Meeting Begins: 6:30 P.M.
Location: City Hall Council Chambers

A. OPENING OF THE MEETING

Subject 1. Roll Call
Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category A. OPENING OF THE MEETING
Type Procedural

Subject 2. Acceptance of Minutes
Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category A. OPENING OF THE MEETING
Type Action, Minutes
Recommended Action Motion for passage.

Subject 3. Petitions and Communications
Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category A. OPENING OF THE MEETING
Type Information, Reports

B. APPOINTMENT CALENDAR

Subject 1. ORDER #145-18/19 – Economic Development Committee, District Four (Caricchio), for a term that expires March 3, 2022. Postponed since March 12, 2019. Passage requires majority vote.
Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category B. APPOINTMENT CALENDAR
Jennifer Voisine's term has ended.

2. ORDER #157-18/19 – Planning Board, District Two (Lewis), for a term that expires April 1, 2022. Postponed since March 26, 2019. Passage requires majority vote.


3. ORDER #160-18/19 – Board of Appeals, District Two (Lewis), to fill an unexpired term which expires July 23, 2021. Postponed since March 26, 2019. Passage requires majority vote.

Robert Whyte resigned from the board effective March 19, 2019.


Joel Ouellette has resigned from the committee.
Jana Karlis has resigned from the committee.

**C. WORKSHOP DISCUSSION**

**Subject** 1. Short Term Rental Ordinance Amendments

Meeting Jun 25, 2019 - CITY COUNCIL MEETING

Category C. WORKSHOP DISCUSSION

Type Discussion

**POSITION PAPER OF THE CITY MANAGER**

This item was postponed on June 18, 2019.

This item is being brought forward at the request of Mayor Morgan. In early March, Mayor Morgan met with Staff to review some common issues and complaints from property owners related to the new STR registration process. He is proposing several ordinance amendments, and staff has put them into draft form so that the intent is clear.

As a reminder, the term “Hosted Home Stay” means a short-term rental (STR) that is owner-occupied and is allowed in all zoning districts, including residential zones. The term “Non-Hosted Home Stay” means a short-term rental that is not owner-occupied, or where the owner is not present during the stay, and is only allowed in non-residential zoning districts.

The proposed ordinance amendments:

1. Would require building inspections prior to registration for all Hosted and Non-Hosted Home Stay (see Table 14-805 “Inspection”).

   **Staff Position:** This item is a staff addition. In practice, all STRs are currently being required to be inspected. The current ordinance provides that inspections may occur at the discretion of the Fire Chief, except that all 3- and 4-unit building must be inspected.

2. Would expand eligibility to register Hosted and Non-Hosted Home Stay units in Authorized Mixed-Use Structures that have up to three residential dwelling units (see Section 14-801 “Definitions” and Table 14-805 “Type of Structure”).

   **Staff Position:** As the ordinance is currently written, non-hosted stays are limited to detached single-family homes, and hosted stays are limited to residential buildings with up to four dwelling units. During the early stages of the STR discussion in late 2017 and early 2018, this policy considered and staff expressed safety-related concerns about STRs operating in mixed-use buildings where there is a commercial component, e.g. café, office, etc. The Fire Department inspects all commercial buildings in the City and having a lodging-type use within the building would necessitate certain code compliance. Staff acknowledges that by requiring inspections and fire code compliance for all STRs, it somewhat reduces the risk. Staff support...
this proposed amendment with the understanding that these buildings will nonetheless be required to meet modern Fire Code, which could be cost-prohibitive for the building owner.

3. Would expand eligibility to register Non-Hosted Home Stay units in a two- or three-family dwelling unit building (see Section 14-801 “Definitions” and Table 14-805 “Type of Structure”).

Staff Position: As the ordinance is currently written, non-hosted stays are limited to detached single-family homes. During the early stages of the STR discussion in late 2017 and early 2018, this policy was considered and staff expressed safety-related concerns about STRs operating in multi-unit buildings where owner is not present. Allowing a lodging-type use in buildings not built to modern commercial code (as required of hotels/motels) and/or which do not have on-site staff or owner-operator present (typical of an inn or B&B) carries with it some level of risk. However, staff acknowledges that by requiring inspections and fire code compliance for all STRs, it somewhat reduces the risk. It is important to note the reason this proposal is limited to three-unit buildings and not four-unit buildings is because the State of Maine would categorize a building with more than three units under common ownership operating as an STR as a lodging establishment, and as such would require compliance with State regulations related to lodging establishments. Staff is not opposed to this proposal; it is a policy matter for the Council to consider.

