

Minutes
Remote Economic Development Committee
November 17, 2020

NOTE: This meeting was held via Zoom and 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 remote meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, November 17, 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. Present from the City staff were Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Housing and Economic Development Director Greg Mitchell, Waterfront Coordinator Bill Needelman, and Senior Executive Assistant Lori Paulette.

Item #1: Review and vote on October 20, 2020, draft meeting Minutes.

On motion made by Councilor Mavodones, seconded by Councilor Chong, the Committee voted unanimously (4-0) to accept the Minutes as published.

Item #2 – For Committee information, presentation, and public hearing on AECOM Report on the Portland Waterfront Marine Economy and vote to forward to the City Council as a communication – Bill Needelman

Mr. Needelman provided some background noting that the 2010 Waterfront Central Zone ordinance required an inventory of uses, with that inventory amended in 2019 by the City Council to be replaced with a requirement for an economic assessment of the entire waterfront. This assessment could be used as a basis to support future requests for harbor dredging funding.

AECOM was hired to do this assessment, and they conducted their surveys/interviews from March to May 2020 at the start of the Pandemic and noted that this could be revisited in 3-5 years or sooner if warranted.

Jason Weiss and Tom Redstone of AECOM, and Rachel Bouvier of Bouvier Consulting thanked the Committee for their time and provided a PowerPoint presentation, copy attached. Mr. Weiss noted that both Portland and South Portland were included in this assessment, with the PowerPoint focusing on the Portland side today. In general, multiple business categories, marine and non-marine (including businesses on the islands), were looked into associated with a working waterfront, with adjustments based upon local knowledge. Effects measured fell into three categories: (a) output (\$ of gross receipts); (b) employment/jobs; and, (c) earnings (\$ of wages and salaries); ripple effects were also measured. Mr. Weiss noted that data collection was challenging due to the Pandemic. The assessment identified 95 marine business, not including 300 individual fishing vessels, which generated over \$650 Million in Revenue and 2,250 jobs. The assessment also identified 262 non-marine uses, which generated \$373 Million in revenue and 4,600 jobs.

Ms. Bouvier then described the ripple effect, which includes direct, indirect, and induced (see slide #12 in attachment) and brings \$417 Million in value added. In summary, the working waterfront provides Portland with significant economic commitment.

Councilor Chong thanked the team for the presentation, noting that he supports the working waterfront and would like see more manufacturing jobs and green jobs.

Mr. Weiss noted that dredging the harbor and supporting the marine industry is a step in the right direction in creating more jobs and assisting the tourism industry.

Councilor Mavodones commented that this was great information on the waterfront and

would be interested in the South Portland report as well. Mr. Needelman noted that both the Portland Report and the entire Harbor report are on the Housing and Economic Development website.

Councilor Thibodeau noted that the Report provides the City with a good framework to help make decisions in the future.

Chair Costa commented that an updated report may be warranted sooner rather than later due to the ever changing times with the Pandemic. The Report today is a good base moving forward and appreciated the work done by the AECOM team and Mr. Needelman thus far. He then opened the meeting for public comments.

Ken Capron commented that it was interesting report, but did not include a piece of the economy, particularly medical.

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

Councilor Mavodones made a motion to forward this report to the City Council as a communication; Councilor Thibodeau seconded the motion.

Mr. Needelman noted that non-marine businesses in the report are those that generate some benefit for the working environment on the waterfront, and Mr. Weiss agreed noting that non-marine businesses having a direct connection to the working waterfront are included.

Chair Costa then asked for a vote on the motion, and it passed unanimously (4-0).

Item #3: Public Hearing and vote on a recommendation to the City Council on Proposed Purchase and Sale Agreement for the sale of City property located at 165 Lambert Street - Mary Davis

Ms. Davis noted that members of the development team are attendees if the Committee has questions. In July, the EDC authorized staff to begin negotiations with Maine Cooperative

Development Partners (MCDP) – only responder to the RFP for sale and development of 165 Lambert Street. MCDP is proposing a limited equity housing cooperative designed for the creation of permanently affordable housing of at least 20, 3-bedroom dwelling units or the maximum number of dwelling units feasible under current zoning, whichever is greater. With the referenda currently passed, MCDP has confirmed that they will be able to meet requirements and move forward with the development. There is no compensation to the City for sale of the property as the City's contribution to the project.

Councilor Thibodeau noted that he does not feel a need for an executive session as the Committee has reviewed this before and questions were answered.

Chair Costa opened the meeting for public comment. Seeing none, the public comment session was closed.

Councilor Mavodones made a motion to forward the proposed Purchase and Sale Agreement to the City Council with a recommendation for approval; Councilor Chong seconded the motion.

Chair Costa thanked staff and the development team for the work in getting to this point. As Councilor Thibodeau noted, this Committee has discussed this in the past so no need for an executive session. He then asked for a vote on the motion and it passed unanimously 4-0.

Item #4: Public Hearing and vote on Proposed Request for Proposals for sale of City property located at 622 Auburn Street and 0 Gray Road in Falmouth to authorize staff to move forward with a Request for Affordable Housing Development Proposals – Mary Davis

Chair Costa noted that the Committee is also well aware of this item as it has discussed this at past meetings.

Ms. Davis said that this proposed RFP mirrors last 3 to develop City land for housing from 60% to 120% AMI to provide long-term affordable housing for all units. The RFP notes that the City is open to consider zoning changes for more housing units. After proposals are received and reviewed, staff will bring this back to the EDC for its recommendation on whom to negotiate a Purchase and Sale Agreement with. Staff is requesting a vote from the Committee to authorize staff to advertise the RFP.

Councilor Mavodones wanted to be clear on the process going forward, as well as clear on alternative ownership models is a goal of the RFP but not a requirement.

Chair Costa opened the meeting for public comment.

Matt Peters, a partner in MCDP thanked Ms. Davis for a great job in negotiating process with 165 Lambert Street and recommended using workforce housing as a baseline for calculating affordability.

