

Minutes
Remote Economic Development Committee
April 21, 2020

These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, April 21, 2020, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Tae Chong, Nicholas Mavodones, and Spencer Thibodeau. Mayor Kate Snyder joined the meeting as noted herein. Present from the City staff were OEO Outreach and Initiatives Coordinator Angelina Klouthis, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and OEO Director Julia Trujillo.

Chair Costa welcomed everyone to the first Remote EDC meeting due to the COVID-19 Pandemic.

Item #1: Review and vote on February 18, 2020, draft meeting Minutes.

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

Item #2: Portland Downtown Proposed Fiscal Year 2021 Work Plan and Budget for Discussion

Casey Gilbert, Executive Director of Portland Downtown (PD), thanked the Committee for their time to review the proposed FY2021 work plan and budget, which needs approval by the full PD Board and then described the Board make-up of stakeholders in the Downtown. She noted that PD has a brand new five-year Strategic Plan for 2020 through 2025 with goals to “Serve, Enhance, Engage, Achieve”. She then described PD’s mission for a clean, safe, and

vibrant Downtown. FY2021 will be a year to assist with stimulating the economy given current circumstances. She also noted that she and the Board are in the process of interviewing for a new Executive Director given her notice to the Board earlier this year. Ms. Casey described FY2020 highlights – please see attached for more information.

Regarding the FY2021 budget, Ms. Casey noted a 1.8% increase in assessment income based on current valuations and a PD projected decrease in mil rate; it is not based on the Revaluation process currently being undertaken by the City. This budget was achieved working with City Assessor Chris Huff. It is conservative in estimates.

(Mayor Snyder joined the meeting at this time.)

Mr. Mitchell added that the FY2021 PD Budget is just over \$1 Million, and staff will work with the Assessor based on that budget and a proposed mil rate for PD. PD's budget, work plan, and setting the mil rate need approval by the City Council, a two read item generally held in the month of June.

Mr. Mitchell also noted that this was being presented to the Committee for informational purposes; no action required. The final budget would be approved by the PD Board at its May meeting and it would then be ready for City Council action.

Chair Costa applauded the conservative estimate, and requested that this come back to the Committee for its recommendation to the City Council when the budget is finalized.

Chair Costa asked if there were any questions for Ms. Gilbert. There being none, he thanked Ms. Casey for the great job she has done for PD.

Item #3: City of Portland Workforce Training Pilot Program Results and Discussion.

Chair Costa noted that this Committee was proactive in getting the area-wide TIF Districts revenue amended to allow use of TIF revenue for workforce training to create jobs.

FY2020 is the first year of use with the City allocating \$250,000 from the Downtown TIF. Of that amount, the City worked with Portland Adult Education (PAE) to design the training program and allotted \$100,000 for the pilot program. The City then sent an RFP requesting proposals for another Pilot program to invest in Portland employer workforce training needs, with a budget of \$150,000. Coastal Counties Workforce (CCW), working with Maine Health (MH), was awarded the contract. City staff, as well as PAE and CCW will update the Committee on these pilot programs.

Mr. Mitchell agreed, as well as a discussion on program continuation or not, given these are pilot programs. He noted that per TIF State Statute these programs have to be associated with employment.

Ms. Trujillo appreciated the innovative ways to use TIF funding for workforce development. PAE's pilot program was a brand new Banking Training Module and continuation of its Education Academy and Intensive English courses, and CCW's pilot program works with incumbent workers of Maine Health with on the job training and English training. Both parties were granted a no cost extension to their contracts due to the COVID-19 Pandemic. A summary of measurements and overall jobs is included in the backup. Accountability process could be improved and work continues on that aspect.

Councilor Chong, in looking at the numbers, noted PAE's success rate at approximately \$1,600 per participant (61 participants), while CCW assisted 29 participants or \$5,000 each noting their goal was to assist 65, with cut off earlier due to COVID-19. Both train front-line workers which is laudable.

Anita St. Onge of PAE was pleased with the work done to date with this TIF funding investment and described the programs of Education Academy, New Mainer Teller Program, Intensive Job Readiness, and Intensive English classes and noting levels achieved.