4. Would expand the eligibility to register Hosted and Non-Hosted Home Stay units in Multi-Owner Dwelling Unit Structure (e.g. condominium) with up to four residential dwelling units (see Section 14-801 “Definitions” and Table 14-805 “Type of Structure”).

Staff Position: As the ordinance is currently written, hosted and non-hosted stays are not able to be registered in buildings with dwelling units not under common ownership. During the early stages of the STR discussion in late 2017 and early 2018, this policy was considered and staff expressed concerns about creating a “condo loophole” that could have unintentionally incentivized STR operators to create a multi-owner arrangement in order to have three or four STRs in one building. At the time, there had been a handful of inquiries from people asking if it was possible, based on the draft ordinance language, to register multiple STRs if each was owned by a separate legal entity. Council should know that this is likely to be less of an issue in the residential zones because current policy requires hosted stay STRs to provide evidence of a Homestead Exemption to demonstrate it is their primary residence. This policy change, if adopted, is likely to have more of an effect in the non-residential zones; it would basically allow a four-unit multi-owner building to have up to four non-hosted STRs versus a maximum of two STRs in the same building if under common ownership and owner-occupied. Staff is not opposed to this proposal; it is a policy matter for the Council to consider.

5. Would expand the number of units per building that may be registered as an STR (see Sec. 14-805 (b) 17) as follows:

a. An owner of a two-, three-, or four-family dwelling unit may register no more than two dwelling units as a Non-Hosted Home Stay.

b. An owner of a dwelling unit within a multi-owner building (e.g. condominium) may register one dwelling unit as either a Hosted Home Stay (in any zoning district) or one dwelling unit as a Non-Hosted Home Stay (in a non-residential zoning district).

c. An owner of a mixed-use building may register no more than two dwelling units within the building as a Hosted Home Stay (in any zoning district) or no more than three dwellings units within the building as a Non-Hosted Home Stay (in a non-residential zoning district).

Staff Position: The current ordinance allows an owner to register one dwelling unit per parcel, except that a four-family dwelling unit is eligible to register two if it is an owner-occupied hosted stay. The proposal would allow buildings outside residential zones to have multiple STRs registered. It would also allow multi-owner buildings in any zone to have multiple STRs (one per each owner unit). Staff is not opposed to this proposal; it is a policy matter for the Council to consider.
Attached, please find a memo from the City Clerk regarding the progress made with identifying STR listings, licensing STR operators, and sending notices to those who have yet to register.

Present at Tuesday meeting will be Corporation Counsel Sally Daggett, Assistant City Manager Joshua Reny, City Clerk Emily Scully, and Code Enforcement Officer Barbara Skelton.

**POSITION PAPER OF THE CITY MANAGER**

On March 5, Councilor Caricchio requested a workshop on the topic of creating a Public Health Office position (see attached). Such a position is contemplated in Section 304 of the City Charter, which simply indicates that there shall be an "administrative department" of health (along with a number of other departments). The City's practice has been to consider the City's Health Officer - as described in Section 307 of the Charter - as fulfilling this function, with the City Manager serving as the *de facto* department head (as allowed for under Charter Section 305).

The workshop form indicates that the proposed position would deal with citizens who:

- Are in domestic abuse situations;
- Have mental health challenges (such as hoarding);
- Have substance abuse disorder; and
- At-risk elderly or other high risk situations.

Attached please find a memo outlining the various health services that are currently offered by City employees. Most of these employees will also be present on Tuesday night should you have any questions about their duties. You will find that various employees touch on different aspects of all of the duties contemplated in the workshop request form, and that referrals are made for some individuals to specialized services offered by community nonprofit agencies. A list of some of the agencies has also been provided in the attached memo from Social Services Director Kathleen Babeu. We hope this information is useful to Council in its deliberations on this issue.

Some key questions Council should consider and be prepared to give staff guidance on are:

1. What are the unmet needs that this position will address (i.e., that are not already being addressed by other staff)?
2. Is there another agency that provides these services?
   - If yes, what is the benefit of the City duplicating these services?
   - If no, what is the extent of the need and what things must a City employee(s) be skilled in so that we hire an individual(s) who is competent enough to provide adequate services?
3. If Council believes we need a new position, when is it looking to establish it: within the FY20 budget (i.e., as an amendment to what you approved last week)? Or as part of next year's budget process (i.e., FY21)?

