A white lighthouse with a black lantern room sits on a stone pier. The pier is built on a rocky shore with some green grass. In the background, there's a blue body of water with a yellow and white boat, and a distant shoreline with buildings and trees under a clear blue sky.

South Portland Economic Development Plan Positioning South Portland for Healthy and Balanced Growth

**CITY COUNCIL
MEETING
FEBRUARY 17, 2016
KARL SEIDMAN
CONSULTING SERVICES**

Economic Development Strategy

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- Proactive plan to shape future economic growth and its benefits
 - Align economic development with other city goals
 - Shared agenda and strategies; stakeholder actions and roles
- Overseen by citizen Economic Development Committee:

Design
process

Define priorities &
choose strategies

Review and
finalize plan

Economic analysis
Resident survey
Stakeholder
interviews

Detail strategies
Action plan
Performance
measures

Community Outreach and Engagement

3

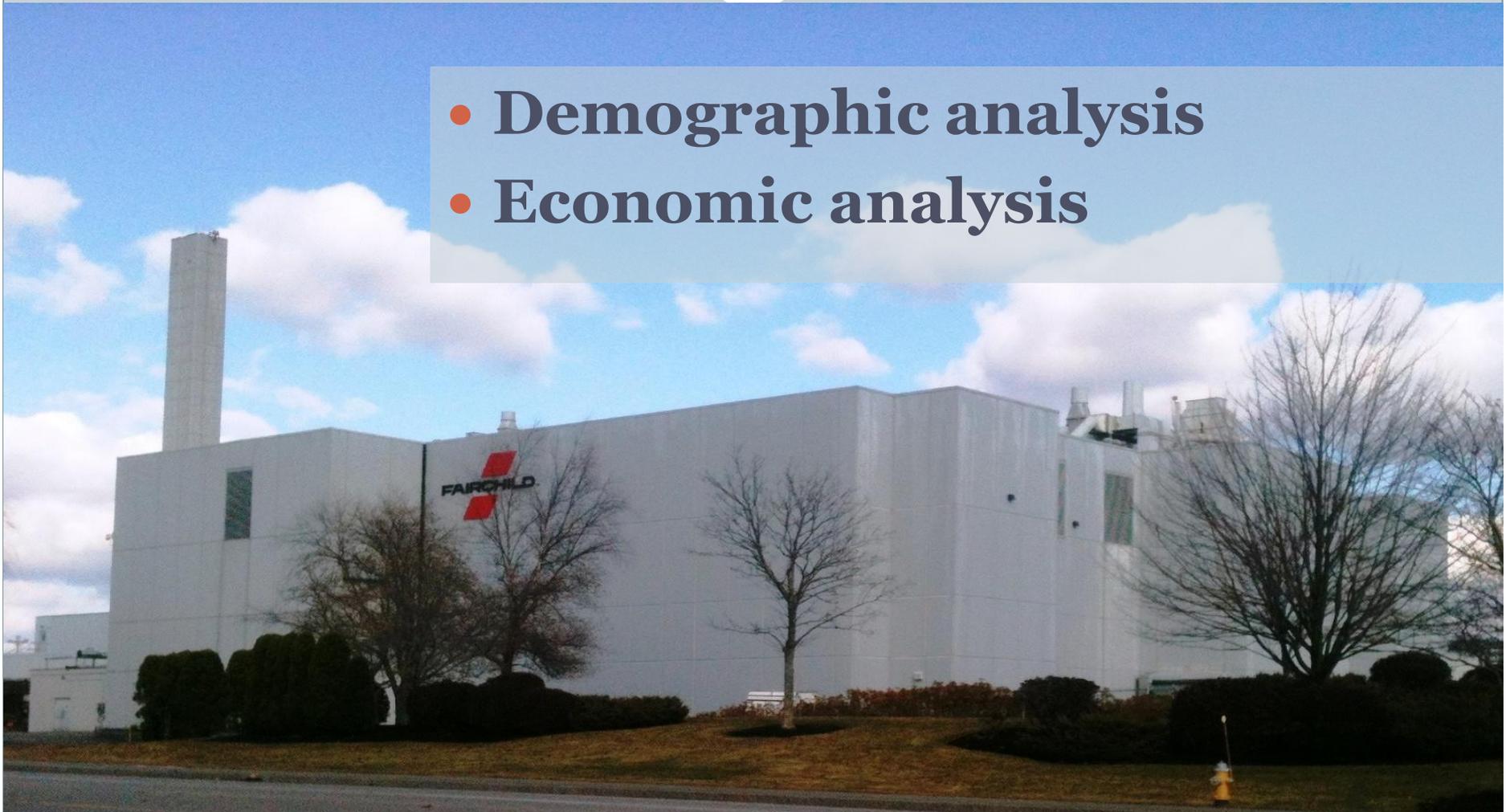


- Resident survey with 390 responses
- 25 in-depth stakeholder interviews
- Two community workshops
- Two focus groups and several interviews with millennials and young adults

