

Minutes
Economic Development Committee
May 7, 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, May 7, 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, and Senior Executive Assistant Lori Paulette.

Item #1: Review and accept Minutes of previous meeting held on April 2, 2019.

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

Item #2: Committee Discussion and Direction on Proposed City and Portland Adult Education Workforce Training Programs.

Chair Costa noted that this Committee has taken up the creation of workforce training programs a number of times, and, most recently, with the Office of Economic Opportunity (OEO) and Portland Adult Education (PAE) as to how best to invest Tax Increment Financing (TIF) funds for such training programs. At the last meeting of the EDC, Mr. Jennings outlined a pilot program to be funded from the Downtown Transit Oriented Development TIF District

(DTIF) revenue with an investment of \$150,000 to target training for Portland employer needs, administered through OEO. In addition, \$100,000 to PAE to enhance their workforce training programs. Today, Chair Costa said the Committee has received outlines of the two programs noting as to how these funds could be used for Committee direction.

Mr. Mitchell said the EDC has received a proposal from OEO and another from PAE in the packets. Today is a check-in with the EDC for guidance as to the direction both are taking. It is anticipated that these two pilot programs would be launched July 1st this year.

Ms. Trujillo said that OEO's proposed program outline is based on many meetings, including with this Committee and with State and Federal organizations which administer workforce training programs or access funds to support training programs. The proposed City workforce training program would be results oriented, with job connections to employers which is theme throughout the program to include measureable outcomes. It is intended that applicants for funding would provide leveraging dollars.

Anita St. Onge from PAE addressed two questions raised previously by the EDC as to how it fits with other PAE funding, and how to pare down from their original proposed program costs of \$200,000 to \$100,000. She described PAE's FY18 funding with State, local, and Federal sources, and private grants, as well as blended funding with other organizations. The proposed PAE program remains the same, but with reduced number of classes, while continuing to offer comprehensive career advising.

Elizabeth Love, also with PAE, noted State and Federal workforce dollars have requirements that some of their clients cannot access, and TIF revenues will help fill that gap. Flexibility for employer demands for employee skills is needed. The proposal for use of the TIF revenue is in two sectors – one for sector-specific training, i.e., education training to be ED

Tech III's and Teacher Certification; and, banking for entry level tellers, and the other emphasis is foundational, i.e., intensive English course and intensive job readiness for intermediate English speakers.

Ms. Love said that they just finished the inaugural "Education Academy", which prepares foreign-trained educators for a career in US education system starting as Ed Tech IIIs, with pathways toward Teacher Certification. It was a great success. The Banking course is still being fleshed out with input from eight banks, which is designed for entry level Bank Teller positions.

Councilor Thibodeau asked about the interaction with OEO and PAE in making these programs work. Ms. St. Onge said PAE interacts with OEO in a number of ways, and they each know the others program of services and melding them. PAE has 700 new people every year and this additional program will provide enhanced services.

Ms. Trujillo agreed, noting that she know the uniqueness of each training organization, and works with them daily. She also noted that OEO is a conduit for employees and employers.

Chair Costa thanked everyone for their work to get this far. He noted that Corporation Counsel needs to weigh on the legalities of making the funding work.

Mr. Mitchell said that a backup option would be contacting the City's Bond Counsel Jim Saffian for his opinion on this, with a targeted timeline to get these programs launched by July 1st.

Chair Costa again thanked OEO and PAE for providing the Committee with their recommendations of what programs were needed, noting there will be more discussion as to how they get implemented.

Ms. St. Onge appreciated this opportunity and it is an important step for PAE.

Item #3: Public hearing and vote to recommend to the City Council proposed amendments to the Waterfront TIF (WTIF) District to add additional properties and a proposed map amendment to the Waterfront Development Growth Area Ordinance (WGA).

Mr. Mitchell said that the four additional properties are currently vacant land properties that are or soon to be under construction. The total area of the four properties is 13.43 acres and \$584,795 in Original Assessed Value (OAV). Mr. Mitchell then displayed a map and highlighted the current properties in the WTIF from beginning to now, as well as the four additional properties being considered today. The four properties are future sites for the Veterans Administration on the JB Brown Property, new hotel at Portland Square – noting that this is where the WGA technical map amendment is being proposed, hotel and residential development at the Fore Street site, and the Dry Dock expansion. This area of the waterfront will have a lot of growth and, by adding these properties, the City will realize tax sheltering savings, while also increasing WTIF revenue for City public infrastructure investment. Mr. Mitchell noted that these additional properties are not receiving any WTIF TIF CEA funds with this amendment.

Mr. Mitchell then noted that with this amendment, the City will have the capacity to TIF \$300 Million more in value and 374 acres.

Lastly, Mr. Mitchell said that three commercial TIFs with Credit Enhancement Agreements (CEAs) are expiring at the end of this fiscal year, that is FY2019. This will leave five commercial TIF CEAs, and eight Affordable Housing TIF CEAs. At the EDC's next

meeting on May 21, it will have a meeting from 5:30 to 6:00, followed by a joint meeting with the Housing Committee to look at two more Affordable Housing TIF CEA applications.

Councilor Mavodones said this amendment makes sense, and asked about setting capture rates for the area-wide TIF Districts. Particularly, does this Committee set the rate or the City Council, and Mr. Mitchell indicated that to be the City Council.

Councilor Thibodeau also indicated support for this proposed amendment, and also applauded the map showing the properties from inception to now.

Chair Costa also indicated support for this, noting the savings the City realizes through tax sheltering in the TIF Districts.

On motion then made by Councilor Thibodeau, seconded by Councilor Mavodones, the Committee voted unanimously to forward this to the City Council with a recommendation of approval.

Chair Costa then noted that representatives from the Asheville, NC Chamber of Commerce – including Asheville’s municipal officials, contacted the Portland Chamber of Commerce, for a visit here, which is now set for June 4 - a regular meeting day for the EDC. As there is nothing urgent for the meeting, he is recommending that it be canceled to participate in this visit. The Committee concurred.

Mr. Jennings noted that Avesta and CHOM have identified City parcels for development in regard to shelter strategy, which will be taken up at the joint meeting of the EDC and the Housing Committee on May 21st.

On motion then made by Councilor Thibodeau, seconded by Councilor Mavodones, the Committee voted unanimously to adjourn the meeting at 6:35 p.m.

Respectfully, Lori Paulette