We look forward to further discussing this issue with you on Tuesday evening.
POSITION PAPER OF THE CITY MANAGER

On May 15, Councilor Beecher requested a workshop to discuss the effectiveness of the decision to combine workshops with regular Council meetings and hold these meetings weekly. On February 1, 2019, Council began this new practice at my recommendation, having amended its rules in January 2019 to end the practice of holding business meetings on the first and third Tuesday of the month with workshops occurring on the second and fourth Tuesdays. This change was part of a package of amendments proposed by the city manager in an effort to improve meeting efficiency and to attempt to end meetings at a more reasonable time. The rationale for these changes were due to both to limited flexibility as to when items could be scheduled for an agenda (i.e., only twice per month), as well as the fact that between December 2017 and October 2018, 20% of the meetings went past 11 pm, with 10% lasting until after midnight. The results of the change have been mixed.

For the first seven meetings (between February 5 and March 19), the results were very good. Meetings were, on average, over an hour shorter than they were during the same period in 2018, lasting an average of 3 hours and 19 minutes, compared to an average of 4 hours and 20 minutes. Due also to the earlier start time in 2019 (6:30 pm vs. 7 pm), meetings were getting out before 10 pm on average, as opposed to 11:20 pm on average during the same time in 2018. However, for the next seven meetings (between March 26 - May 14), the results were poor. Meetings during this time lasted an average of 5 hours and 23 minutes, compared to 3 hours and 23 minutes for the same time period in 2018. This meant an average end time of 11:53 pm, versus 10:23 pm for the same time in 2018. The last five meetings saw marginally better results, with an average meeting length of 4 hours and 17 minutes, compared to 3 hours and 8 minutes during the same time period in 2018. To date, the average meeting from February - June 2019 was 34 minutes longer than the average meeting during that same time period in 2018.

A number of factors affect the length of each meeting. Last year, short term rentals dominated many a Council meeting. This year, Global Partners/air quality monitoring have resulted in longer than normal meetings, as have discussions on the budget and parking. An additional factor has been the number (and complexity) of workshops that have been added to agendas. In 2019, there have been 42 workshop items added to Council agendas for consideration between January and June. This is 31% more than 2018 (32) and 56% more than 2015 (27). This equates to just over one additional workshop item discussed every meeting, as opposed to just four years ago. And some of these topics have been highly complex in nature and generated significant Council discussion and public comment.

<table>
<thead>
<tr>
<th>Number of Workshop Items</th>
<th>% Increase from Prior Year</th>
<th>% Increase from 2015</th>
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<tbody>
<tr>
<td>Jan-Jun 2019</td>
<td>42</td>
<td>31%</td>
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<tr>
<td>Jan-Jun 2018</td>
<td>32</td>
<td>0%</td>
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<td>Jan-Jun 2017</td>
<td>32</td>
<td>7%</td>
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<tr>
<td>Jan-Jun</td>
<td>30</td>
<td>11%</td>
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Under the current format, we have averaged 2.1 items per workshop. Had we kept the old format, we would be averaging 4.2 items per workshop. Last year, we averaged 2.7 items per workshop and in 2015 we averaged 2.3 items per workshop.

Attached you will find three documents:

1. Councilor Beecher's workshop proposal form;

2. Revised agendas for every meeting since February 5, 2019 to show what meetings would have looked like had we kept the old format of two regular meetings and two workshops per month. The items added from other agendas are listed in red to show you how that agenda would have increased; and

3. Proposed amendments to your standing rules enabling you to return to the old format of having two regular meetings and two workshop meetings per month. Should Council opt to pursue this rule change, I recommend you make it effective September 1, 2019 since workshops have already been scheduled through August. (NOTE: the meeting start time is proposed to remain at 6:30 pm should you choose to revert to the prior format).

If Council does opt to revert to the previous format, an Order would need to be passed at a future meeting to alert the public of the proposed rule amendment and then the Council would vote on the proposed changes at its subsequent meeting.

Council needn't revert to the old format to help impact meeting length, however, or if it does there are other changes that Council should consider. There remain a number of solutions, some of which have been rejected previously by Council:

- Instead of having budget workshops on the same night as a normal Council meeting, hold it on a Thursday night, per past practice;
- When an issue like the EPA/Global matter arises, hold a special Council meeting on a Thursday night to address only that topic. Council's current rules already allow the Mayor and City Manager to call special meetings but it would be helpful to get guidance from Councilors if this is how you would like to proceed going forward;
- Questions can be asked of staff in advance of a meeting. This not only gives staff a chance to research an issue and perhaps provide a better answer than doing so on the spot, but it can also save time during meetings;
- After an item has been moved and seconded, have the presiding officer ask, "Do any Councilors wish to speak to this topic?" as opposed to asking each Councilor individually as to whether they have anything to say, which may compel a Council to speak when s/he wasn't planning to. The suggestion here is not to limit Council discussion;
- Revisit Citizen Discussion by potentially looking at limiting discussion to only items that are off the agenda. Staff are fully aware Council discussed an iteration of this back in January. However, we felt it relevant to bring up again since the recent discussions on Global's emissions and the Parking Schedule seem prime examples of why this item may need reform. When the public is allowed to speak on a topic that appears later on the agenda, it not only deprives those speakers of the benefit of first hearing from staff, but it also makes others who are there to speak on different topics have to wait even long to get their turn. Perhaps speakers who absolutely cannot stay could still be allowed to speak on a topic appearing later but they should be prohibited from a second chance when the item comes up.

