



Housing & Community Development Committee Minutes of November 12, 2014 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, November 12, 2014 at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Kevin Donoghue, and members Councilors John Coyne, Jon Hinck, and Nicholas Mavodones. City staff present included Housing & Community Development Division Director Mary Davis, Planning and Urban Development Director Jeff Levine (arriving as noted in the Minutes), Associate Corporation Counsel Michael Goldman, Economic Development Director Greg Mitchell, Island/Neighborhood Services Administrator Mike Murray, and Senior Executive Assistant Lori Paulette.

Chair Donoghue noted that this would be Councilor's Coyne last meeting as an HCDC member due to his term expiration. He thanked Councilor Coyne for his service.

Chair Donoghue then noted that Item #6 has been pulled from the Agenda at the applicant's request.

Item 1: Review and accept Minutes from previous meeting held on October 22, 2014.

For the Munjoy Street item in the Minutes, Councilor Hinck had one amendment to add on p. 9, after the paragraph beginning with "Councilor Mavodones, in looking at Minutes . . .", "Councilor Hinck agreed that public notice needs to be provided to the neighborhood."

On motion then made and seconded, the Committee voted unanimously to accept the minutes as amended.

Chair Donoghue indicated that the Committee would take up Item #5 on the Agenda first regarding the Munjoy Street lot, noting public in attendance for this item.

Item #5: Update, Review and Approval of 65 Munjoy Street RFP

Ms. Davis said that the Committee's backup for this item is essentially the same as the prior meeting, with the exception of one change to the RFP in Section II(F)(2)(e) regarding heights based on feedback at the previous meeting – that is for heights to be less than or equal to the average of structures in the surrounding block and minimize impacts of shadows on the adjacent playground. Regarding neighborhood notices of this meeting, Ms. Davis said that notices were sent to property owners within a 500-foot radius of the subject property, for a total 209 notices mailed.

Chair Donoghue asked if there was any public comment.

Richard Weare, property owner of 74 Wilson Street, asked if the property in the RFP included the green space, and Chair Donoghue indicated that it did not; it only included the parking lot. Mr. Weare said that he realizes the City's commitment to provide affordable housing, but noted the petition provided to the Committee at the previous meeting where all who were asked to sign the petition did so in opposition to this parking lot proposed development. He also said that with the St. Lawrence Church's 400-seat auditorium being constructed, this will only add to the parking congestion.

Jennifer Wigstrom of 82 Munjoy Street agreed with Mr. Weare's comments.

Chair Donoghue, noting no further public comment, closed the public comment session.

Councilor Mavodones asked about the scoring/selection process once an RFP would be advertised.

Ms. Davis said that a staff committee will score the proposals and bring back the results to this Committee for its recommendation on award of the bid to the City Council.

Chair Donoghue said that he supports development of housing on this property. The neighborhood needs the diversity in housing that this proposed affordable housing RFP would create, and he noted that 100 parking spaces were recently added along the Eastern Prom in this area which will assist with winter parking issues. Five or six years ago, the entire former Adams School property was put out for sale through an RFP; the remaining piece being discussed now was subsequently not developed. This RFP is only for the parking area, keeping the playground/open space adjacent to the lot.

A motion was then made and seconded to authorize staff to issue the RFP.

Councilor Mavodones said that he had concerns with process, particularly outreach to the neighborhood. He still has concerns but is comfortable with the RFP being issued. He noted that potential developers have an opportunity to meet with neighbors to see how neighborhood concerns could be addressed, as well as to look at previous backup on this item provided to this Committee. When staff brings back a recommended proposal, Councilor Mavodones indicated that he may or may not support the proposal.

Councilor Hinck said that he supports the issuance of the RFP, even though there are competing interests and values. Based on the Chair's comments for affordable housing needs – always a concern – and Munjoy Hill not being excessively dense, he is supportive of issuing the RFP. He noted that he is not taking this action lightly, but it seems to be heading in the right direction. Some parking issues have been addressed, but leaving parking lots as they exist is not always the right answer.

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

Mr. Weare suggested something be added in the RFP for the proposer to indicate what they are going to do with the current parking. Ms. Davis indicated that the RFP addresses impact on surrounding neighborhood for a scoring element. It also notes changes in the R-6 zone be looked at as well.

Item #2: Review and recommendation to City Council approval of proposal for tax-acquired property on Cliff Island.