Findings from Analysis Phase

4

- **Demographic analysis**
- **Economic analysis**

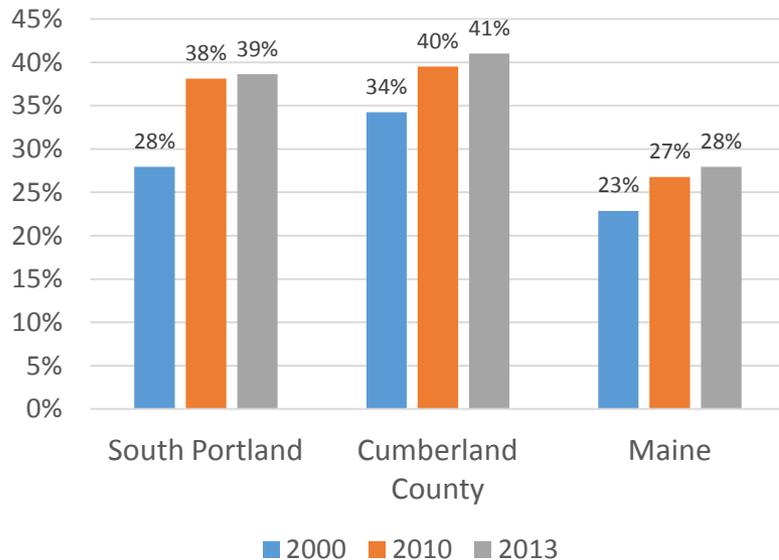


South Portland Population & Workforce

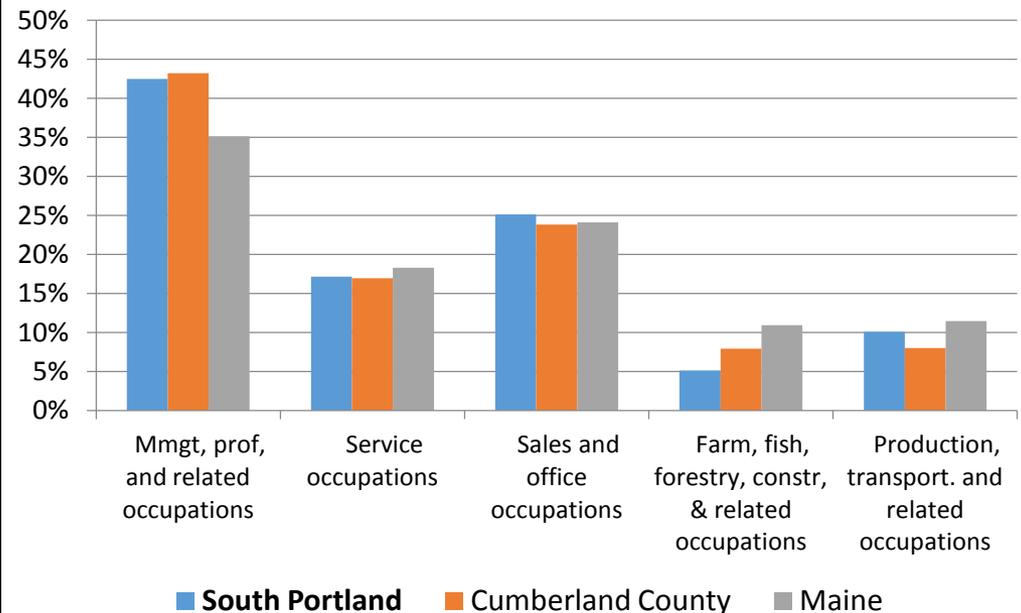
5

- South Portland population of 25,072; 7% growth 2000 to 2013
- Educated workforce; high in management /prof. occupations
- Growth in management and professional occupations since 2000

Percent of adult population with bachelor's degree or higher, 2013