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

Councilor Thibodeau made a motion to authorize staff to move forward and advertise the RFP; Councilor Mavodones seconded the motion.

Councilor Thibodeau thanked Ms. Davis and Mr. Mitchell for the work done to date on this item. It is part of the City's longstanding goal to create more affordable housing and looks

Chair Costa echoed Councilor Thibodeau and urged staff to take time with the new City Councilors on the process. He then asked for a vote on the motion and it passed unanimously.

Item #5: EDC 2020 Accomplishment Report for review and vote to forward the Report to the City Council as a Communication – Greg Mitchell

Mr. Mitchell said that this is an annual item to forward to the City Council as a communication. He has enjoyed working with this Committee and acknowledged Chair Costa's

service and leadership on the Committee and Council; he will be missed.

Councilor Thibodeau echoed Mr. Mitchell's comments and will miss working with Chair Costa. He also thanked staff for their work during this Pandemic and how the City can further support its businesses in 2021.

Councilor Chong noted Chair Costa's leadership on this Committee which was superior and was impressed with his knowledge on the subject matters. He also noted Chair Costa's legacy in working to create more access for immigrants to improve their economic situations, particularly through amending the area-wide TIFs for use of funds to support workforce training programs.

Councilor Mavodones said that the Annual Report looks fine and will also miss Chair Costa serving on the City Council, bringing a great deal of knowledge and expertise to the City Council and to all the various Committees he served on, and steered this Committee very well.

Chair Costa thanked all for the kind words noting that it has been a real pleasure serving on the City Council and the committees. He thanked Mr. Mitchell for his help to support workforce development, which is unique in the state. It has been a rewarding experience and this Committee is part of that reward.

Councilor Mavodones made a motion to forward the Annual Report to the City Council as a communication; Councilor Chong seconded the motion.

Chair Costa opened the meeting for public comment. Seeing none, the public comment session was closed. He then asked for a vote on the motion, and it passed unanimously 4-0.

On motion then made by Councilor Chong, seconded by Councilor Thibodeau, the Committee voted unanimously 4-0 to adjourn at 6:45 p.m.

Respectfully, Lori Paulette

City of Portland Assessment of the Waterfront and Marine Economy

Summary Presentation



**City of Portland
City Council**

AECOM

**rbouvier
consulting, inc.**

October 2020

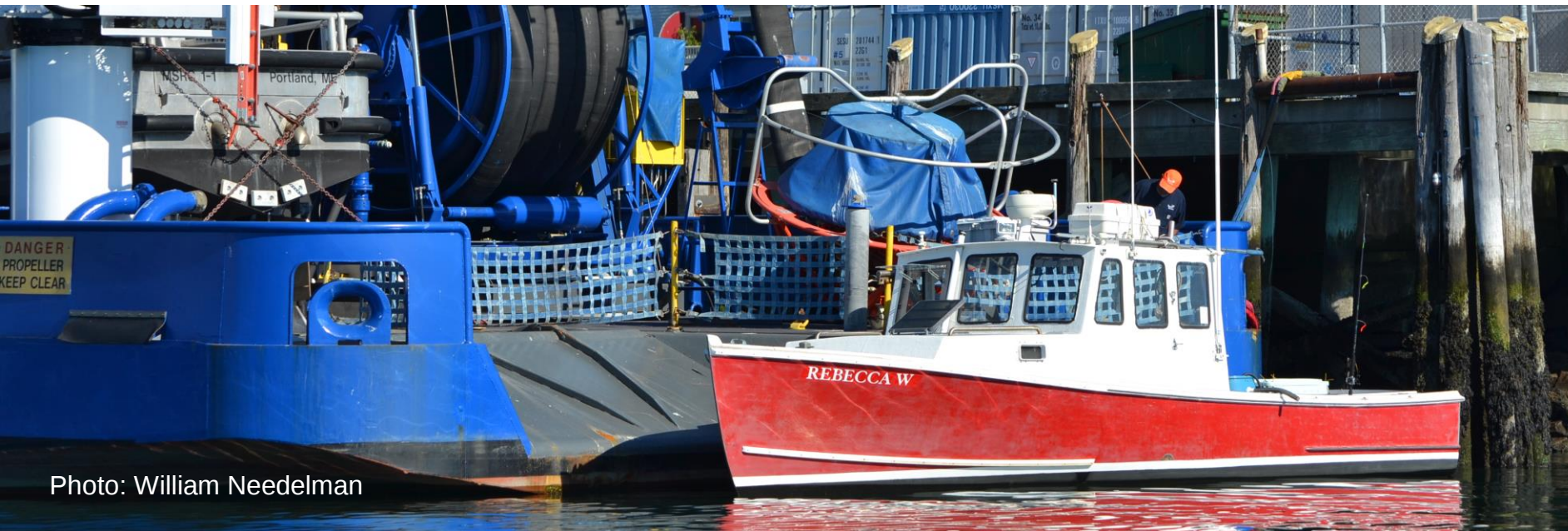


Photo: William Needelman

Introduction



AECOM

- Economic assessment conducted to estimate the economic contribution of the working waterfront of Portland Harbor
- Study conducted for Cities of Portland and South Portland
 - Individual reports also prepared for each city
 - Presentation focused on impacts of Portland waterfront





- **Business Categories**
 - Economics: National Ocean Watch (ENOW)
Ocean Economy Framework (NOAA)
 - Guide to categorize marine and non-marine businesses
- **Regional Input-Output Analysis**
 - Measures direct, indirect, and induced effects (i.e., ripple effect)
 - Effects measured in three categories
 - Output (\$ of gross receipts)
 - Employment (jobs)
 - Earnings (\$ of wages and salaries)