Mr. Mitchell clarified that staff is only looking for authorization from the HCDC to authorize staff to negotiate with the sole proposer, Sustainable Cliff Island (SCI), for a Purchase and Sale Agreement, which Agreement would then be brought back to this Committee for its recommendation to the City Council. He then noted that the cover memo provides highlights of SCI's proposal, which includes upgrading the fuel station, renovating the dock, and renovating the residence for year-round affordable island housing. Mr. Mitchell noted SCI's proposed purchase price of \$10,000, in that if accepted by the Council, it would need to write off the remaining back taxes, costs, and interest which totals approximately \$53,000+. He noted that SCI has applied for a 501(c)(3) status, which is pending; in the meantime, The Island Institute will serve as its fiscal agent. Mr. Mitchell said that the SCI Board has fund-raising experience as well. Their business plan calls for near-term expenditure of \$30,000 to include, among others, purchase, legal fees, site clean-up, permits, taxes, and insurance. Over the next two years, SCI is planning for expenditures of \$300,000 to upgrade fuel system, upgrade septic system, gut and renovate the house suitable to rental occupancy, rebuild wharf, and rebuild former grocery store to a small convenience store. TAPC is recommending that the HCDC authorize staff to negotiate with SCI and bring back a Purchase and Sale Agreement for HCDC's recommendation to the City Council.

Mr. Mitchell said that issues for guidance on negotiations should be discussed in executive session.

At approximately 6:00 p.m., the Committee voted unanimously to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and (F) and 5 M.R.S.A. 13119-A to discuss negotiations on this real estate disposition and provide direction to staff. At approximately 6:25 p.m., the Committee came out of executive session.

(Jeff Levine joined the meeting at this time.)

Chair Donoghue asked if there was public comment; there being none, the public comment session was closed.

On motion made and seconded, the Committee voted unanimously to authorize staff (being Michael Goldman, Greg Mitchell, and Mike Murray) to negotiate with SCI, pursuant to the guidance given, for the Purchase and Sale Agreement to bring back to this Committee for its recommendation to the City Council.

Item #3: Review and Vote to Recommend to City Council to approve

Establishment of a Downtown Transit Oriented Development TIF District

Mr. Mitchell indicated that the cover memo details information that has been in the works for the past few months. Staff is a looking for a recommendation to the City Council to establish this new TIF District. He noted that Glenn Fenton was present today from Metro for this item. The proposed Downtown Transit Oriented Development (DT TOD) TIF District encompasses 410 acres; Mr. Mitchell then described the area's boundaries (see map attached). The DT TOD TIF revenues are targeted for public infrastructure, new and enhanced transit, Creative Portland, and staff salaries. He noted that the next item on the Agenda is a reduction of the Arts TIF District to include only the property of the Baxter Library, which property has a Credit Enhancement Agreement. These two items would need to be voted on by the Council, with the reduction of the Arts TIF District first, followed by establishing the DT TOD TIF, as all of the former area of the Arts TIF District, excepting the Baxter Library property, will be a part of the DT TOD TIF District. Mr. Mitchell further noted that DT TOD TIF Districts are exempt from statutory limits on the amount of acreage and property value a municipality can include in a TIF District.

The DT TOD TIF District is proposed for 30-years, the maximum allowed by Statute, and capture rates are proposed at 12% for year one, and 22% for years 2 through 30. Annually,

the City Council will make decisions on where this TIF money would be applied. It can also increase or decrease capture rates; increasing capture rates would require City Council and MDECD approval, while decreasing does not need MDECD approval.

Mr. Mitchell said that the packet includes a draft DT TOD TIF program, as well as a communication from Metro for the District to include new and enhanced transit. The goal is to incorporate new and enhanced transit services, with flexibility for future alternatives.

Mr. Fenton of Metro said that Metro proposes to use DT TOD TIF funds to create a high frequency corridor on Congress Street, with bus service at 15 minute intervals between the Portland Transportation Center (PTC) area and Washington Avenue, all as more detailed in the packet.

Councilor Mavodones asked if up to \$100,000 to Creative Portland, which is decided annually by the City Council, is written into the TIF program, and Mr. Mitchell indicated that it was.

Chair Donoghue noted that the DT TOD TIF does not include “Art” in its name, and Mr. Mitchell indicated that DT TOD TIFs are exempt from State Statutory limits, while Arts TIF Districts are not. He also noted that funding Creative Portland (CP) through the DT TOD TIF is an allowable use of TIF funds.