Share of Workforce by Occupations, 2013

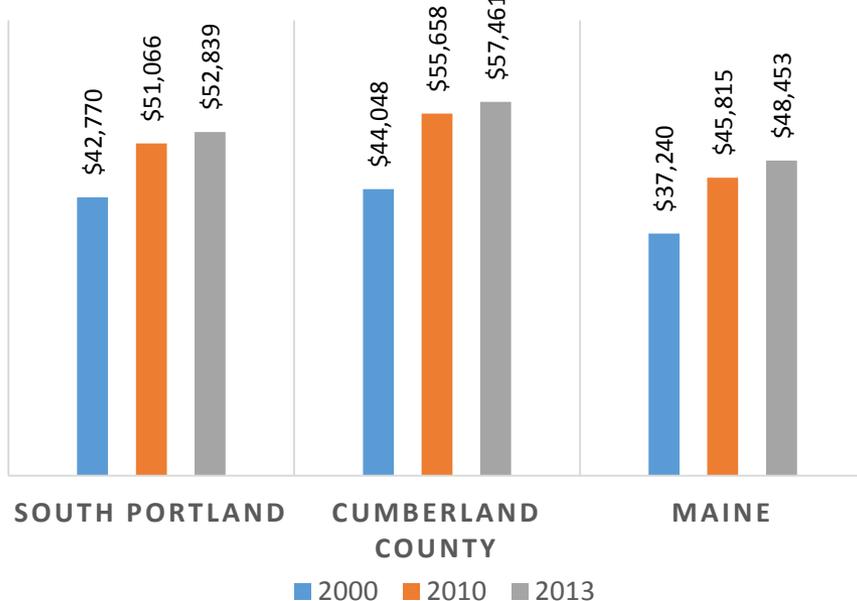


Household Income

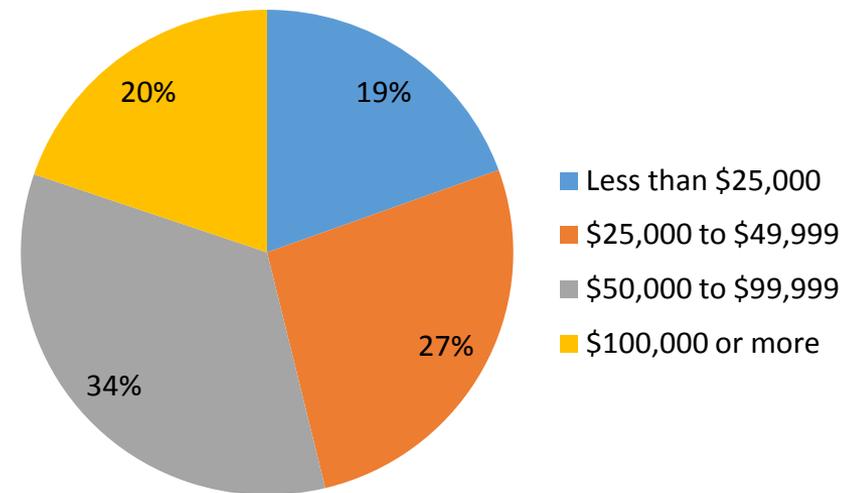
6

- South Portland's median household income is 9% above Maine and 8% below Cumberland County but grew at a slower pace since 2000
- Income distribution mirrors the state and county, but the \$100,000+ group grew 168% since 2000, faster than the county

