

1. Meeting Summary

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CDBG Working Group

DRAFT Meeting 1 Summary: January 31, 2013

Members: Chris Hall, John Shoos, Rob Wood, Karma O’Conner, Rich Cantz, Joni Boissonnealt, Mike Rolland

Staff: Maeve Wachowicz, Amy Grommes Pulaski

Welcome

Amy welcomes and thanks everyone for coming. Everyone introduces themselves.

Review and Accept Meeting Summary

Karma moves acceptance, seconded by Chris Hall. All vote in favor.

Discussion Economic Development Vision and Plan- Jack Lufkin

Amy introduces Jack from Gorham Savings Bank. Jack explains he was the Economic Development Director under Lee Urban until 2007, and that while there were always department plans, at that time there was no comprehensive economic development plan for Portland. Subsequently in 2011 Greg Mitchell and Jack co-chaired a project to create the *Economic Development Vision & Plan for Portland, Maine*. They brought together business and industry leaders, looking for strong representation by various groups, including those businesses with growth potential. There were more than 20 members on the Task Force. Greg also brought in a professor from MIT to work on this project and devote an entire academic course called “Economic Development in Portland, Maine.” The MIT students did a study of Portland, economic strengths and weaknesses, best areas to grow etc., all of which led to the creation of the Vision & Plan document. Jack explains that they tried to keep it concise, but there is also a lot of information and broad goals included in the plan.

The report has three sections: 1) Grow the Economy. How do we help businesses grow and succeed? 2) Enrich the creative economy (Creative Portland Corporation [CPC]). 3) Support businesses (Economic Development Department at the City.) One simple objective is to update the city business guide.

The last two pages of the Plan are a stand-alone work plan of what the Chamber, City, CPC, PDC, PDD, CEI, MEREDA, etc., and others could do as they have the desire and resources to implement the plan. The Chamber has identified certain areas that they are going to address. For example, the Chamber has engaged entrepreneurs in Portland and determined why they chose to be here. They are using that information to create a recruiting tool to bring other entrepreneurs here to Portland. Additionally, the Portland Development Corporation has dedicated \$250,000 toward implementing the Plan. Creative Portland Corporation is another actor in this project whose goal is to grow the creative economy here in Portland. They have their own goals and benchmarks for achieving this.

Creative Portland Corporation is a quasi-governmental organization created by the City of Portland and funded, in part, by the Tax Increment Financing (TIF) from the City of Portland's Arts TIF District; they exist to support and grow the creative economy. Jen Hutchins is the Executive Director and is focused on making Portland a place that will attract people from away to want to come live here.

There is discussion about what exactly constitutes the "creative economy" and with 1/3 of the efforts of the plan devoted to it, does that mean the creative economy is 1/3 of the whole Portland economy? Jack explains that the creative economy does not just refer to people in the arts, but anyone acting creatively in the business sense, such as an architect or a designer. These individuals tend to pay for resources and reinvest locally. There is some discussion of whether restaurants/food service falls into the category of the creative economy. Jack responds that while the culinary arts are certainly creative, food service tends to fall into a different category because of the nuts and bolts of the restaurant industry. Another growing sector in the Maine/Portland economy are food industries like breweries etc.

Jack asks how do you create workforce development. Many talk about working with high school students. In Portland there is also opportunity among the immigrant community.

On page 4 of the plan, one initiative states: "Coordinate business and higher education needs to support regional workforce development." A committee member asks what is currently going on to address this initiative? Chris Hall says he likes this document because it's a framework, but it doesn't supply answers. He tells a story about Emmanuel Calk, new superintendent of Portland schools coming into the Chamber and posing the question, "Whose kids are they? Are they yours?" He argued that Portland needs to be a place to attract and retain the middle class and that we need to create an experiential learning environment for kids to be prepared and get good positive work experience. He wants each student to have an opportunity to work in the local businesses and to create meaningful life experience and skills. Schools received \$500 million in Ellie Mae, through Jobs for Maine Graduates. They have started a "Principal for a Day" program for business leaders to come shadow school principals. Other suburban schools have different needs, but not all that different. Sectors for growth have been identified by Charlie Colgan and they are the areas where we do not currently have the resources to train persons.