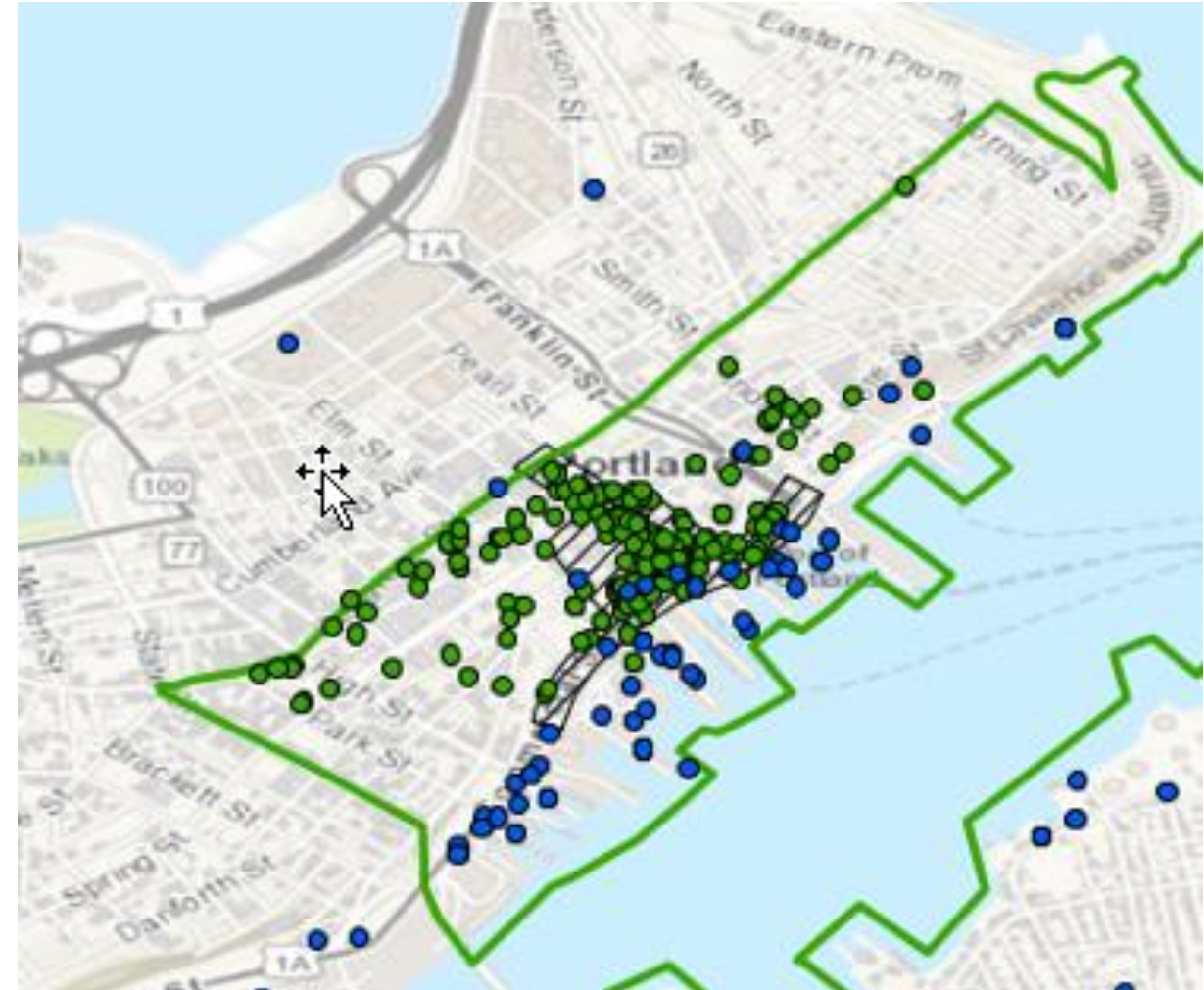
Business Classification	Marine	Non-Marine
Commercial Fishing	✓	
Construction Services, incl. Shipbuilding	✓	
Hotels		✓
Marine Trans. & Port Services	✓	
Other Retail	✓	✓
Petroleum	✓	
Professional Services	✓	✓
Recreation Services	✓	✓
Restaurant/Bar/Brewery		✓
Retail - Food & Beverage	✓	✓
Seafood Manufacturing & Wholesale	✓	

Study Focus Areas



AECOM

- Marine businesses - geographic area of Portland
- Non-Marine businesses
 - Bounded by State Street to the west, Congress Street to the north
 - Defined tourist impact area near waterfront