South Portland Median Household Income, 2000 to 2013



Income Distribution of South Portland, 2013

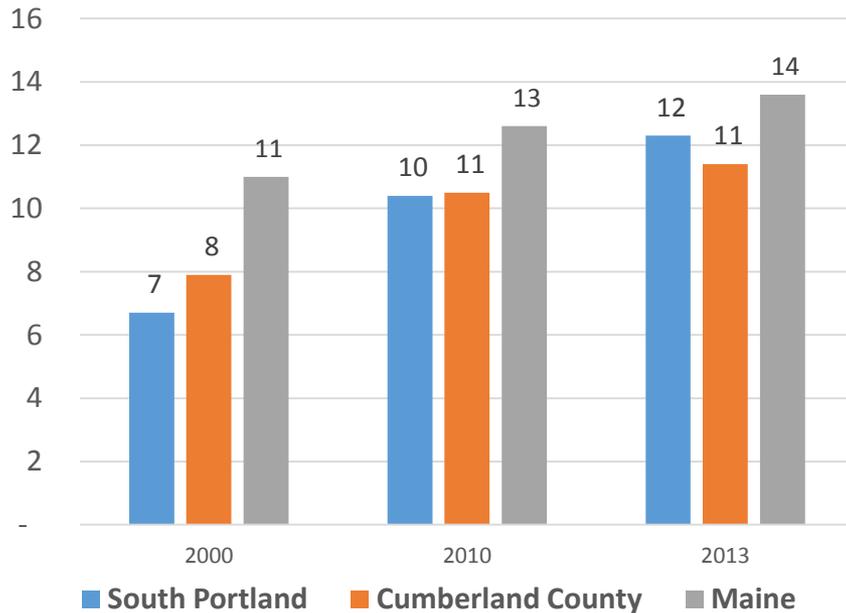


Increasing Population in Poverty

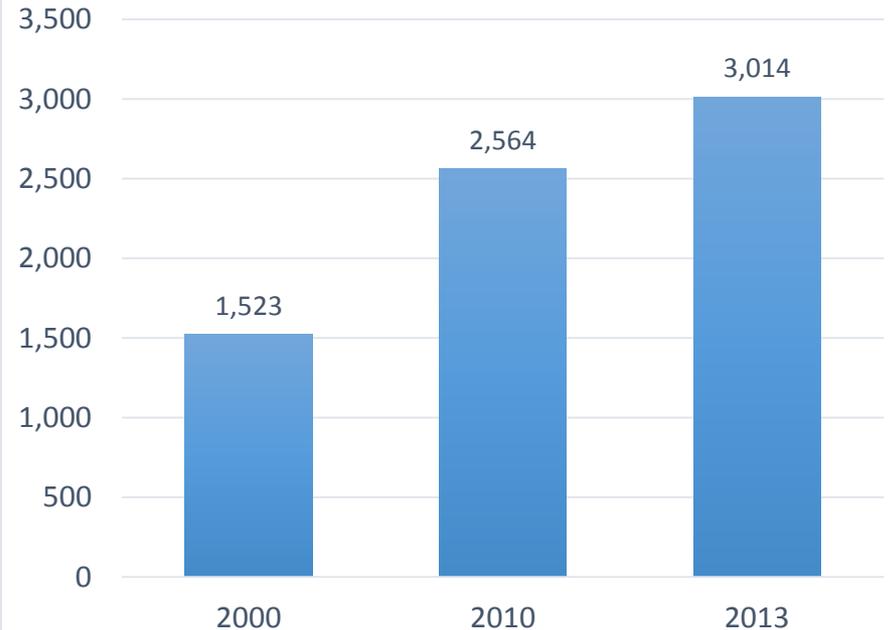
7

- South Portland's poverty rate grew more than the county and state while residents living in poverty doubled

