

**MEMORANDUM**

DISTRIBUTE TO: Members of the Finance Committee

FROM: Jon P. Jennings, City Manager

DATE: April 5, 2018

SUBJECT: **Appropriation of 0 Hancock Street, LLC Sale Proceeds**

On August 21, 2017, the City Council approved a \$3.3 million purchase and sale agreement with 0 Hancock Street, LLC for the sale of 48,000 square feet of the City-owned Thames Street property along the Eastern Waterfront. In October 2017, groundbreaking occurred on the 100,000 square foot, 4-story mixed-use development that will serve as the world headquarters of WEX with additional retail space.

The full \$3.3M of sale proceeds were collected in fiscal year 2018. The City does not typically budget for significant amounts of property sale revenue, so this inflow of funding is above and beyond our FY18 budgeted revenues. I am requesting that the City Council formally appropriate \$3.1M of these funds for the following purposes:

- \$2,000,000 to support Phase 1A of the Portland Landing project
- \$1,000,000 to support the Housing Trust Fund
- \$110,000 to support the Climate Action Plan - the joint venture with South Portland

Portland Landing

In conjunction with the approval of Ocean Gateway 2005, the City Council and Planning Board requested that the "Amethyst Lot" be improved as active use marine open space consistent with the Eastern Waterfront Master Plan. Consistent with this direction, City Staff has brought forward plans for an absolutely incredible open space on our waterfront. The spirit of Portland, Maine is reflected in our vision for the redevelopment of the current Amethyst Parking Lot. Portland Landing will be a vibrant waterfront public space tailored to the recreation and marine transportation needs of City residents of all ages and interests. Moreover, the innovative design proposed for Portland Landing will demonstrate how waterfront development can

improve community resiliency in the face of sea level rise and climate change. Phase 1A of the project will include Moon Tide Park Stabilization and a Fishing Pier; design and permitting for which is currently underway. See Attachment 1 for complete details on the project.

Housing Trust Funds

In recent years there has been an increased focus on providing funding for the Housing Trust. The Housing Committee, led by Councilor Duson, has made it a priority to increase the funding for the Housing Trust Fund. Traditionally the trust has been funded via contributions from developers under inclusionary zoning requirements. With the development boom in Portland, the Housing Trust has grown quickly. With this additional \$1,000,000 in contribution, the fund will have nearly quadrupled in just over two years.

Inclusionary Zoning Development Projects: December 2015 - November 2017

| Address | Status | # of Units | Type | Workforce Off-Site Units | Off-Site | Fee-in-lieu |
|-------------------------------------|--------------------|------------|--------------|--------------------------|----------|-------------|
| 169 Newbury St (Luminato) | Under Construction | 26 | Condo | 2 off site | 2 | \$0 |
| 62 India Street | Under Construction | 29 | Condo | 0 | 0 | \$290,000 |
| 443 Congress St | Under Construction | 28 | Apt | 0 | 0 | \$280,000 |
| 70 Anderson St | Approved (2016) | 10 | Town House | 1 | 0 | \$0 |
| 75 Chestnut St | Approved (2016) | 54 | Apt | 5 | 0 | \$0 |
| 20 Thames St | Approved (2017) | 28 | Condo | 0 | 0 | \$280,000 |
| 161 York St | Approved (2017) | 11 | Condo | 0 | 0 | \$110,000 |
| 221 Congress St | Approved (2017) | 17 | Condo | 0 | 0 | \$170,000 |
| 153-165 Sheridan St | Approved (2017) | 19 | Condo | 1 | 0 | \$0 |
| 1 Joy Place | Approved (2017) | 12 | Condo | 1 | 0 | \$0 |
| 218-220 Washington St | Approved (2017) | 45 | Condo | 0 | 0 | \$416,250 |
| 22 Hope Ave Subdivision (Brandy Ln) | Under Review | 16 | SF Home | 1 | 0 | \$0 |
| 383 Commercial St | Under Review | 82 | Condo | 9 | TBD | TBD |
| 1700 Westbrook St (Stroudwater) | Under Review | 123 | SF/Townhouse | 12 | | \$0 |

Climate Action Plan

The City Council has taken a number of steps recently to emphasize its commitment climate action. In May, 2017 the Council adopted a resolution committing the City to use 100% renewable energy by 2040. In June, 2017, the Council passed a resolution to join the Mayors Climate Action Agenda (Climate Mayors) that commits the City to take actions to achieve the goals established by the 2016 Paris Climate Accords. The Sustainability and Transportation Committee, led by Councilor Thibodeau, has made developing a plan to achieve these goals a priority for 2018. City staff recently made a presentation to the committee about joining with the City of South Portland to develop complementary climate action plans for each city. This would allow the cities to share costs associated with consulting and technical analysis. The resulting plans will describe actions each city should take to mitigate the effects of climate change as well as strategies to adapt to impacts such as sea level rise. The climate action plans will cover all sectors of the community -- residential, commercial, and industrial -- as well as municipal operations. Portland's share of the cost will be \$110,000.