Business Data

- AtoZDatabases
- Reviewed businesses located on the islands

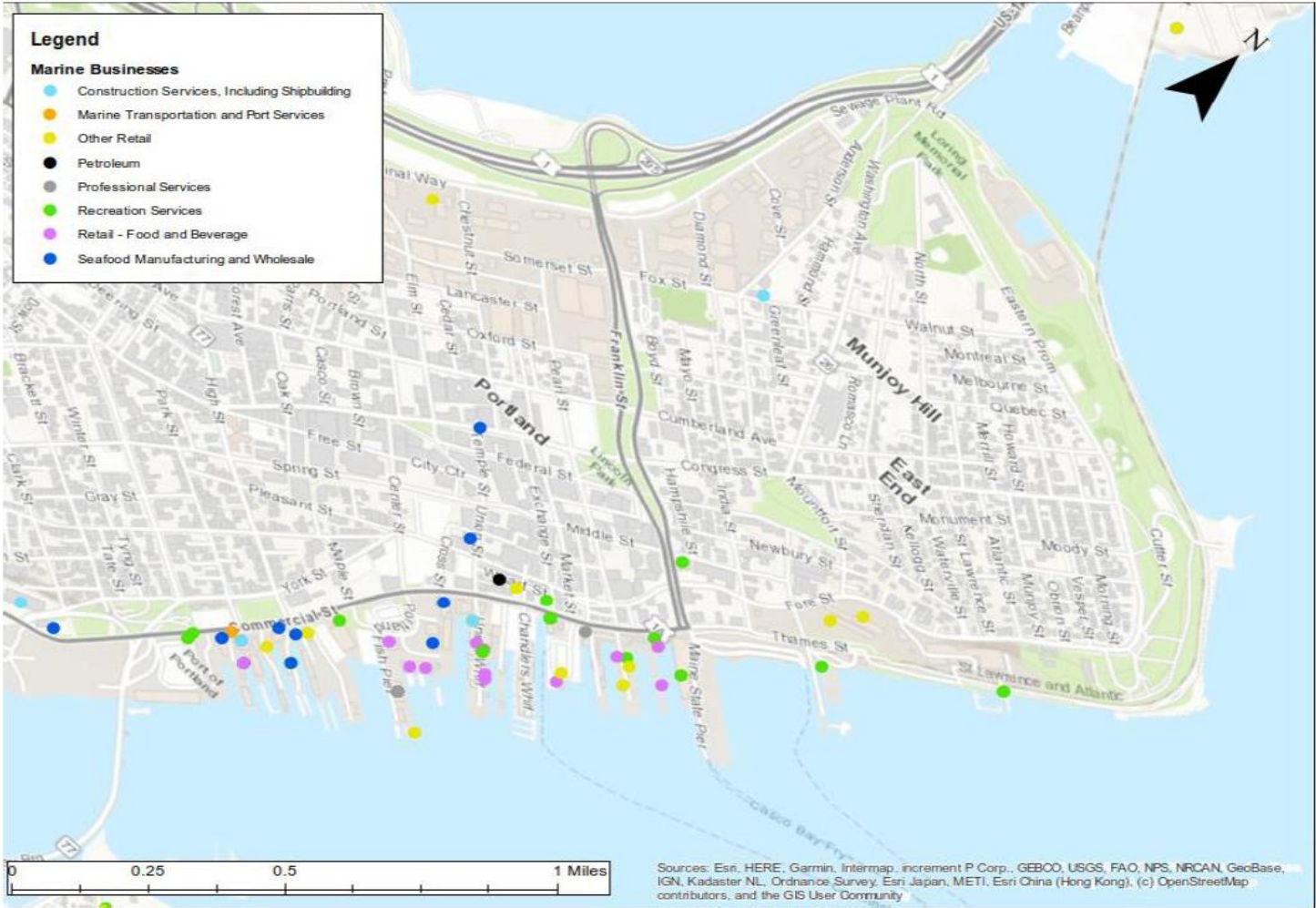
Survey of Pier and Marina Owners

- Surveys/interviews conducted March – May
- Data collection challenging due to COVID-19

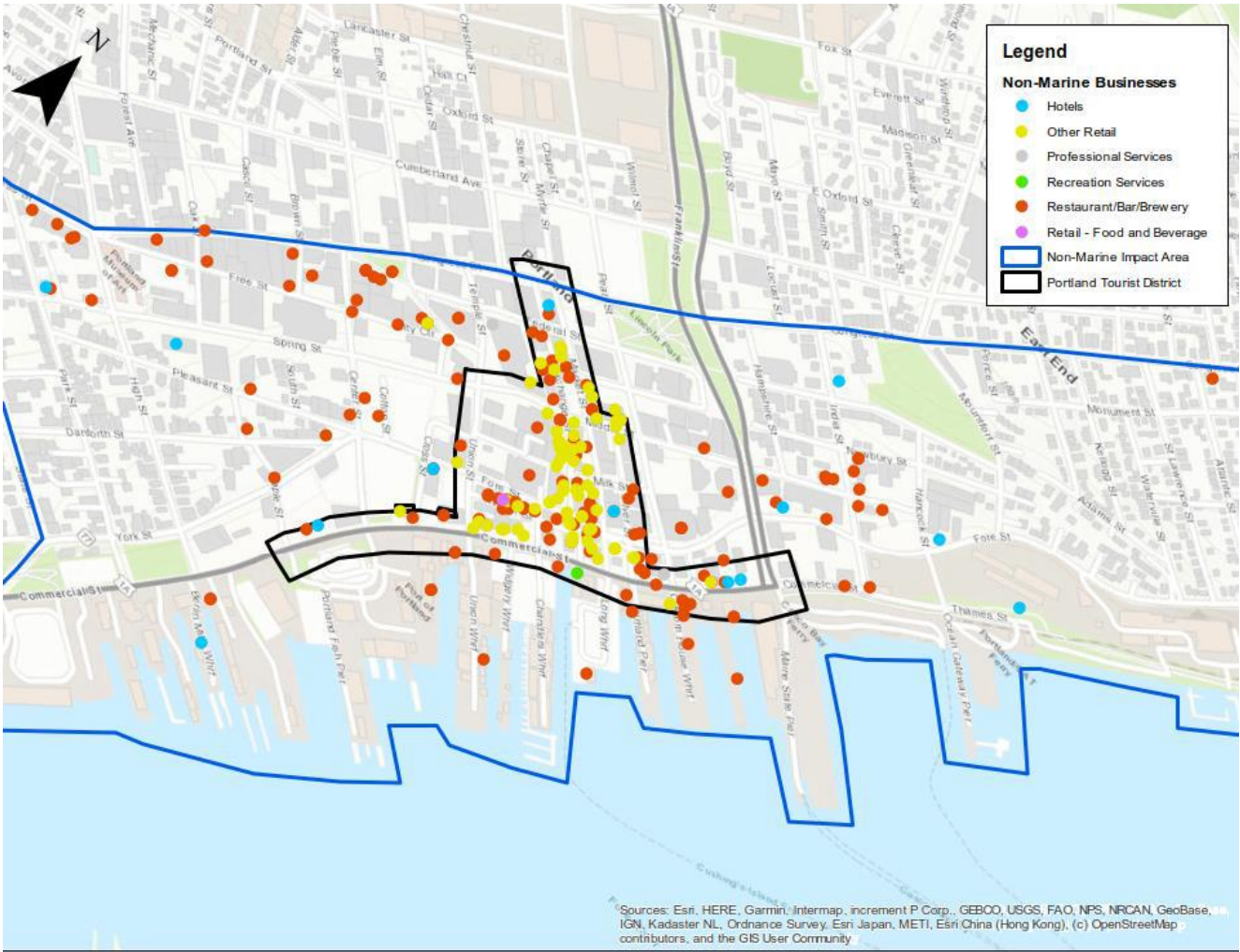
Other

- Atlantic Coastal Cooperative Statistics Program Fisheries Data
- City of Portland cruise ship data (2015-2019)
- Survey of Cruise Visitors to Maine, Behavior, Attitudes, and Spending of Passengers and Crew (2019)
- A literature review identifying working waterfront tourism, property values and other studies