Percentage of Population Living in Poverty



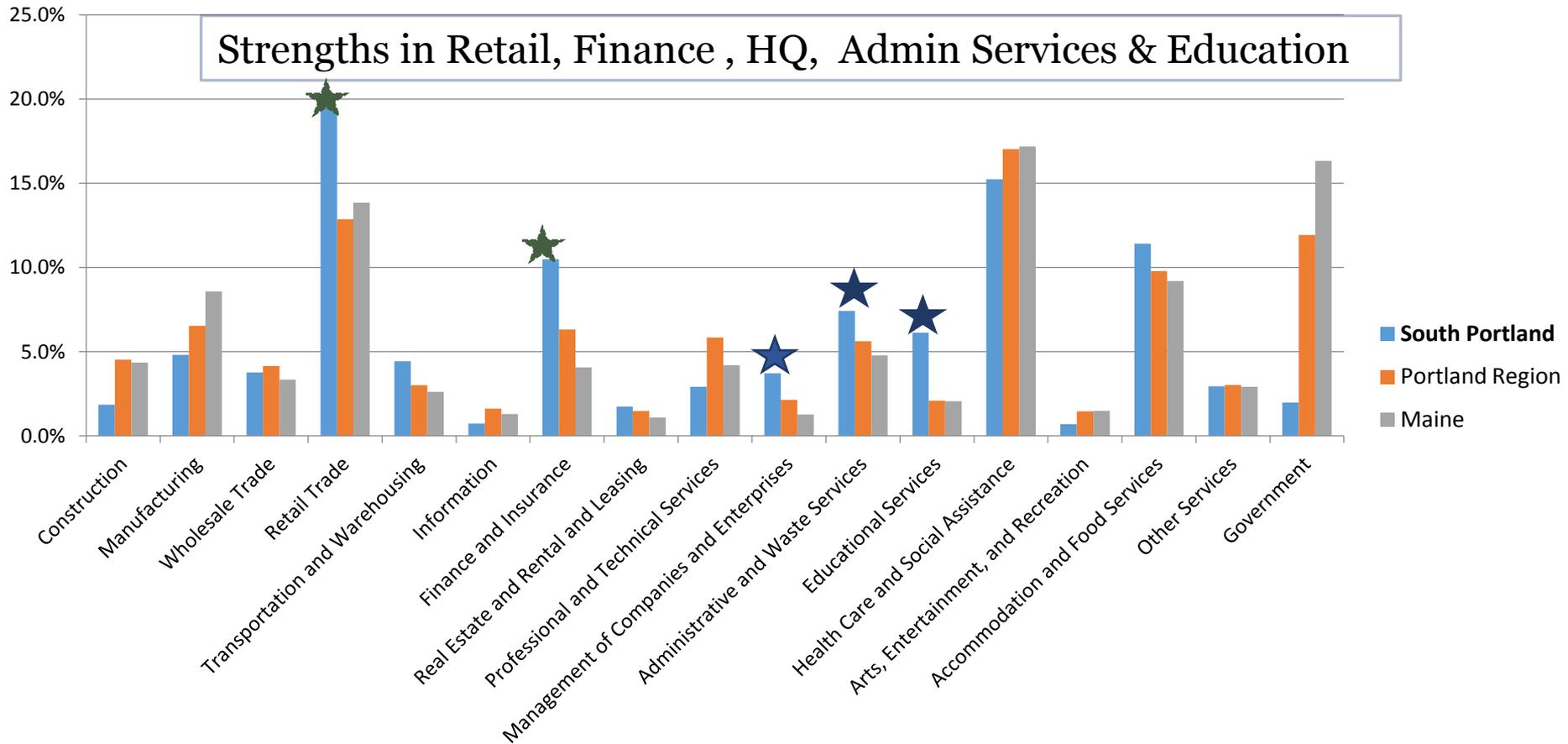
South Portland Population Living in Poverty



