The EDC will provided updates when there is clear direction along with any requested city assistance.

2018 EDC Carry Forward items include:

- ***City of Portland Payment in Lieu of Taxes (PILOT)/Services in Lieu of Taxes (SILOT) Policy.*** Proposed policy has been presented to the EDC on 6/19/2018 and 10/2/2018 with public input. Next steps include presenting revised City policy to the EDC for a public hearing and action in the form of a recommendation to the City Council.
- ***Outside Dining Seating.*** Policy changes to City regulations which can be adopted and administered by the City Manager were discussed at the July 17, 2018 and November 14, 2018 EDC meetings. Next steps are to finalize and publicize the new regulations for the 2019 summer season.

City Property Disposition include:

- ***Riverside Street industrial property*** with seven acres. Under the direction of the EDC, City staff is marketing this property to area-wide brokers, notice to abutters and on-site signage. Deadline of “Call for Offers” is February 8, 2019. The EDC will present all offers, in executive session, for review and direction to staff.
- ***Fort McKinley Hospital Property.*** This property will be discussed at the January 15th EDC meeting executive session for direction.
- ***181 Forest Avenue.*** Last former Public Works Bayside property to be sold. This .20 acre former rail corridor is proposed to be sold to the adjacent property owner because it is not a legal conforming lot. The goal is to sell and/or land exchange this property with the adjacent property owner to support realignment of Kennebec Street and support increased private sector investment. The EDC will be updated for direction, in executive session, at a future meeting.
- ***Portland Technology Park Lots 2 & 3.*** Boulos is under contract with the City to market these properties. When offers are presented, the EDC will be updated, in executive session, for review and direction.

Major Initiatives include:

- ***Waterfront Working Group.*** First Group meeting was held on January 3, 2019. The City Manager will provide an update at the January 15th EDC meeting.
- ***Maine State Pier/Portland Ocean Terminal Redevelopment.*** The lease with Bay Ferries to support Nova Scotia ferry service has expired. This creates options to consider use of the “queuing” area between to Maine State Pier and Ocean Gateway to support Maine State Pier redevelopment. However, due to City staff’s work load, it is recommended that the City not advance discussion about Maine State Pier redevelopment until there is a clearer direction on outcomes associated with the Waterfront Working Group.
- ***Convention Center.*** The topic was discussed at the October 16, 2018 EDC meeting. Advancement of this project is contingent upon State of Maine legislative and resident support to establish a State funding source (like a local option sales tax) to support construction of a convention center.
- ***City Workforce Development Program Design and Funds*** through use of tax increment financing revenue. Based upon EDC direction received at the November 14, 2018 meeting, City staff is preparing a presentation for review and direction at a February EDC meeting.

Routine Items include:

- ***Annual Tax Increment Financing (TIF) District Activity Report.*** This annual report is prepared by staff in the Fall of each year to publicly present annual historic TIF District activity. The FY2019 Report will be the seventh consecutive year report.

- ***EDC Annual Accomplishments memo.*** This memo is prepared annually, at the last Committee meeting of the calendar year, to document EDC accomplishments and forward to the City Council as a communication.

EDC Additional Proposed Initiatives for 2019 include:

- To be discussed at the January 15, 2019 EDC meeting.

In closing, it is acknowledged that other items not listed above will arise which require EDC attention during 2019.