Marine Businesses



Non-Marine Businesses



Economic Contribution



AECOM

Marine Businesses

- Identified 95 marine businesses (not including individual fishing vessels)
- Generates over \$650M in revenue
- Provides 2,250 jobs
- Major contributors
 - Marine Transportation & Port Services
 - Seafood Manufacturing & Wholesale

Category	Revenue (millions)	Employment
Commercial Fishing ¹	\$12	400
Construction Services, incl. Shipbuilding	\$59	100
Marine Transportation & Port Services	\$157	550
Other Retail	\$39	140
Petroleum	\$63	10
Professional Services	\$20	210
Recreation Services	\$46	290
Retail - Food & Beverage ²	\$93	340
Seafood Manufacturing & Wholesale	\$162	210
Total	\$652	2,250

Source: AECOM analysis of AtoZDatabases information.

N/A – industry category was not included with marine businesses.

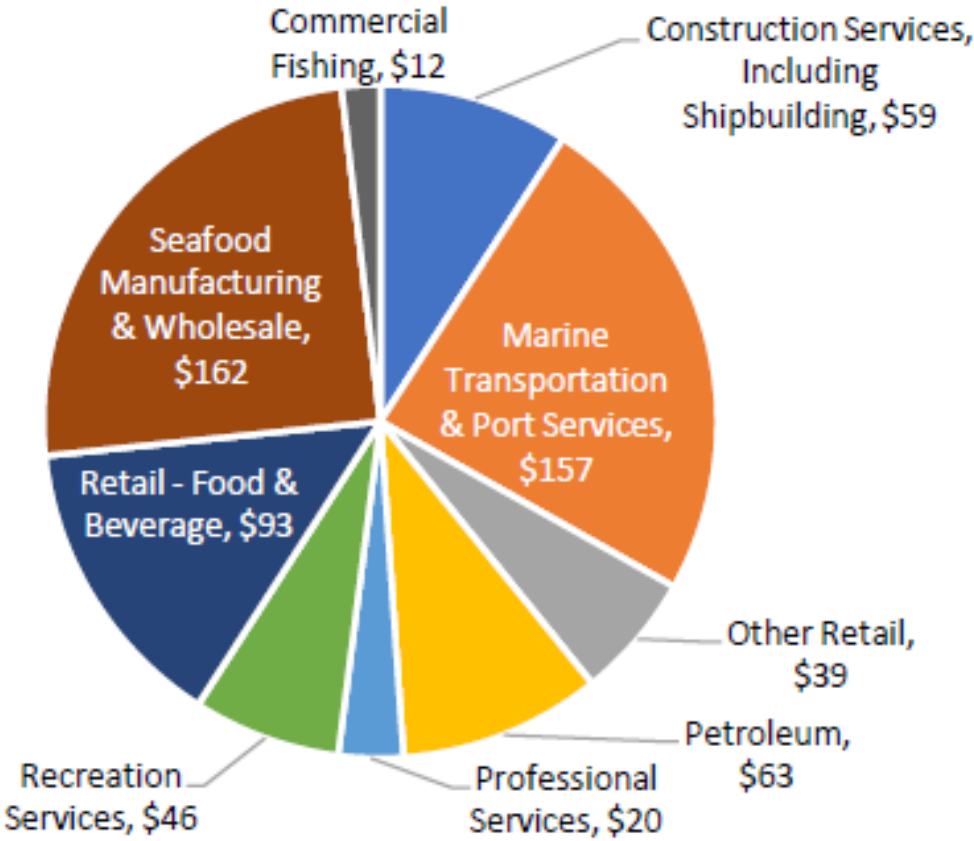
¹ Revenue and employment data for commercial fishing was from Bureau of Labor Statistics and Bureau of Economic Analysis, as reported to IMPLAN

² Seafood retail accounted for all of the Retail – Food & Beverage category for marine businesses