South Portland's Economic Base

2013 Employment By Sector

Strengths in Retail, Finance, HQ, Admin Services & Education

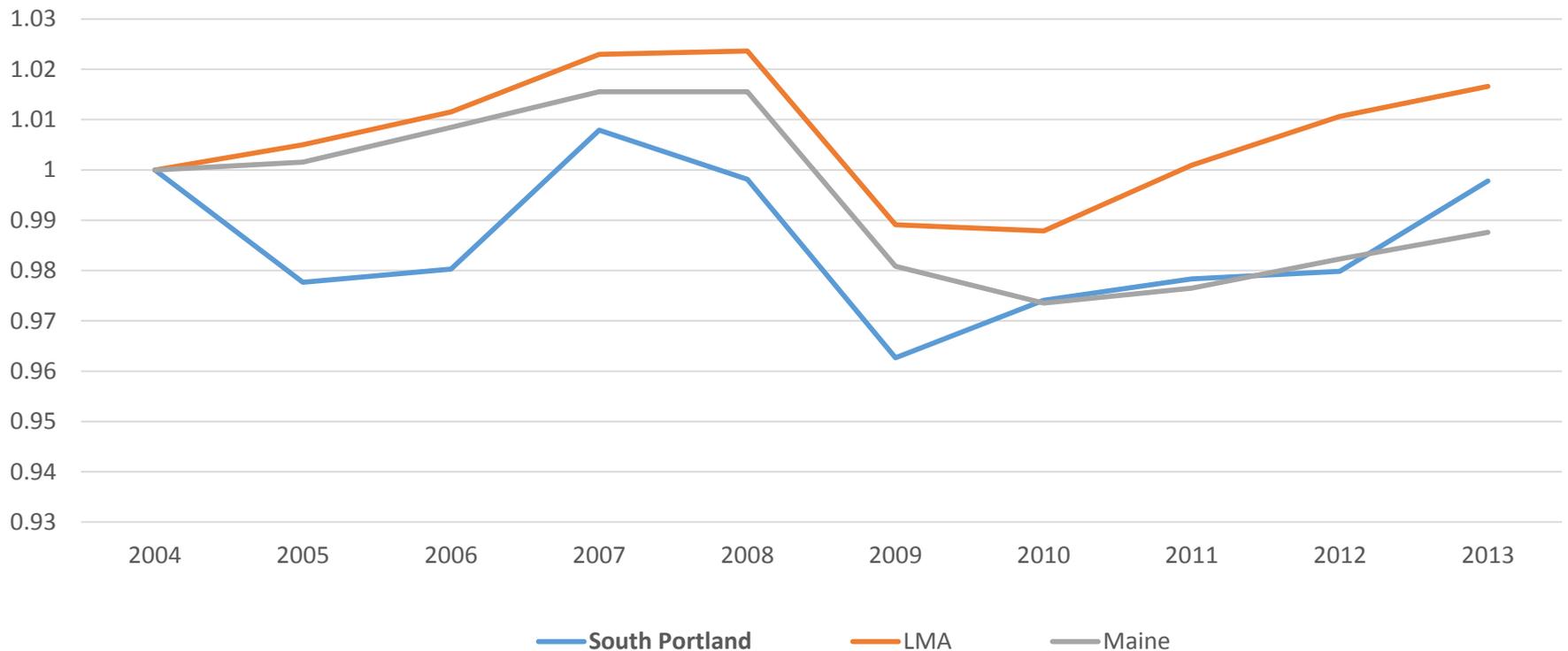


South Portland Job Growth

9

- Lagging region (LMA) but outpacing Maine in recent years

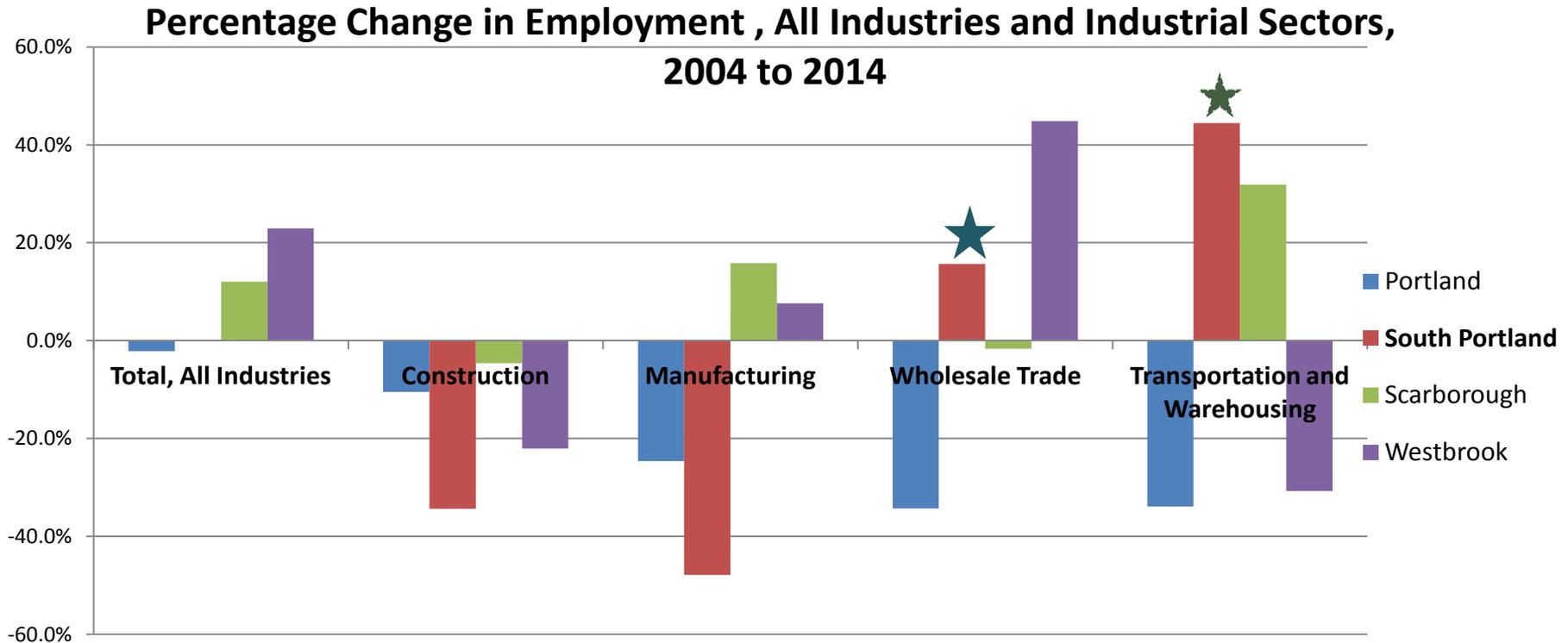
Index of Total Employment, 2004-2013



South Portland and its Neighbors: Job Growth in Industrial Sectors

10

- South Portland lags behind Scarborough and Westbrook in total job growth and Manufacturing but performed well in Wholesale Trade and Transportation and Warehousing