Some of these changes can be made without action. Others would require changes to your standing rules. Please note that staff greatly appreciates the relationship it has with the City Council and how well this Council functions together, even when there are split votes and disagreements as to how something should be accomplished. These recommendations are offered in the spirit of ensuring that public business can be conducted and that it be done so in a reasonable amount of time. Staff
is also committed to improving where we can. We can improve by not bringing Council items at the last minute that cannot wait another week to be voted on, despite some Councilors still having questions. We can also do a better job notifying residents of a potentially controversial issue while it is still in workshop, as opposed to when it gets to be an action item (ex. parking).

Thank you for your consideration of these recommendations and we look forward to further discussion on this Tuesday night.

File Attachments
Workshop Request - Council Rules Regarding Meetings - Councilor Beecher.pdf (373 KB)
Council Standing Rules - Revert to Splitting Meetings and Workshops DRAFT 05152019.pdf (92 KB)
Alternate Agendas Combined.pdf (241 KB)

Subject 4. List of Workshop Items to be Reviewed.

Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category C. WORKSHOP DISCUSSION
Type Discussion

POSITION PAPER OF THE CITY MANAGER

Council has workshops scheduled on various topics through September 3. There are currently four items on the workshop list that are awaiting a date. Three of these four items are ready to be scheduled for a specific date, which Council can do tonight if it so chooses. In addition, Councilor Pride has a workshop request for a discussion on Council’s goal to look into the feasibility of a municipally-owned electric utility. One other Councilor will need to second this request before it can be added to the workshop list.

File Attachments
06-17-19 Workshop Items List.pdf (89 KB)
Workshop Form - Municipal Electric Utility - Councilor Pride.pdf (191 KB)

D. CONSENT CALENDAR

Subject 1. ORDER #214-18/19 - Approving Transfer for Streetlight Conversion Project.

Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category D. CONSENT CALENDAR
Type Action (Consent)
Preferred Date Jun 25, 2019
Absolute Date Jun 25, 2019
Fiscal Impact Yes
Dollar Amount $104,000.00
Budgeted Yes
Because of delays in the completion of the streetlight conversion project, the proposed Order transfers funds budgeted for lease debt payments relating to the LED Streetlight project towards the actual costs of the project and reduces the amount of funds required to be borrowed through a municipal lease purchase agreement.

The City has gone through a series of steps over the past several years to get to this point in the streetlight conversion project. Our City Planning Director, Charles Haeuser, started us on this path several years ago in helping to convince the Maine Legislature and Maine Public Utilities Commission to allow cities and towns to buy and maintain their own streetlights. The City of South Portland then went through an investment grade audit to determine the feasibility of making this change. After validating the benefits of making this change, in March of 2018, the City purchased all South Portland streetlights and related fixture equipment from CMP for $213,281. Because of the savings associated with not having to pay CMP under their streetlight leasing program, the City was able to consider retrofitting and converting to LED most of the existing street lights. Finally, in August of 2018, the City entered into an agreement with RealTerm Energy to replace approximately 1,500 high-pressure sodium and metal halide Cobrahead street lights and 240 decorative and parking lot floodlights with energy efficient LED lights and fixtures. The project is to be funded through a municipal lease purchase agreement. Due to a number of complications, the project was delayed and the City postponed closing on the lease financing. The City anticipates that it will close on the lease financing in August of 2019.

As part of the FY19 budget, the City budgeted funds ($104,000) for the payment of the anticipated first year’s lease payments. At this time, it is our recommendation that the payments budgeted should be used for the project and the amount to be financed be reduced. This will save the City interest costs over the life of the lease.

Attached, please find the packet materials from August 2018 when this item was last discussed.

Finance Director Greg L'Heureux will be present for this discussion, should Council wish to pull it from the consent calendar.

File Attachments
Order #214 Street Light Project Transfer.pdf (22 KB)
20 - ORDER #27.pdf (644 KB)

Passage of consent items requires majority vote.

