



**MINUTES**  
**COMMUNITY DEVELOPMENT COMMITTEE**

**JANUARY 13, 2010**

A meeting of the Portland City Council's Community Development Committee (CDC) was held on Wednesday, January 13, 2010, at 5:00 p.m. in Room 209 on the second floor of Portland City Hall. Present from the CDC was its Chair Councilor Cheryl Leeman and members Councilors John Anton and Dory Richards-Waxman. Present from the City staff were Assistant City Manager Pat Finnigan, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

**Item #1: Review and accept Minutes of previous meeting held on December 16, 2009.**

On motion made and seconded, the Committee voted (2-0 – Anton abstained) to accept the Minutes as published.

**Item #2: City-owned property on Riverside Street. Action Requested: Recommendation on enclosed Purchase and Sale Agreement. NOTE: The Committee may go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to review and discuss sale negotiations.**

Chair Leeman noted that this has been discussed with the Committee in previous meetings in executive session due to the negotiations.

Mr. Mitchell referred the Committee to a map showing the subject site, noting the piece sold to New England Metal Recycling for approximately 14 acres. This current subdivision concept plan has 5 lots on 20 developable acres zoned IM and IH. In this Purchase and Sale Agreement, lot #4 with 2.8 acres would be sold, as well as a portion of

lot #2 to provide a total of 4 acres to Addison Capital, a/k/a Lucas Tree. Lucas Tree has been continuing to operate from this location since it sold the property to the Trust for Public Lands. By purchasing this property, Lucas would locate some of its other business operations to this site, together with associated jobs. The purchase price is \$954,000 to acquire the 14,080 sq. ft. main building, two small out buildings, and up to 4 acres. He is currently working with Lucas on that configuration for 4 acres.

Regarding the timeline for closing, Mr. Mitchell estimated the closing for the City to take ownership from TPL to be completed by April 1<sup>st</sup>. A condition in this Purchase and Sale Agreement stipulates that should the City close on the property with TPL and if the industrial subdivision regulatory approvals have not been secured, Addison acknowledges the existing lease with TPL may be transferred to the City and become a tenant of the City until closing.

Mr. Mitchell closed saying that Art Batson III is here should the Committee have questions.

Chair Leeman first opened the meeting for public comments.

Steve Scharf of 226 Veranda Street noted that it was interesting that Lucas Tree is now buying back some of the property it sold to the City/TPL. In any event, Mr. Sharf said that a portion of this Riverside Street parcel was to be used for the relocation of Public Services out of Bayside, but this looks like it is abandoned with this purchase. He is not sure if the public is aware of this change.

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

Councilor Anton said that about two years ago, this Committee discussed the issue about Public Services relocating to the Riverside Street. At that time, it was

reaffirmed that this was still the plan. He would like to see the record of that meeting before voting on the subject Purchase and Sale Agreement. Regarding the latter, he asked about price per acre.

Mr. Mitchell said that the purchase price of \$954,000 is based upon \$50/psf for the 14,080 sq. ft. main building space on two acres for \$704,000 and then two additional acres at \$125,000 per acre.

Councilor Anton said that the original purchase was based on approximately \$100,000 per acre for all the property – 53.8 acres. He then expressed concern that the subdivision plan and this potential purchase would leave room for Public Services. Does this Agreement define an area for Public Services?

Mr. Mitchell said that he had been authorized by this Committee to go and out test the market for potential buyers. At one time, he had a buyer for the entire site but that did not work out. The Riverside Street property concept subdivision plan does not define an area for Public Services.

Chair Leeman said that the CDC meeting Councilor Anton was referring to did indicate that there was still a commitment to relocate Public Services out of Bayside, but not at a specific location.

Councilor Anton requested that this item be tabled two weeks to the next CDC meeting on January 27 to confirm the record of the previous CDC meeting and the policy for Public Services relocation. He asked Mr. Batson if tabling the item for two weeks would be an issue for Lucas Tree.

Mr. Batson indicated that the two week tabling time period would not have an adverse impact upon Lucas Tree's decision timeframe. Lucas Tree wants to stay in Portland and it makes sense to consolidate its garage from Gorham to Portland. Mr.

Batson also noted that the original intent of the purchase by the City was to relocate both scrap yards from Bayside to the site and run a park system around the site. Only one scrap is now in the process of relocating; the other did not work out.

Chair Leeman said that due to the other scrap yard not moving, the Public Services relocation came into play for the site.