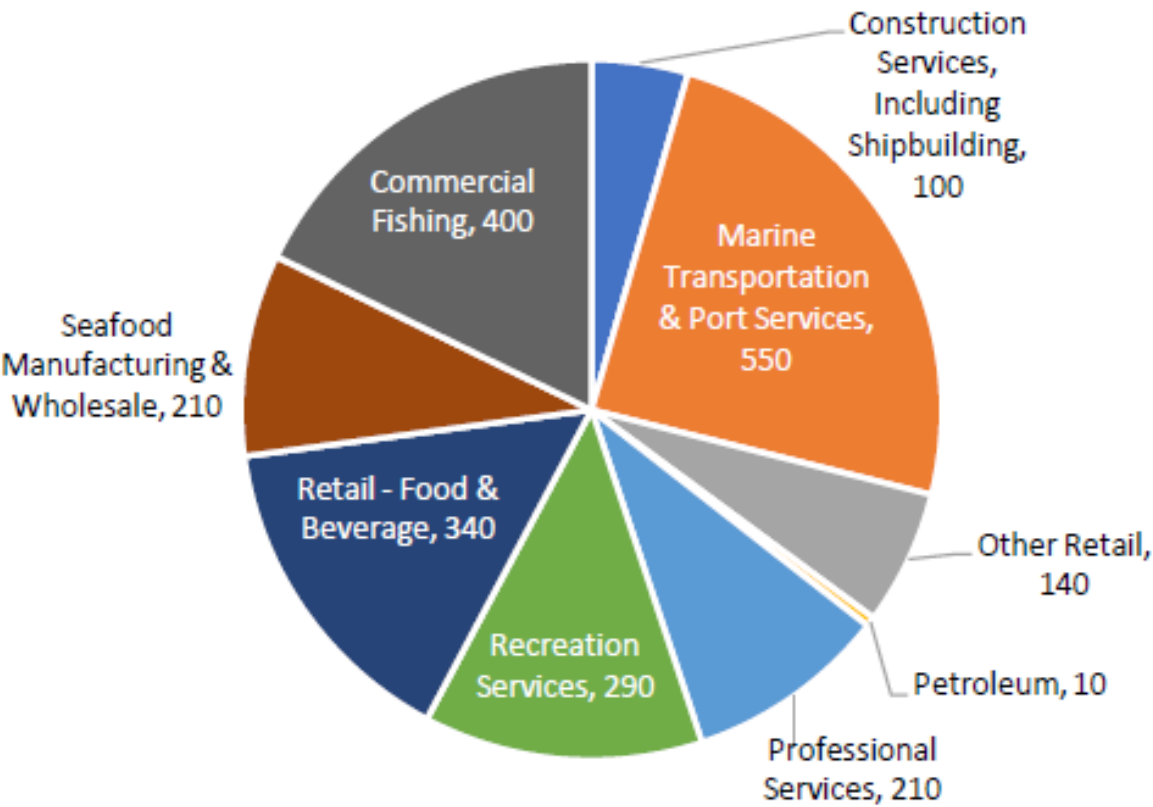
Marine Businesses - Economic Contribution Breakdown



Portland Revenue - Marine (\$million)



Portland Employment - Marine



Economic Contribution



AECOM

Non-Marine Businesses

- Identified 262 non-marine businesses
- Generates \$373M in revenue
- Provides 4,600 jobs
- Major contributors
 - Restaurant/Bar/Brewery
 - Other Retail (excludes food & beverage)
 - Hotel
- While the non-marine businesses generate about half of the revenue as marine businesses, they employ more than double the number of people
- Passengers disembarked from cruise ships generated \$10.9 million in passenger spending in 2019

Category	Revenue (millions)	Employment
Hotels	\$84	780
Other Retail	\$95	580
Professional Services	\$1	20
Recreation Services	\$3	30
Restaurant/Bar/Brewery	\$186	3,160
Retail - Food & Beverage	\$4	20
Total	\$373	4,580

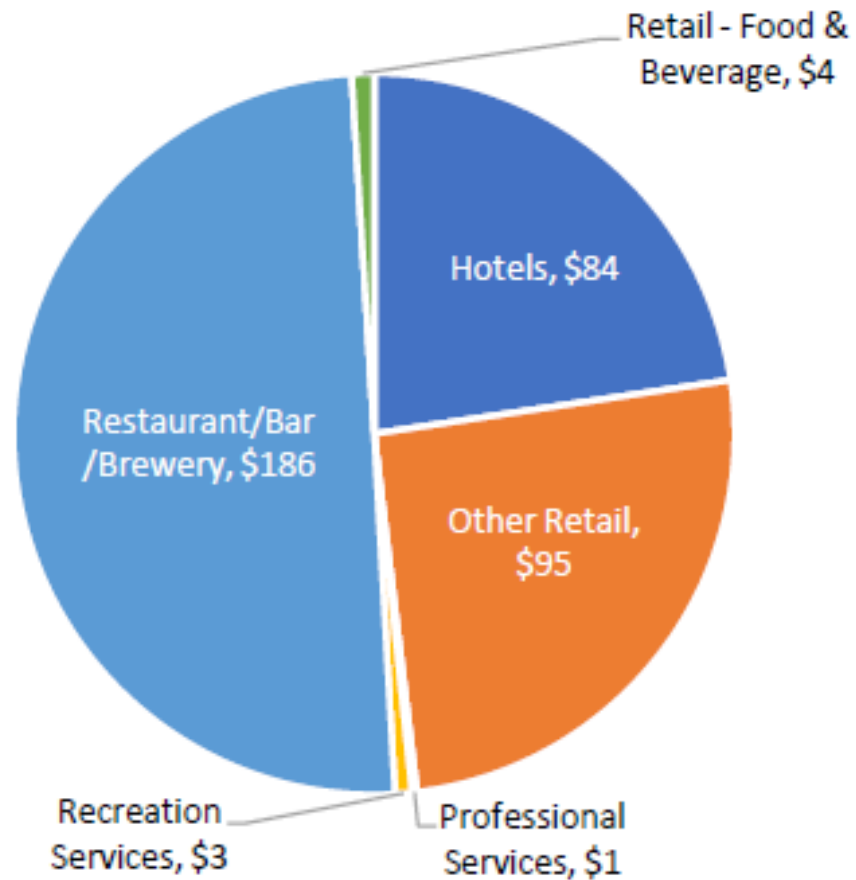
Source: AECOM analysis of AtoZDatabases information.
N/A – industry category was not included with non-marine businesses.