Subject 2. ORDER #215-18/19 - Authorizing the City Manager to sign a Lease Agreement between City of South Portland and Mad Horse Theater for City property located at 24 Mosher Street.

Meeting Jun 25, 2019 - CITY COUNCIL MEETING

Category D. CONSENT CALENDAR

Type Action

Preferred Date Jun 25, 2019

Absolute Date Jul 02, 2019
POSITION PAPER OF THE CITY MANAGER

Mad Horse Theater Company currently leases the former Hutchins Elementary School at 24 Mosher Street from the City of South Portland. The lease allows the property to be used for a place of assembly, theater arts materials storage, rehearsal space, workshops, children's programming, theatrical performances, and residential quarters for a building caretaker. There have been two successive lease agreements, the most recent being a five-year lease that commenced in 2014. The City and Mad Horse have negotiated another five-year lease agreement that would be effective July 1, 2019 through June 30, 2024.

Many lease terms would remain relatively unchanged. Monthly rent would remain at $1,000 and additionally Mad Horse would invest $3,000 in capital improvements on an average annual basis. Mad Horse is responsible for all utilities and maintenance of the building.

Substantive changes in the lease agreement include the following:

1. A list of capital improvements will be reviewed and approved by the City each year. This project list will guide which capital expenses are undertaken from year to year.
2. The lease will explicitly allow the theater to provide food and drink concessions to its patrons, and more particularly the ability to serve alcoholic beverages during the hour prior to a ticketed performance. Mad Horse must follow all state and local laws related to service of food and drink and carry appropriate licenses and insurance.
3. The sub-lease for the caretaker’s residential unit is subject to the master lease agreement and shall be reviewed by the City prior to being executed. This will protect the City in the unlikely event it assumes the sub-lease from Mad Horse.

Although it is a five-year lease agreement, either party retains the right to terminate at any time, upon 90 days written notice. This will allow the lease to continue status quo until such time that either party determines there is reason to terminate the lease.

A representative of Mad Horse Theatre Company and City staff will be available to discuss this item and answer any questions, should Council wish to pull this item from the consent agenda.

File Attachments
Lease Agreement - Mad Horse.pdf (151 KB)
Project List - Mad Horse.pdf (236 KB)
ORDER #215 - Mad Horse Lease.pdf (27 KB)

E. CITIZEN DISCUSSION (PART I)

Subject 1. Citizen Discussion
Meeting Jun 25, 2019 - CITY COUNCIL MEETING
Category E. CITIZEN DISCUSSION (PART I)
Type Discussion

Members of the public will be given up to 5 minutes to speak on any item on or off the agenda during Citizens Discussion Part I or Part II. Additionally, the public will have the opportunity to speak for up to 5 minutes on agenda items.

F. PUBLIC HEARINGS AND ACTION
POSITION PAPER OF THE CITY MANAGER

The Maine State Housing Authority issued a Certificate of Approval for the Avesta Westbrook Street One Affordable Housing TIF district on February 2, 2018. The purpose of the district is 1) to provide a credit enhancement agreement that supports the project’s long term operating expenses and results in a more competitive application for Federal Low Income Housing Tax Credits (LIHTC); and 2) to support education costs that may be associated with the additional housing of families with school-aged children, which is a permitted use of TIF revenues for affordable housing TIF districts.

Avesta has approached the City about their planned phase II of the project, which will be built within the same district boundary. Avesta is requesting the City support phase II of the project with a similar incentive package as was approved and provided to them for phase I. The original project received a credit enhancement agreement for 30-years at a 75% TIF revenue payment structure, and the remaining 25% TIF revenue is devoted to education funding.

Avesta will be applying for additional tax credits from the Maine State Housing Authority as part of the phase II project and this TIF amendment will substantially increase the competitiveness of their project application.

This item was discussed at the City Council’s Workshop on May 28, 2019.

Tyler Norod from Avesta will be present and available for questions, as well as the City's TIF Counsel Shana Cook-Mueller, Finance Director Greg L'Heureux, and Assistant City Manager Joshua Reny.

File Attachments
Avesta AHTIF Application.pdf (11,288 KB)
ORDER #216- Avesta Housing TIF Amend.pdf (134 KB)
POSITION PAPER OF THE CITY MANAGER

The Cummings Road Business Park TIF District was originally approved by the City and the DECD in 1997. Its purposes were: (1) to provide a financial incentive to the then-planned development in the district, and (2) to finance the construction and installation of public improvements. The Cummings Road Business Park TIF has been amended on four occasions to extend the term of the district and expand the list of eligible projects and uses of revenues associated with the district.

