Minutes
Economic Development Committee
April 2, 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, April 2, 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, Nicholas Mavodones, and Spencer Thibodeau. Present from the City staff were City Manager Jon Jennings, Office of Economic Opportunity Division Director Julia Trujillo Luengo, Economic Development Director Greg Mitchell, Waterfront Coordinator William Needelman, and Senior Executive Assistant Lori Paulette.

Item #1: Review and accept Minutes of previous meeting held on March 19, 2019.

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

Item #2: Discussion and direction on the Waterfront Working Group's (WWG) recommendations to invest FY2020 Waterfront Tax Increment Financing funds and general progress update.

Chair Costa noted that this and the following item are for Committee discussion only concerning utilizing Tax Increment Financing (TIF) revenue to support the waterfront and workforce training, as well as up receiving an update on the WWG.

Mr. Jennings said that WWG held its 7th meeting last week and is making strides in Waterfront Central Zoning (WCZ) amendments and recommendations for investment of WTIF funds, with Mr. Mitchell recently providing the WWG with a primer on TIFs. Regarding WTIF and the City investing in the waterfront, Mr. Jennings said that two priorities have been suggested by WWG, those being dredging and Commercial Street improvements, noting that his intention is to continue to meet regularly with waterfront representatives for recommendations on WTIF investments.

Mr. Needelman added that starting in early January, the WWG began tackling issues as noted on the memorandum under bullet of "Issues Under Discussion". To date, the majority of the meetings have centered on zoning issues and use of TIF revenue, with zoning limited to the WCZ zone which is very complex and balance is needed for competing uses. Regarding contract zoning in the WCZ, staff's recommendation is to eliminate it, as was the WWG. Regarding the Non-Marine Use Overlay Zone (NMUOZ), the location of it is under a lot of discussion and staff will be ready to make a recommendation to the Planning Board without WWG consensus. Mr. Needelman highlighted various areas in the NMUOZ that are being considered for amendments.

Marketing, outside of the NMUOZ, was also discussed by the WWG, and Mr. Needelman noted that currently a property needs to be marketed for marine use for 60 days. The WWG supports extending the marketing period to 6 months similar to the Pedestrian Activity District.

Regarding the Marine Use Inventory, they will be looking at ways to obtain more useful information, which may include an ordinance amendment.

Regarding Permitted Uses, particularly restaurants in the NMUOZ, Mr. Needelman said that this will be a topic at its meeting this week.

Performance standards have been discussed and there is some consensus. Staff will review and consolidate/strengthen them for a Planning Board Workshop on April 23rd.

Lastly, as Mr. Jennings noted, for future WTIF investment, Commercial Street improvements and dredging were top of the WWG's priority list. Mr. Needelman noted that dredging creates more berthing.

Chair Costa asked Mr. Mitchell for an overview of what recently changed with the area-wide TIF Districts.

Mr. Mitchell said that the three area TIFs were recently amended to increase allowable uses of Municipal TIF revenue, particularly for workforce training investment. Regarding the WTIF, in addition to allowable uses, a number of properties were added to the District, and Mr. Mitchell then displayed a map and highlighted the properties that were added, as well as the Waterfront Growth Area extended to the west. These properties will increase the Municipal TIF Revenue for investment in the waterfront. Estimates for WTIF Revenue for FY20 is $1.4 Million, of which $800,000 is earmarked, and another $600K for WWG recommendations. The Municipal TIF Revenue should increase yearly as the properties just added are further developed and increase in value.

Chair Costa noted that the properties added are not getting a tax break. The City captures the Increased Assessed Value (IAV) from which taxes from the IAV can be used for Waterfront investment purposes by the City.

Councilor Mavodones asked if the new marina was included, and Mr. Mitchell said that marinas are treated differently; just land is being captured.

In response to Chair Costa, Mr. Jennings said that Waterfront TIF investment priorities are dredging, including the CAD Cell, and Commercial Street improvements. Permitting for the CAD Cell requires an additional $200,000 to finish that work. The actual CAD Cell construction is estimated in the $30 Million range, so Federal and State assistance would be needed, noting it is a critical need.

Mr. Jennings also noted that the City Council supported the second phase of smart City funding, and, with leveraging WTIF funds, the City will continue to move forward to tackle Commercial Street, which includes pedestrian safety.

The Committee was in general agreement with the recommendations.

Chair Costa thanked the staff for their work to date, and with the WWG. It is a good model and the Finance Committee will be hearing about this as it goes through the budget process and talk more about specific projects and expenditures.

Mr. Jennings thanked the Committee, and noted that such recommendations would be done earlier for the next budget cycle – in tandem with the CIP process.

Item #3: Discussion and direction on City staff recommendations to invest City TIF funds to support workforce training.

Chair Costa said that the Committee and City Council support the use of area-wide TIF District municipal revenue funds to support workforce training efforts, in particular using the Downtown TOD TIF (DTIF) revenue.

Mr. Jennings noted that he has had one-on-one conversations with Chair Costa and Councilor Ali regarding their interest in this topic. In the FY20 budget, he noted that he is including a recommendation for an additional position on the Office of Economic Opportunity (OEO) to be paid for with DTIF revenue. Another recommendation is a pilot program to support workforce training by providing funding to Portland Adult Education (PAE) for perhaps $100,000 from the DTIF, as well as a program, similar to the CDBG program, starting with $150,000, again from the DTIF, where the City would solicit proposals from private and non-profit organizations to target training for Portland employer needs. There would be committee review and recommendation on awards, noting perhaps this Committee would make those recommendations.

Ms. Luengo said that she met with workforce training providers and recipients, to be sure this would supplement their programs. The common thread was the need for a focused effort perhaps on a specific population and particularly with under-employment, transportation, child care issues, and on the job training. The specific population often cited was the under-employed, which includes re-entry of formerly incarcerated population, foreign trained professionals, and recent college graduates.

Councilor Mavodones said that he is good with the direction this is going but questioned the financial mechanics of how it would work between the City and School budgets.

Chair Costa said that he is in conversations with the City Manager and Corporation Counsel to set this up legally. He also noted that he has had conversations with PAE regarding the need to augment their programs.

Councilor Thibodeau noted that when OEO was first created, it was created with the planned intention to have an Executive Director and two program assistants, asking if a third position would be created in the future.

Mr. Jennings said that it would depend on the workload and funding sources.

Councilor Ali said that by allocating $100,000 to PAE, he would want to be sure that its participants were being hired, and Mr. Jennings agreed.

Chair Costa thanked all for the efforts and would look forward to the Committee reviewing a draft to set up these programs. He then asked Liz Love, from PAE in attendance, about how scalable a $100,000 funding source would be. Ms. Love noted that PAE would pilot specific training, partnering with potential employers, for jobs for their clients.

Councilor Thibodeau agreed to seeing drafts to set up the programs, noting that they should contain a report back mechanism to see if it is working.

Committee consensus was to move forward, although settling on allocations could be done through the Finance Committee, partnering with the business community.

On another topic, Councilor Thibodeau asked if this Committee would weigh in on the homeless shelter discussions. It was agreed that this would remain with the Health and Human Services Committee, and EDC members could discuss this one-on-one with their colleagues.

There being no further business, the meeting adjourned at approximately 6:40 p.m.

Respectfully, Lori Paulette