Non-Marine Businesses - Economic Impact Breakdown

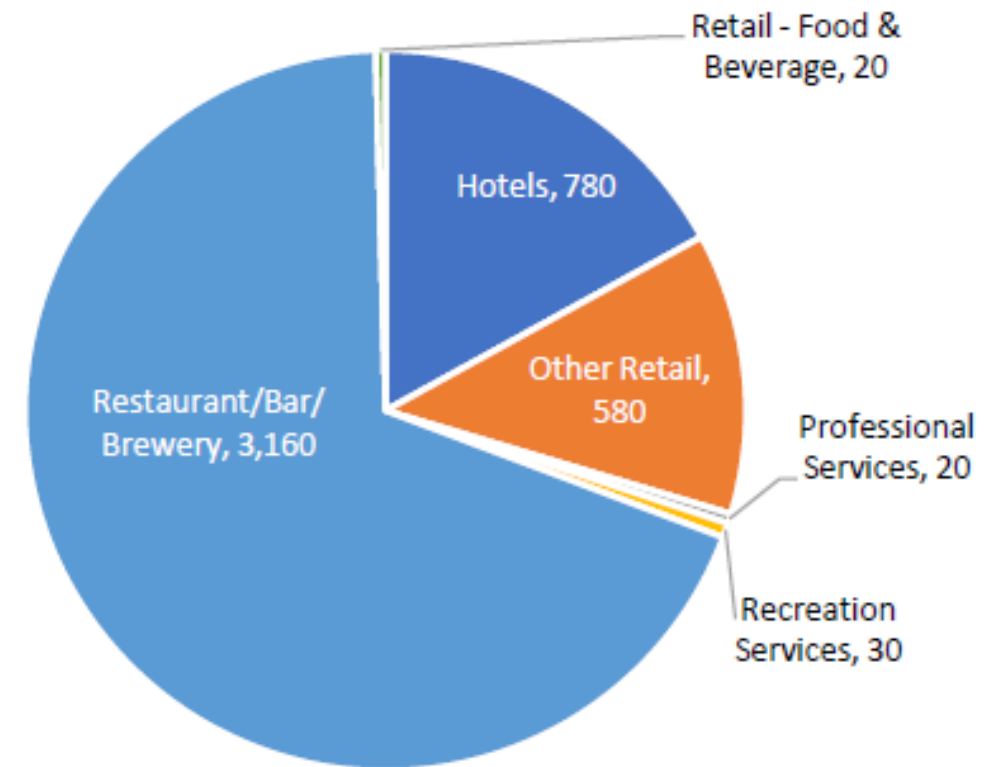


AECOM

Portland Revenue - Non-Marine (\$million)



Portland Employment - Non-Marine



Regional Input-Output Analysis



AECOM

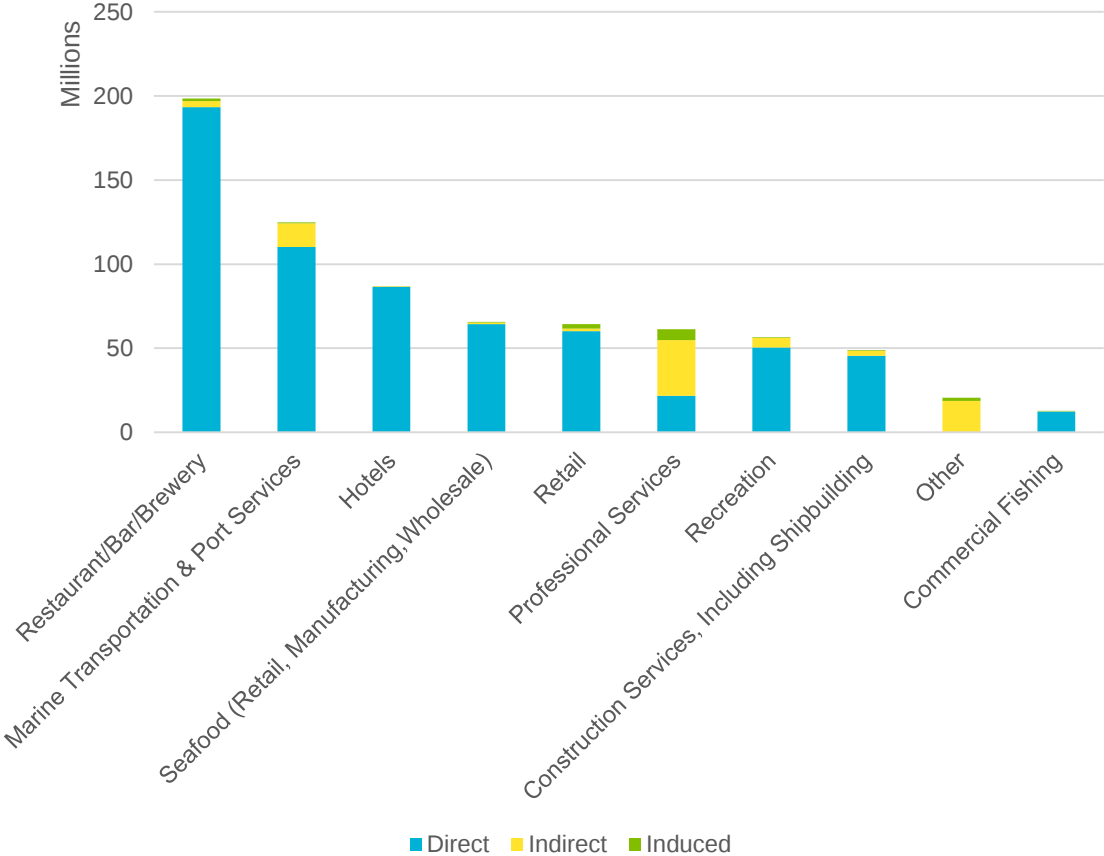
- Analysis found that the waterfront supports
 - 7,700 jobs
 - \$313M in labor income
 - \$417M in GDP (value added)
 - \$800M in economic output
- Major contributors (Output)
 - Restaurant/Bar/Brewery
 - Marine Transportation & Port Services

Impact	Labor Income (millions)	Value Added (millions)	Output (millions)	Employment
Direct	\$266	\$341	\$649	6,790
Indirect	\$38	\$61	\$125	720
Induced	\$9	\$15	\$26	170
Total	\$313	\$417	\$800	7,680