City staff is recommending a Fifth Amendment that would:
- Extend the district term an additional five years so that it expires June 30, 2024; and
- Add to the eligible uses of funds, to include certain environmental improvements outside the TIF District. Specifically, this amendment would allow up to $300,000 in TIF funds to be used for Brownfields Assessment and Cleanup projects. It is anticipated some TIF revenues will be needed as a source of funding to match current and future grant awards for Brownfields assessment and clean-up.

The Cummings TIF has a current balance of approximately $347,000 which can only be used for the purposes authorized in the approved Development Program. At the Council’s Workshop on May 28, 2019, there was a discussion of potential uses for the remaining funds. The consensus of the Council was to defer an immediate decision on any funding allocation and to extend the Development District for an additional five years until the statutory maximum maturity date of June 30, 2024. Following the May 28, 2019 Workshop, the City was notified that its application for a federal Brownfields Community-Wide Assessment Grant had been approved in the amount of $300,000. While environmental remediation is an allowed use of TIF Funds by statute, our Legal Counsel has advised that the City add this project to the list of eligible project expenses as part this amendment to extend the term of the district.

TIF Counsel Shana Cook-Mueller, Finance Director Greg L’Heureux, and Economic Development Director William Mann will be available to discuss this item and answer any questions.

File Attachments
- Cummings Road TIF Application.pdf (597 KB)
- Cummings Road TIF Map.pdf (102 KB)
- Memo Workshop TIF Questions.pdf (148 KB)
- TIF Districts June 2019.pdf (5,018 KB)
- ORDER #217 - Cummings City Council Order.pdf (147 KB)
POSITION PAPER OF THE CITY MANAGER

The One Wallace Ave TIF District (formerly known as the Durastone TIF) was originally approved by the City and the DECD in 1998. Its purposes were 1) to provide a financial incentive to the then-planned development in the district by a manufacturer called Durastone, and 2) to finance the construction and installation of public improvements. The One Wallace Ave TIF district was previously amended twice, both in 2009, in order to extend the term of the District, expand the district boundaries, and amend the list of eligible project costs.

City staff is recommending a Third Amendment that would extend the district term by ten years (to expire June 30, 2029) and add the following additional projects to the district:
- Dredging efforts that are needed to address potential contamination associated with historic uses in the waters of Portland Harbor along South Portland’s waterfront, including areas adjacent to piers and marinas on the Fore River. The potential dredge work will also remove materials to ensure that there is adequate depth to allow for commercial navigation at mean low tide. Some of the areas that are being considered for dredging include all commercial marinas, the Portland Street Pier, the northerly side of Cushing’s Point, and potential sites for commercial aquaculture activities.
- The Portland Street Pier aquaculture development project, previously added to other TIF district project lists.
- Environmental improvements outside the TIF District, to include Brownfields Assessment and Cleanup projects. It is anticipated some TIF revenues will be needed as a source of funding to match current and future grant awards for Brownfields assessment and clean-up.

This item was discussed at the City Council’s Workshop on May 28, 2019.

TIF Counsel Shana Cook-Mueller, Finance Director Greg L’Heureux, and Economic Development Director William Mann will be available at the meeting to discuss this item and answer any questions.

File Attachments
One Wallace Ave TIF Application.pdf (480 KB)
One Wallace Ave Map.pdf (74 KB)
ORDER #218 - One Wallace City Council Order.pdf (120 KB)

POSITION PAPER OF THE CITY MANAGER

The Hannaford Municipal Development and Tax Increment Financing (TIF) District was first approved by the City and the DECD in 2007. It has been amended twice, in 2016 and 2017, in order to expand the list of eligible project costs.

City staff is recommending a Third Amendment that would add three new projects:
- Public infrastructure, to include streets, sidewalks, signals, and related projects in the area of Lincoln and Vashon Streets which will improve conditions resulting from the significant truck traffic associated with the Hannaford Distribution Center.
- Trails and walkways inside and outside the TIF District, to improve convenience and safety for pedestrian commuters.
- Environmental improvements outside the TIF District, to include Brownfields Assessment and Cleanup projects. It is anticipated some TIF revenues will be needed as a source of funding to match current and future grant awards for Brownfields assessment and clean-up.

This item was discussed at the City Council’s Workshop on May 28, 2019.

TIF Counsel Shana Cook-Mueller, Finance Director Greg L'Heureux, and Economic Development Director William Mann will be available at the meeting to discuss this item and answer any questions.