Liz Love, also with PAE, added that there were 75 served under the programs, and 61 served by TIF revenue investment and others through the PAE workforce program. PAE had six financial institutions involved in the teller training program, which institutions also assisted in teaching the program. Ms. Love described the success rates and those recently hired, both as tellers and in the education system, as well as the intent of the Intensive Job Readiness Class and Intensive English Class to provide general support to obtain a first U.S. job.

Councilor Chong again noted the remarkable return on the TIF investment, and, in his recent outreach to Hannaford, he suggested that PAE get in contact with them as they are looking for more workers.

Jillian Sample from CCW thanked the City for the \$150,000 TIF Investment for job enhancement of incumbent employees at MaineHealth, with a goal of assisting 65 employees. As of April 16, the program has assisted 29 individuals and is now the paused due to COVID-19. They will be working towards the goal of 65 employees and will provide performance reports, building on the momentum they experienced through April 16th.

Jennifer O'Leary from Maine Health added that the TIF revenue investment supported the Career Navigator who uses a combination of resources to support employees navigate career pathways within MaineHealth. The Career Navigator goes into the working environment building relationships with employees, addressing personal and academic barriers, for a pathway to advancement.

Councilor Chong appreciated the work to date and would look forward to future performance reports.

Mr. Mitchell queried the Committee if it wanted to begin discussion on future investment in workforce training, with Chair Costa noting consensus to begin discussions.

Councilor Chong said that with 90,000 unemployed, he would like to continue the

investment to get as many retrained and employed quickly, but not necessarily with new programs and utilizing existing educational facilities.

Chair Costa agreed that continuing with workforce training investment would be a goal, particularly during this time. This year's investment of \$250,000 goes much further in the workforce training effort than it does in sidewalk construction.

Mr. Mitchell, hearing support for continuing investment, said he will come back with suggestions for future investment working with the City Manager, noting uncertainty in City budgets at this time. PAE and CCW will continue with their current programs under their current contracts.

The Committee concurred.

Item #4: Portland Development Corporation (PDC) COVID-19 Program Response

In response to the COVID-19 Pandemic, Mr. Mitchell said that he wanted to update the EDC on what the PDC is doing, noting that both Councilor Chong and Mr. Jennings serve on the PDC Board. The PDC first offered three (3) month deferrals of loan payments (April, May, June) for loan clients in good standing, with about two-thirds utilizing this program. The PDC then has met to discuss guidelines for a proposed Rapid Response Loan Program, COVID-19 BAP Grant Program for retention/rehiring, and a Microenterprise Grant Program to assist business to stay open. When the PDC approves the guidelines, they will be presented to the City Council for approval.

In response to Councilor Thibodeau, Mr. Mitchell noted that the PDC is reserving up to \$400,000 in its unrestricted loan funds for the Rapid Response Loan Program, with maximum loans of \$10,000 and \$5,000 forgivable if they meet the jobs retention/rehiring guidelines. The PDC will have a first round of \$250,000 available in this loan program, with an additional \$150,000 that would be available in a second round, if needed.

Consensus of the Committee was that it would look forward to seeing these proposed programs and guidelines at the Council level.

Item #5: Discuss possible City business fee refunds while Stay at Home Orders are in place.

Chair Costa said that this is on the Agenda from a City Council meeting where the possibility of fees being waived for short-term rentals during the Pandemic was brought up. The policy question is what about other business fees.

Mr. Jennings said that City staff would need to wait to be able to assess all of the fees and bring back its recommendations on ways to approach this. He anticipated the fees would be more on the business licensing side that may have been impacted by Stay at Home Orders; may look at a pro-rating approach – everything is on the table. He also noted that the City revenue budget is taking a hard hit as well during this time.

Councilor Mavodones noted the need for equity among license holders, and this Committee would need to know the impact budget wise.

Councilor Thibodeau said that this would be a tough issue, while also noting any performance guarantees that the business survives. Perhaps a guidelines that it has to stay open for the remainder of the year. This may be a topic for the Finance Committee.

There was discussion among staff and the EDC that an analysis would need to be done to determine cost to the City, as well as to determine if it would be beneficial or not, or too complicated to manage.

Item #6: EDC 2020 Work Plan Discussion

Chair Costa noted that the EDC lost a couple of meetings due to the Pandemic so wanted the Committee to discuss the Work Plan.

