

Minutes
Economic Development Committee
May 21, 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 21, 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 Nicholas Mavodones; Committee member Councilor Spencer Thibodeau could not be present; his comments on Agenda items via email are attached. Present from the City staff were Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Housing Manager Victoria Volent.

Chair Costa noted that first would be a meeting of the EDC from 5:30 to 6:00 p.m., followed by a joint meeting of the EDC and Housing Committee from 6:00 to 7:00 p.m. to discuss Affordable Housing TIF applications and possible lease of City land.

Item #1: Review and accept Minutes of previous meeting held on May 7, 2019.

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

Item #2: Public Hearing and vote to recommend to the City Council Portland Downtown (PD) Agreement, Development Plan, and Special Assessment Mil Rate.

Mr. Mitchell said that this item is an annual item for the City Council in June of each year. Over the past few months, City staff and PD have been working to combine what have historically been the Master Agreement and Supplemental Services Agreement into one overall agreement for clarity and streamlining. The resulting Agreement clarifies what the City provides as baseline services by City staff; supplemental services which PD will reimburse the City for; and, the services that PD provides. He also noted that this year the Agreement includes a one-time charge for Finance Department administrative services of the Agreement in the amount \$9,650.

(Councilor Duson joined the meeting.)

Mr. Mitchell then noted a typo for the amount to be paid to the City for supplemental services wherein the PD budget documents it notes, in rounding figures, \$399,000 where it should have been \$405,000. This amount can be taken care of through the PD's reserve account.

Chair Costa said that this is a unique relationship in that PD Executive Director Casey Gilbert reports to her own Board of Directors, and the City does not have control of PD's budget, but funds a portion of the budget through a special assessment set by the Council. This Municipal Development District is established by State statute.

Casey Gilbert, Executive Director of PD, thanked the Committee for reviewing this, noting that PD is a 501(C)(4). She then highlighted downtown goals for PD, programs of services, and the FY20 Development Plan for PD, noting that bottom line expenses are flat. She thanked City staff in working to combine the two Agreements, noting that last year Councilor Duson had suggested doing this, for clarity of services provided by City and by PD. Ms. Gilbert then handed out PD's Annual Report for informational purposes.

PD Board Director David Packard, residential owner in the PD district and representing the residential sector, noted that the FY20 Agreement in the packet is fine with the residential sector.

Ms. Gilbert said that with the recent expansion of the district last year, including more residential properties, PD is looking to give residential property owners a voice on the Board and various committees of PD.

Councilor Mavodones said that he is impressed with the Agreement clarity and thanked all for getting to this point.

Councilor Duson also appreciated the clarity, noting that she would miss the annual Old Port Festival, with this year being its last.

Chair Costa asked about the duration of the PD.

Ms. Gilbert noted that a Municipal Development District has a 30-year life span per State Statute. With PD beginning in 1992, the 30 years would end 2022. Therefore, PD hired an independent attorney to draft a bill to amend the Statute to allow local control as to how long a Municipal Development District stays in existence, rather than have an expiration as do Tax Increment Financing Districts at no more than 30 years. This bill has passed and is on the way to the Governor's desk for signature.

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

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

Chair Costa thanked PD and City staff, noting the PD does great work for the Downtown. This Committee discussed this at length last year during the geographic expansion

process so is well familiar and, therefore, the reason for no questions. He then asked for a vote on the motion and it passed unanimously.

Item #3: Public Hearing and vote to recommend to the City Council proposed amendment to the Downtown Transit Oriented TIF District to take out property at 66 State Street for it to be an Affordable Housing TIF District.

Mr. Mitchell noted that 66 State Street is at the border of this TIF District and displayed a map showing the location. This District amendment would need approval by the Council and Maine Department of Economic and Community Development (MDECD). At the Joint EDC and Housing Committee meeting coming up following this meeting, the Affordable Housing (AH) TIF application for 66 State Street will be reviewed. AH TIFs also need approval of the City Council and then approval by Maine State Housing Authority (MSHA). The subject parcel is tax-exempt so does not affect the Original Assessed Value of the District. The geographic size of the parcel is .5 acres which will reduce the acreage for this District.

Seeing no questions from the Committee, Chair Costa opened the meeting for public comment.

Kevin Bunker from Developers Collaborative questioned the need to remove the parcel prior to formal approval of the AH TIF.

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

Mr. Mitchell said that removal of 66 State Street from the Downtown TOD TIF needs needs to be done to move forward with the AHTIF.

Councilor Mavodones then made a motion to forward this item to the City Council with a recommendation for approval; Councilor Ali seconded the motion and it then passed unanimously.

There being no further business, the meeting was then adjourned at approximately 6:00 p.m.

Respectfully, Lori Paulette



Greg Mitchell <gmitchell@portlandmaine.gov>

Thibodeau Comments re: Joint EDC and Housing Comm 5/21/2019

Spencer Thibodeau <sthibodeau@portlandmaine.gov>

Tue, May 21, 2019 at 10:11 AM

To: Jill Duson <jduson@portlandmaine.gov>, Jon Jennings <jpj@portlandmaine.gov>

Cc: Justin Costa <jcosta@portlandmaine.gov>

Bcc: gmitchell@portlandmaine.gov

May 21, 2019

Councilor Duson and Costa,

As I discussed with both of you previously, I have to be away for this evening's meeting and I was hoping that you would be willing to convey my thoughts on the agenda items for the record (Please feel free to submit this e-mail if that is easier).

EDC Meeting (5:30PM):

1. Portland Downtown. I support forwarding the PD budget, to the full Council. I had hoped to learn more about the decision to discontinue Old Port Fest, but I will follow-up with Casey at another time.
2. Removal of 66 State Street. I support the removal of this parcel from the TOD TIF District to be a freestanding Affordable Housing TIF District.

Joint EDC and Housing Committee Meeting (6:00PM):

1. 66 State Street AHTIF. Consistent with my comments at the HHS Workshop, I will follow-up with staff with additional questions.
2. Front Street. I support this AHTIF.

Housing Committee (7:00PM):

1. Disposition of City Owned Property: My continued hope for City-owned property (excluding Tax Acquired Property) is that we conduct an open RFP process, with the assistance of our broker, in a similar form to what was done for the Bayside Public Works Buildings. This process allowed the EDC, through public presentations, to choose from a variety of proposals. It also allowed for the EDC to take a comprehensive look at zoning to see if any changes were necessary prior to disposition (which they were not in Bayside). Per Staff's memo, part of the analysis, I hope, is that for properties like the former West School Site, we will express our openness to increasing density and looking at parking requirements generally to allow any RFP applicant to bring forward a proposal with additional housing. I look forward to continuing this discussion with the Committee.

Thank you again for allowing me to submit my comments for the record. Thanks!

Spencer