File Attachments
Hannaford TIF Application.pdf (561 KB)
Hannaford TIF Map.pdf (11,040 KB)
ORDER #219 - Hannaford City Council Order.pdf (130 KB)

Subject 5. ORDER #220-18/19 - Adopting the First Amendment to the Downtown Tax Increment Financing (TIF) District Development Program. Passage requires majority vote.

Meeting Jun 25, 2019 - CITY COUNCIL MEETING

Category F. PUBLIC HEARINGS AND ACTION

Type Action

Preferred Date Jun 25, 2019

Absolute Date Jun 25, 2019

Recommended Action Council passage of ORDER #220-18/19 for the TIF amendment.

POSITION PAPER OF THE CITY MANAGER

The Downtown Tax Increment Financing (TIF) District was approved in 2007. Its primary purpose was to promote economic development in the Knightville and Mill Creek area of South Portland. It has not been amended to date. There have been recent zoning updates in both the Mill Creek and Knightville neighborhoods so that zoning better aligns with the vision and goals outlined in the City’s Comprehensive Plan. The City wishes to promote greater density and encourage further investment to create a true downtown area.

City Staff is recommending a First Amendment that would:
- Convert the Downtown TIF District to a so called “omnibus” district, in which the City Council is authorized to enter into future Credit Enhancement Agreements (CEAs) with developers or businesses. This omnibus status would do away with the requirement that non-omnibus districts must submit such proposals to the DECD and await its review prior to the effectiveness of any future CEA.
- Add to the eligible uses of funds, to include certain environmental improvements outside the TIF District. Specifically, this amendment would allow up to $300,000 in TIF funds to be used for Brownfields Assessment and Cleanup projects. It is anticipated some TIF revenues will be needed as a source of funding to match current and future grant awards for Brownfields assessment and clean-up.

Unlike most other TIF districts in the City, the Downtown TIF comprises a fairly wide geography, many property owners, and was not created to support a specific project. Most
communities with similar Downtown TIF Districts use omnibus districts that contemplate working with many property owners and allow a variety of financial incentives structured to achieve certain community goals. This amendment would give the City Council much more flexibility and influence (via incentives) when redevelopment opportunities present themselves.

This item was discussed at the City Council’s Workshop on May 28, 2019.

TIF Counsel Shana Cook-Mueller, Finance Director Greg L’Heureux, and Economic Development Director William Mann will be available at the meeting to discuss this item and answer any questions.

File Attachments
Downtown TIF Application.pdf (540 KB)
Downtown TIF Map.pdf (325 KB)
ORDER #220 - Downtown City Council Order.pdf (207 KB)

G. ACTION ON OLD AND NEW BUSINESS

Subject 1. ORDINANCE #18-18/19 - Amending Chapter 27, “Zoning,” regarding a text amendment and Zoning Map change to create a new Conditional Residential District G-6 for property located at 131 Sunset Avenue. First reading. Passage requires majority vote.

Meeting Jun 25, 2019 - CITY COUNCIL MEETING

Category G. ACTION ON OLD AND NEW BUSINESS

Type Action

Preferred Date Jun 25, 2019

Absolute Date Jun 25, 2019

Fiscal Impact No

POSITION PAPER OF THE CITY MANAGER

The South Portland Housing Development Corporation (which is the development arm of the South Portland Housing Authority) and Habitat for Humanity/Greater Portland, Inc. have requested the creation of a Conditional Residential Use District (G-6) for property located at 131 Sunset Avenue. The new zoning district and rezoning of this property would allow the density to increase by three (3) additional units, to a maximum of eight (8) units. This is necessary to make the project financially feasible and affordable to households at or below 80% of the area median income. A Public Hearing was held by the Planning Board on June 12, 2019, and the board recommends the creation of the district and rezoning the property. Representatives for the applicant and staff from the Planning Department will be available to answer questions.

File Attachments
Memo - Zoning Amendments 131 Sunset Ave - Community Planner.pdf (563 KB)
Zoning Map - G-6 District 131 Sunset Ave.pdf (3,010 KB)
Minutes - June 12, 2019 Planning Board Meeting.pdf (83 KB)
Ordinance - Zoning Text Amendment 131 Sunset Ave.pdf (248 KB)
POSITION PAPER OF THE CITY MANAGER

At the City Council Workshop on August 14, 2017, Avesta Housing and City Staff presented a mixed-use development proposal for 600 Westbrook Street which included affordable housing on the upper floors and commercial space on the ground floor. The discussion focused on three issues, including 1) the creation of a TIF district and tax incentive to support the project, 2) public improvements and pedestrian facilities along Westbrook Street, and 3) relocation of the Neighborhood Resource Hub into permanent space in the new building as a result of the City leasing a portion of the first floor. The proposal was supported by City Council, and subsequently, the TIF district was created and the street project was engineered (scheduled to be re-bid this coming winter). The third item, a lease agreement for the Hub, is now in order for Council consideration and action.