Jack adds that one of the purposes of the plan is to eliminate duplicative efforts, e.g. Educate Maine has bought computers for schools, so that's not something we need to focus on. Amy asks who tracks all the parts/projects to ensure that duplication does not exist. There currently is not a tracking system. The mayor is trying to coalesce the right people and keep the pulse of what is going on.

Jack asks what the purpose and expected outcome of this group.

Amy explains that this group has been tasked with the recommendations of the CDBG Priority Task Force to create Work Force Development programs for CDBG. They are to create a process that enables applicants to apply, a means for selecting good projects, and evaluating success.

Mike asks: Are the CDBG funds going to flow through businesses and organizations, or directly to the individual like a voucher or scholarship program? The committee discusses this. It had been assumed

that organizations and businesses would apply as partners. But the idea of having the funds follow a person is also a possibility that has not been discussed.

Jack says what if we pooled efforts of similar businesses to create a “class” of individuals that could be trained. However we need to be mindful of the individuals that meet the CDBG income guidelines and the jobs we create should address their needs and entry level skill sets as well. Are there skills gaps and where can we focus? Does the committee need to identify the growth industry or the population they serve?

Jack thanks the committee for inviting him. He is happy to come back and be part of further discussion. He appreciates that the group has to be mindful of the population CDBG needs to serve.

John asks about the amount of funds available in CDBG. Amy explains that 20% of CDBG funds can go to Planning and Administration, 33% go to Public Services and 47% can go to Development Activities, including economic development, housing, public infrastructure, and public facilities. It’s possible there could be about \$500,000 or so to go toward this effort, however it’s not clear how much of that would be development money (that would go directly to businesses) and how much could be social service money (that would pay for the supportive services).

The Office of Economic Development worked with CDBG to fund a Business Assistance Grant. There have been a handful of businesses that have taken advantage of this program and Jack is glad that CDBG is moving toward economic development.

Review of Conflict of Interest/ Past funded applicants

Amy reviews the currently funded applicants and asks if anyone has any conflicts of interest. No one does. Amy explains that her son attends Youth and Family Outreach.

Vote Chair and Vice Chair

John nominates Chris Hall for Chair, seconded by Rich, all vote in favor.

John nominates Karma for Vice Chair. Seconded by Chris , all vote in favor.

Goals, Outcomes, Objectives, Scope

Amy reviews the goals, outcomes, objectives and scope that is described in the notes from the previous meeting. She asks the committee if there are any other items to consider.

Do we stagger the allocation of grants? For example if you fund 5 programs for \$100,000 for three years, what do you do in year 2 and year 3?

How many jobs were created per sector per year in Portland the past 3 years? Mike Rolland will explore the availability of this data. Additional data requested: jobs per industry located in Portland and jobs held by Portland residents both in Portland and outside.

Can we look regionally and collaborate with CDBG regionally, maybe throughout Cumberland County?

Can we reward applicants who have matching or leveraged funds?

When tracking the outcomes of the grants, how do you define and measure success? The removal of general assistance is a nice idea for a benchmark, but is difficult to track. When allocating HUD funds for homeless services, they measure income before and after for clients.

Do we want to focus on an industry? Amy provides the example that the Portland Health Clinic is looking to train phlebotomists and other health care workers and could partner with child care facilities to make training possible workers with children.

Chris says we shouldn't pick winners or specific industries, but pick the criteria for the industries we focus on.

When it comes to creating jobs, the funds should not go to directly support a position, but towards investing in a business so that it can create the conditions that make a new position possible, and so that the business can support and sustain itself.

Applicants could get more points for having jobs that provide a livable wage. The question is will the amount you pay someone out-price some of the lower skilled individuals that we want to help?

Rich and Mike mention programs that are voucher based, e.g. New Hampshire's the money follows the person program and other Goodwill programs.

Homework:

On Job Training info – Bethany and others

Jobs Data: Mike Rolland: jobs were created per sector per year in Portland the past 3 years, jobs per industry located in Portland and jobs held by Portland residents both in Portland and outside.

Model/example programs for voucher systems – Rich & Mike

Industries/populations we want to address – all

MIT Report