

Minutes
Economic Development Committee
September 3, 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, September 3, 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 Public Works Director Christopher Branch, Associate Corporation Counsel Michael Goldman, City Manager Jon Jennings, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item #1: Review and accept Minutes of previous meeting held on August 20, 2019.

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

Item #2: Public hearing and vote, in the form of a recommendation to the City Council, on proposed Purchase and Sale Agreement with Kennebec Crossing, LLC, to support the Somerset Street Extension Project, in Bayside, from Elm to Brattle Streets.

NOTE: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to provide City staff general policy guidance for this real estate matter.

Mr. Branch noted that this was discussed at the prior meeting of the Committee. He also noted that the Purchase and Sale Agreement (PSA) in the packet for Kennebec Crossing,

LLC, is in the amount of \$114,623, which is a 2% increase from what the cover memo has of \$112,375. This is due to the timing of the appraisal, done 18 months ago, and a value increase from then, which Assessor Chris Huff also agrees with. Mr. Branch indicated that an exhibit to the PSA is a proposed License Agreement for the City to enter onto Kennebec Crossing's property during construction. This License Agreement is in the amount of \$8,304.

Chair Costa thanked Mr. Branch, noting no substantial changes from prior EDC review, and asked about the status of the BOPO, LLC PSA. Mr. Branch said that negotiations are expected to be finalized to have that PSA at the next EDC meeting.

Chair Costa then opened the meeting for public comment.

George Rheault of Bayside questioned the purchase price and would like to see the appraisal, even if it were redacted, for the public and also questioned whether a traffic study had been done.

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

Mr. Branch indicated that traffic analyses have been done, and that MDOT wanted to see this project move forward as soon as possible. The property acquisition element of the project, however, delayed start of construction. He also noted that there will be an additional meeting for the public prior to the City bidding the project.

In response to Councilor Thibodeau, Mr. Branch described an area on the map where there may be a pocket park.

Councilor Mavodones then made a motion to forward this to the City Council with a recommendation of approval; Councilor Thibodeau seconded the motion.

Chair Costa thanked staff for the work on this project and the broader goal of connecting to Forest Avenue. It is a step in the right direction for the Bayside area. He then asked for a vote on the motion and it passed unanimously.

Item #3: Public hearing and vote, in the form of a recommendation to the City Council, on Amendment of Option Agreement for Purchase of Real Estate at Portland Technology Park by Capricorn Products LLC.

NOTE: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to provide City staff general policy guidance for this real estate matter.

Mr. Mitchell said that the City Council approved this Option Agreement with Capricorn Products, LLC to Purchase Real Estate at Portland Technology Park eleven months ago, for the purchase of Lot 1. Capricorn was recently purchased by Nittobo America, a subsidiary of Nittobo Boseki, Co., LTD, a Japanese company, with Capricorn Products LLC remaining the operating company. Because of this purchase, Capricorn is requesting a 12-month extension of the Option. The original Option Agreement had Capricorn paying the City a \$5,000 non-refundable deposit, which would be applied to the purchase price. With this proposed amendment, it would pay an additional non-refundable deposit of \$5,000, which would again be applied to the purchase price, set at \$420,000.

Chair Costa asked how many lots are available for development at the Park, and Mr. Mitchell said that there are three right now – Lots 1, 2, and 3, with Lot 1 under Option with Capricorn. He also noted that the Park can accommodate an additional three lots once the road is extended another 500 feet.

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

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

Seeing no further discussion/questions, Chair Costa asked for a vote on the motion and it passed unanimously.

Item #4: Communication: Review of FYE2019 Annual Tax Increment Financing Report and vote to forward to the City Council as a communication.

Mr. Mitchell noted that per City TIF Policy, an Annual Report gets presented to the City Council, and this is the 7th Annual Report. He noted that it is a detailed report, and highlights actions taken by the City Council. It also has Exhibits that detail all the TIF Districts and values. Three CEAs expired as of FYE2019, and, beginning with FY2020, there will be 5 active commercial TIF District CEAs, one active Commercial TIF CEA for an affordable housing development, known as the McAuley TIF District, and 8 active Affordable Housing TIF District CEAs. He then noted that it is estimated that the City saved \$1.2 Million as TIF districts shelter increased assessed values from County tax, municipal revenue sharing, and state aid to education.

Councilor Thibodeau said that this is one of his favorite reports as it shows many public/private partnerships, and promotes affordable housing.

Chair Costa agreed and thanked staff for the incredible detail in the Report. This shows that TIF Districts work well.

Mr. Mitchell thanked Lori Paulette on his staff for her efforts in assisting with creating this report annually.

Councilor Thibodeau then made a motion to forward this item to the City Council as a communication. Councilor Ali seconded the motion and it passed unanimously.

Councilor Thibodeau then made a motion to adjourn the meeting. Councilor Ali seconded the motion and it passed unanimously at approximately 6:00 p.m.

Respectfully, Lori Paulette