Affordable housing projects typically do not include commercial space because the sources of financing are limited to residential uses. However, Avesta understands what the City is trying to accomplish with revitalization in the west end and has been interested in finding innovative ways to make this project work and integrate some commercial space on the ground floor. For example, Le Variety will be filling a substantial amount of commercial space via a condominium arrangement. By moving the Resource Hub into the building, it serves as another "office" facing the street that creates a sense of community and a natural social space. Creating commercial space in a building that is primarily affordable housing requires a long term commitment from the developer and project partners. In this case, the space reserved for the Resource Hub will require a 15 year lease. The City will be acting as an "anchor tenant", guaranteeing the rental income. If in the future, for whatever reason, the Hub relocates or terminates its sublease, then the City will work with Avesta to find a successor tenant and sublease the space.

The Lease Agreement negotiated by City staff and Avesta is for 675 square feet, which includes a large open meeting area, storage space, a restroom, and a private office. The monthly rent is set at $873.75, but will not escalate during the term of the agreement. This is important to note, because it means the monthly rent will become relatively less expensive over time. The lease will incur a new expense for the City, although it is worth noting that the City already pays for a land-lease where the Hub building is currently located in the amount of $300 per month, so the net new cost of this lease will be $573.75 per month.

Subject 2. ORDER #221-18/19 - Authorizing the City Manager to sign a Lease Agreement between City of South Portland and Westbrook Street One LLC (d/b/a Avesta Housing), and Sub-Lease Agreement between City of South Portland and The Opportunity Alliance, to provide permanent office and community space for the Neighborhood Resource Hub. Passage requires majority vote.

Meeting Jun 25, 2019 - CITY COUNCIL MEETING

Category G. ACTION ON OLD AND NEW BUSINESS

Type Action

Preferred Date Jun 25, 2019

Absolute Date Jun 25, 2019

Fiscal Impact Yes

Dollar Amount $10,485.00

Budgeted No

Recommended Action Council passage of ORDER #221-18/19 for the Lease Agreements.
The Sublease Agreement between the City and Opportunity Alliance is for one year and will automatically renew each year unless either party provides the other party written notice of the intent to terminate the agreement. Rent is set at $1.00 per year and all requirements and obligations of the main lease agreement are extended to the sublease. The Hub will be responsible for operational costs and utilities not provided by Avesta in the main lease.

A representative of Avesta and City staff will be available to discuss this item and answer any questions.

File Attachments
Lease Agreement Avesta & City.pdf (275 KB)
Lease Agreement Avesta - Exhibit A Office Space.pdf (317 KB)
Sublease City & Opportunity Alliance.pdf (149 KB)
ORDER #221 - Avesta & Hub Lease.pdf (28 KB)

Subject: 3. ORDER #222-18/19 - Accepting miscellaneous donations. Passage requires majority vote.

Meeting: Jun 25, 2019 - CITY COUNCIL MEETING
Category: G. ACTION ON OLD AND NEW BUSINESS
Type: Action
Preferred Date: Jun 25, 2019
Absolute Date: Jun 25, 2019
Fiscal Impact: Yes
Dollar Amount: $1,350.00
Budgeted: No
Budget Source: Revenue - Donations
Recommended Action: Motion for passage.

POSITION PAPER OF THE CITY CLERK

Attached are donations received to the City of South Portland.

File Attachments
Memo - Donations.pdf (84 KB)
ORDER #222.pdf (1,526 KB)

H. CITIZEN DISCUSSION (PART II)

Subject: 1. Citizen Discussion
Meeting: Jun 25, 2019 - CITY COUNCIL MEETING
Category: H. CITIZEN DISCUSSION (PART II)
Type: Discussion
Members of the public will be given up to **5 minutes** to speak on any item on or off the agenda during Citizens Discussion Part I or Part II. Additionally, the public will have the opportunity to speak for up to 5 minutes on agenda items.

**I. COMMUNICATION FROM THE CITY MANAGER**

**J. COUNCILOR'S ROUND ROBIN**

**K. EXECUTIVE SESSION**

**L. ADJOURNMENT**

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Items may only be introduced after 11:00 p.m. upon a majority vote of Councilors present and voting. Items on a regular meeting agenda not introduced pursuant to this rule shall be placed on the next regular meeting agenda.