Councilor Anton made a motion to table this item to the next meeting of the CDC on January 27, asking for information as to whether the remaining land would be sufficient for the Public Services relocation, as well as a review of the record of the previous meeting of the CDC mentioned earlier. Councilor Waxman seconded the motion.

Mr. Mitchell asked if any additional information was needed for the Committee relative to the Lucas Tree Purchase and Sale Agreement, and the Committee indicated that no new information was needed for that transaction.

Chair Leeman asked for a vote on the motion and it passed unanimously.

**Item #3: Portland Economic Development Plan. Action Requested: Review of approach; see enclosed Memorandum from Greg Mitchell.**

Mr. Mitchell said that the proposed approach would be a collaborative effort with the City, Chamber, various committees, and agencies with a representative from each so that the effort would be managed by a Task Force, with the Economic Development Division having the lead role. The Massachusetts Institute of Technology (MIT) has agreed to offer a graduate class, at no cost, to provide graduate student support to prepare Portland's economic profile along with focused sector research projects.

Mr. Mitchell noted that his memorandum contains a schedule, the partners identified, together with those partners who have already agreed to contribute funds for the project, particularly the Creative Portland Corporation for \$3,000.

Mr. Mitchell noted that Chris O'Neil and Jack Lufkin were here as the Chamber's representatives. The Chamber has shown support for the plan, as has the City Manager's Business Advisory Committee. It is being brought to this Committee for feedback and possible support for advancing the project.

Councilor Anton said although no Council action was necessary for this, it would be good to communicate it to the Council. It is a very good project to undertake, and various Councilors have points of view about what economic development should be. Portland's economic development activities have historically centered on real estate development as opposed to business and job development, which is his concern to help entrepreneurs and job seekers. Also, moving employees/business from one area outside of Portland to Portland is not necessarily a boost for economic development and job creation.

Councilor Anton continued saying that this plan should also look at policies of financial incentives, and take a look at what other cities have for such incentives, and what can be done to further living wage jobs. Councilor Anton indicated that these elements should be included in the plan in his opinion. He also noted that there are nine groups listed with each group having a rep on the Task Force. Councilor Anton said that he would like to see an additional group added, "Prospectively Employed".

Chair Leeman disagreed that real estate development should not be a part of economic development activities; it should be all inclusive. Anything that can be done to expand the tax base is all part of economic development. Relocations from outside of Portland to Portland may not necessarily increase jobs but it has a lot of spin-off effect. She also noted that the CDC packets do go to every Councilor for every meeting, so the Council is aware of this plan, as well as the other items before the Committee.

Councilor Waxman said that she is in favor of the plan, noting that it is just that, a plan and it all needs to be included. Regarding living wage, she would like to see a provision in the way Portland does business, noting that Charlotte, Virginia has a good plan.

Chair Leeman noted that the consensus of the Committee is for Mr. Mitchell to move forward in creating an Economic Development Plan for Portland.

**Item #4: Portland Technology Park (PTP) Update – Action Requested: For your information. See enclosed Memorandum from Nelle Hanig for an update regarding staff progress working on the project.**

Mr. Mitchell said that this Committee has asked for periodic updates regarding the project. The EDA paperwork has been submitted, and Portland is close to hiring engineering services for the project subdivision and City/State regulatory approvals, with construction estimated to start late Fall this year. This is the first municipal corporate business park which will assist the Economic Development Office in luring more business here with this infrastructure in place.

Mr. Mitchell noted a partnership is being worked on with UNE to help market the PTP, as well as the City's current partnership with the Cities of Westbrook, South Portland, and Scarborough.

Councilor Anton said that he would like to talk more about industrial parks with Mr. Mitchell at some other time, rather taking up the Committee's time.

Chair Leeman thanked Mr. Mitchell for the update.

**Item #5: Portland Economy Update – Action Requested: For your information. See enclosed Memorandum for a general update regarding recent Portland economic development activity.**

Mr. Mitchell said that his Memorandum highlights recent development activity and will be a regularly monthly item on the agenda. The Memo highlights projects which will have a big impact upon Portland. It also includes major infrastructure projects, as well as loans recently made by the Downtown Portland Corporation.

Chair Leeman said that this is a good addition to the agenda items, and noted that it should be given to the media.

Chair Leeman asked if there were any other items.

Councilor Anton noted that Efficiency Maine Trust (EMT) was recently awarded funding from the Public Utilities Commission and requested that Economic Development staff interface with EMT to help businesses access those funds.

There being no further business to come before the Committee, the meeting then adjourned at approximately 5:55 p.m.

Respectfully submitted,

Lori Paulette