Mr. Mitchell indicated that the Roux Institute is still moving forward and will be

available to provide an update to the Committee shortly. There are some affordable housing TIFs coming up, questioning whether they should be discussed at a joint EDC and Housing Committee or separately.

Chair Costa suggested they could be reviewed separately, particularly during this remote meeting time. He then asked about the waterfront, and Mr. Jennings that they could meet and program it for future meetings.

Councilor Chong said that there may be new items as COVID-19 unwinds more, with tourism heavily affected. Also, the need to build in more infrastructure for high speed internet, particularly due to on-line learning needs. Also, more manufacturing and maker spaces are needed, suggesting working with colleges and tech schools; health informatics and medical capabilities could also be considered.

Chair Costa asked the Committee if the items currently on the Work Plan are still relevant.

Councilor Thibodeau noted to stay the course on the work plan. The City will continue its response to small businesses.

Councilor Mavodones generally agreed with Councilor Thibodeau. The City needs to be flexible in dealing with COVID-19 effects, and IT infrastructure is a good point, with students challenged because of lack of connectivity. There have been discussions regarding this in the past with an investment cost upwards of \$70 Million. This can be revisited as needed.

Chair Costa said that he would work Mr. Jennings and Mr. Mitchell for updating the Work Plan and queue up items as they become ready.

Councilor Thibodeau said that he would like to be kept apprised of the three RFPs currently out for sale of City-owned property.

Chair Costa said that this can be added, and there will also be a bigger picture that we all

see coming, working with business and organizations when the time is right.

Noting no further questions/discussion, the Chair asked for a motion to adjourn.

On motion made by Councilor Chong, seconded by Councilor Thibodeau, the Committee voted unanimously to adjourn the meeting at 7:30 p.m.

Respectfully, Lori Paulette

FY21 Budget and Development Plan



Portland Downtown stimulates a thriving, vibrant, and sustainable downtown community

FY20 Highlights



- *Drive Less, Do More* campaign with City of Portland and regional transit partners
- Purchased new self-watering planters to beautify downtown
- Welcomed new board members and conducted annual board check-ins
- Increased event sponsorships by 20%
- Record attendance at Merchant Meetings
- Created Pandora's Winter Lights Walking Tour Brochure
- Awarded CDBG grant in partnership with City of Portland to refresh pedestrian wayfinding signs and add bike racks
- Developed new 5-year strategic plan

Budget Comparison



FY20

- Assessment income
\$1,018,037
- Total income
\$1,082,037
- Supplemental Services
expense \$404,862
- Total expense
\$1,082,037

FY21 (draft)

- Assessment income
\$1,036,500 (+ 1.8%)
- Total income
\$1,101, 650
- Supplemental Services
expense \$425,000
- Total expense
\$1,101,080

Notes on FY21 budget



- While assessment revenue does show a small increase (1.8%), it is anticipated that the mil rate will actually decrease, based on estimated valuation
- Staffing changes are reflected in reduction in employee costs
- Events are budgeted to be break-even, so budget is not impacted if events are cancelled
 - Horse + Wagon Rides will likely be discontinued
- Increase in programmatic expenses to support social service organizations
- Overall, a very conservative budget has been planned and approved by our Finance + Executive Committees

Strategic Plan Comparison



2015-2020

- Vitality
- Experience
- Growth
- Advocacy

2020-2025

- Serve
- Enhance
- Engage
- Achieve

2020-2025 Strategic Plan Guiding Principles



- Portland Downtown is a community builder
- Portland Downtown is a key advocate for the downtown community
- Portland Downtown is a strong partner and collaborator
- Portland Downtown strives to be increasingly environmentally sustainable
- Portland Downtown believes in organizational sustainability

FY21 Development Plan



- Welcome new executive director
- Focus on advocacy for stakeholders
- Evaluate programs and services: value, outcomes and impact
- Implementing new 5-year plan and aligning committee goals with plan
- Improve downtown experience for those who live, work, do business, and visit
- Increase board engagement and ensure all stakeholders are well represented in board seat allocation
- Communicate organizational mission, goals and values to stakeholders and increase stakeholder engagement
- Assess impacts of COVID-19 on downtown stakeholders and develop partnerships, advocacy and programs to support