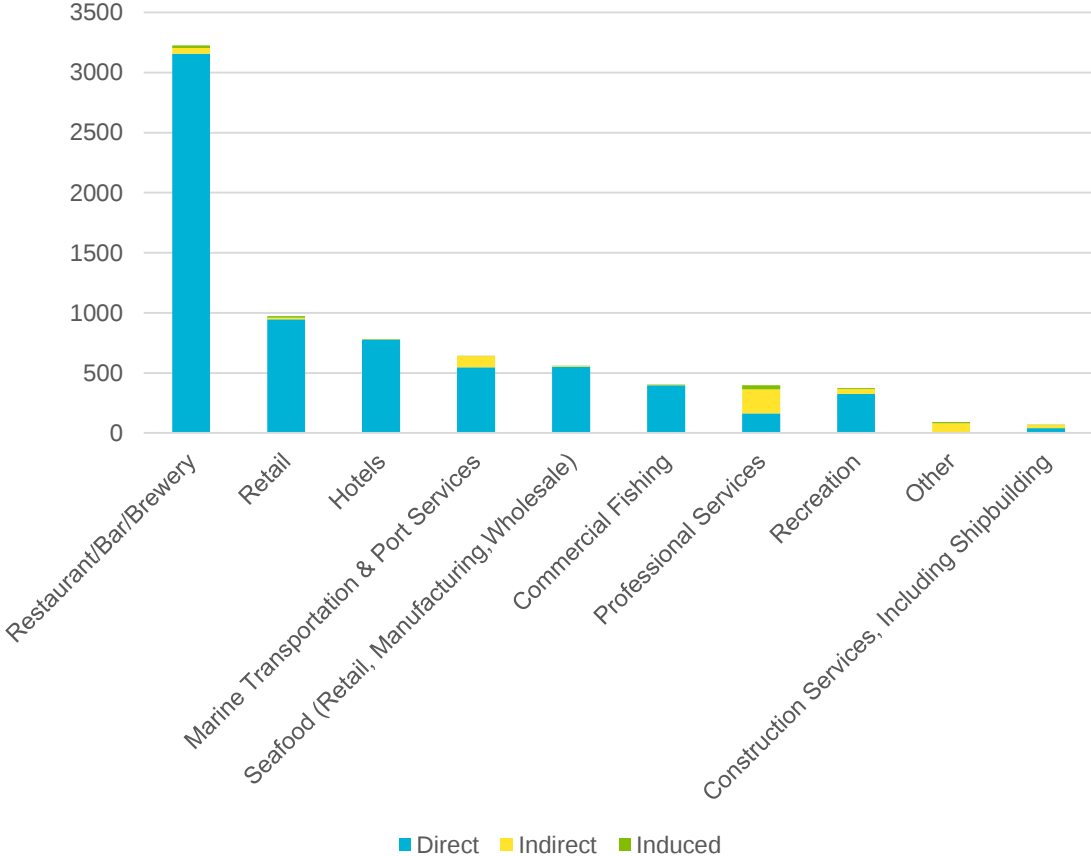
Regional Input-Output Analysis



Output Supported by Marine and Non-Marine Based Industries (Top Ten): Portland



Employment Supported by Marine and Non-Marine Based Industries (Top Ten): Portland



Findings



AECOM

- The working waterfront provides a significant economic contribution to the local community and the State
 - Supports \$800 million in output (about 4% of the region's overall economic output)
 - Supports 7,700 jobs (about 5 times greater number of employees than Wex has in Greater Portland)
- A 2017 report (MCBER) found that the ocean economy for the Casco Bay region contributed over \$704 million in value added, which reinforces the economic importance of Portland Harbor to the region
- Businesses using the port to import or export materials and products were not fully captured, leading to potentially greater impact

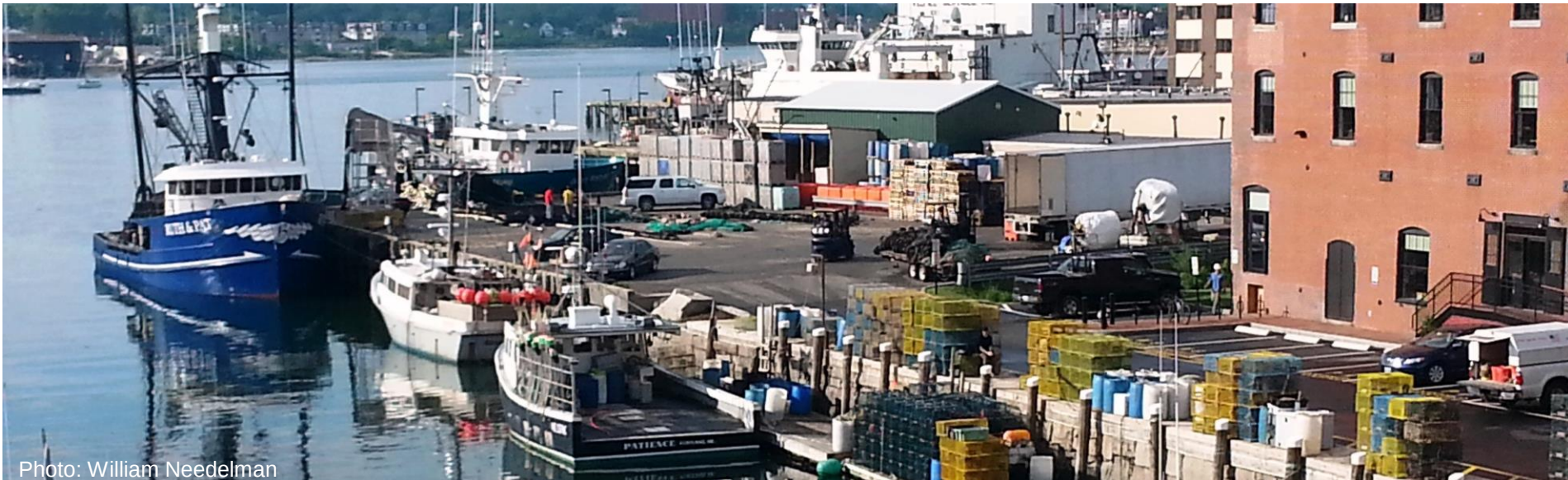


Photo: William Needelman