Chair Donoghue opened the meeting for public comment.

Tony Donovan said that this is good for Portland. This DT TOD TIF plan is not, however, specific as to where funds will go, but would be decided annually by the City Council – perhaps that could be made clearer on p. 7 of 53 in the packet. He noted that the Downtown Revitalization draft plan is great work. Lastly, Mr. Donovan noted transit, saying that it should fund, in addition to Metro’s proposed program, bike share and passenger rail, for examples.

Chair Donoghue, noting no further public comment, closed the public comment session.

Chair Donoghue asked where quality is supported in the document, and Mr.

Mitchell referred to Table 1 (p. 5 of 53), where it lists “Public Transit”. This item leaves flexibility to various kinds of public transit.

Chair Donoghue said that he would like high Metro frequency within the Downtown. He was impressed with level of work that has gone into this DT TOD TIF; Committee members concurred.

Councilor Mavodones said that Metro and CP should be aware that they may not be funded, at least in whole every year, depending on the City’s financial needs.

It was the sense of the Committee to have the TIF Development Program highlight CP more so that future City Councils understand the importance of this investment.

On motion then made and seconded, the Committee voted unanimously (4-0) to forward this to the City Council with a recommendation for it to approve the DT TOD TIF.

Item #4: Review and vote to Recommend to City Council – Amendment to the Arts TIF District.

Chair Donoghue asked if the Committee had any questions on this item, based on Mr. Mitchell’s previous presentation, and there was none. He then opened the meeting for public comment, and there was none.

On motion made and seconded, the Committee voted unanimously (4-0) to forward this to the City Council with a recommendation that the Arts TIF District be amended as described in the backup.

(Councilor Hinck had to leave the meeting at this time.)

Item #7: Review and Vote to Recommend to City Council – Amendment of Federated Companies Midtown Project Partnership Documents, Including Second Amendment of Guaranty.

Mr. Mitchell said that due to the redesign of the Midtown project, it requires amendment

to the Corporate Guaranty. This would be the second amendment, which document is included in the packet. The redesigned project is smaller in scale and will be constructed in one phase, as compared to its original project being constructed in two to three phases over a number of years.

Chair Donoghue referred the table on p. 1 of Mr. Mitchell's memo for "Approved Project" and then "Redesigned Project", asking if the numbers in the "Redesigned Project" column are minimums that must be built.

Mr. Mitchell said that these are from the redesigned project and are a slightly less than provided in that redesigned project, as this is currently going through site plan review.

Chair Donoghue asked about the need for the 90,000 sq. ft. of retail space, which is only 10,000 sq. ft. less than the approved project.

Mr. Levine said that the site plan review process just started for the redesigned project, actually occurring by the Planning Board tonight. The redesigned project, including this retail, is what they offered and is under review.

Chair Donoghue asked about 440 housing units in the redesigned project, and if there were protections for the City to be sure that was the minimum, as compared to 650 to 850 units in the original approved project (all phases).

Mr. Mitchell said that this in the Corporate Guaranty and establishes not less than 400 units would be constructed.

Chair Donoghue asked if there was public comment. There being none, the public comment session was closed.

A motion was then made and seconded to forward this to the City Council with a recommendation for approval.

Councilor Mavodones said that he was disappointed the City now has half of the housing than originally anticipated. City staff and Council worked hard for the original project. He would, however, support this with reservations due to smaller scale for housing.

Chair Donoghue agreed, but there is still housing units that will add additional housing. Retail at 90,000 sq. ft. seems a bit excessive, with impacts to surrounding community. He will support this; the City investment is big and he is excited for housing and positive impacts this will have on the downtown.

A vote was then take on the motion and it passed unanimously (3-0).

Item #8: 2014 HCDC Work Plan for Review and Discussion

The Committee and staff discussed the work plan items, and the possibility that the Committee will be able to have a meeting on December 10th. Chair Donoghue said that the Committee appointments will be made at the Inauguration on December 1st. He recommended staff to contact any new Councilors who may be appointed to the HCDC to get them up to speed in time for their participation in a December 10th meeting. He also requested that staff keep looking for alternative sites for the sand and salt shed property in Bayside so the DPS Bayside properties could be advertised for sale through RFPs, as well as to keep up with the public noticing in property dispositions.

There being no further business, the meeting then adjourned at 7:10 p.m.

Respectfully,

Lori Paulette