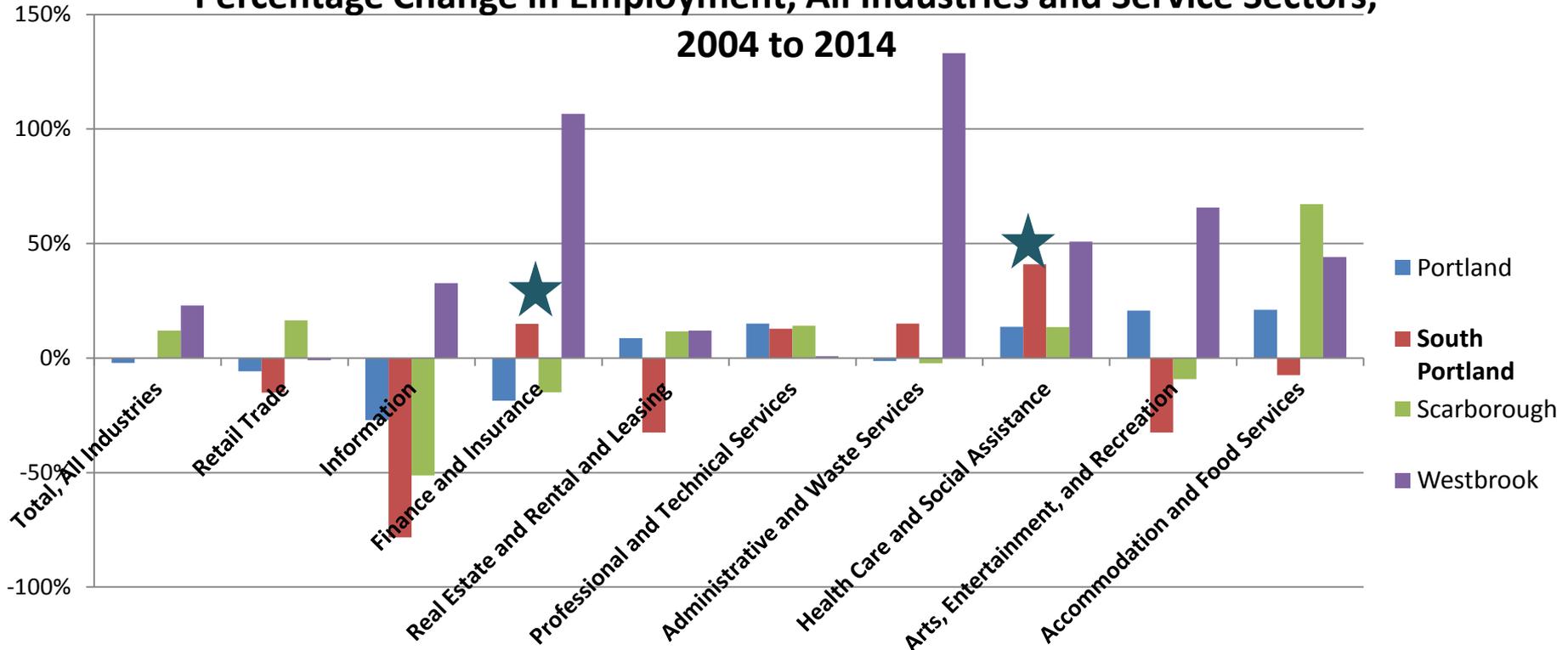


South Portland and its Neighbors: Job Growth in Service Sectors

11

- South Portland declined in many service sectors but outpaced several neighbors in Finance and Health Care

**Percentage Change in Employment, All Industries and Service Sectors,
2004 to 2014**



Summing Up: SWOT Analysis

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Strengths

- *Diverse economic base:* strong retail, health care, corporate HQ and financial sectors
- *Location/infrastructure:* central location well served by multimodal transportation
- *Quality of life/amenities:* waterfront, recreation facilities, attractive neighborhoods
- *Effective government services:* high quality police, fire, public works; efficient process for business and development permitting

Weaknesses

- *Economic performance:* little job growth, lagging region in key sectors, growing poverty
- *Land and physical conditions:* little market-ready land; problem property owners; gateways, outdated industrial buildings
- *Image and perception:* tied to Maine Mall and industry; distrust of permitting; conflicts risk reputation as not seeking business
- *Economic development capacity:* limited staff and resources

Opportunities

- *Regional economic opportunities* from proximity to Portland, growth industries and emerging entrepreneurial activity
- *Market trends:* demand for urban mixed use neighborhoods, tight industrial market and higher income population visitors
- *Leveraging local assets:* Southern Maine Community College and underutilized sites

Threats

- *Competition from other communities:* many with greater staff and ED efforts
- *Political climate /conflict over growth:* risk city will be seen as a difficult for businesses
- *Stagnation in property tax base:* reduces revenue and fiscal capacity; reliance on large properties
- *Growth in online/new retail formats*

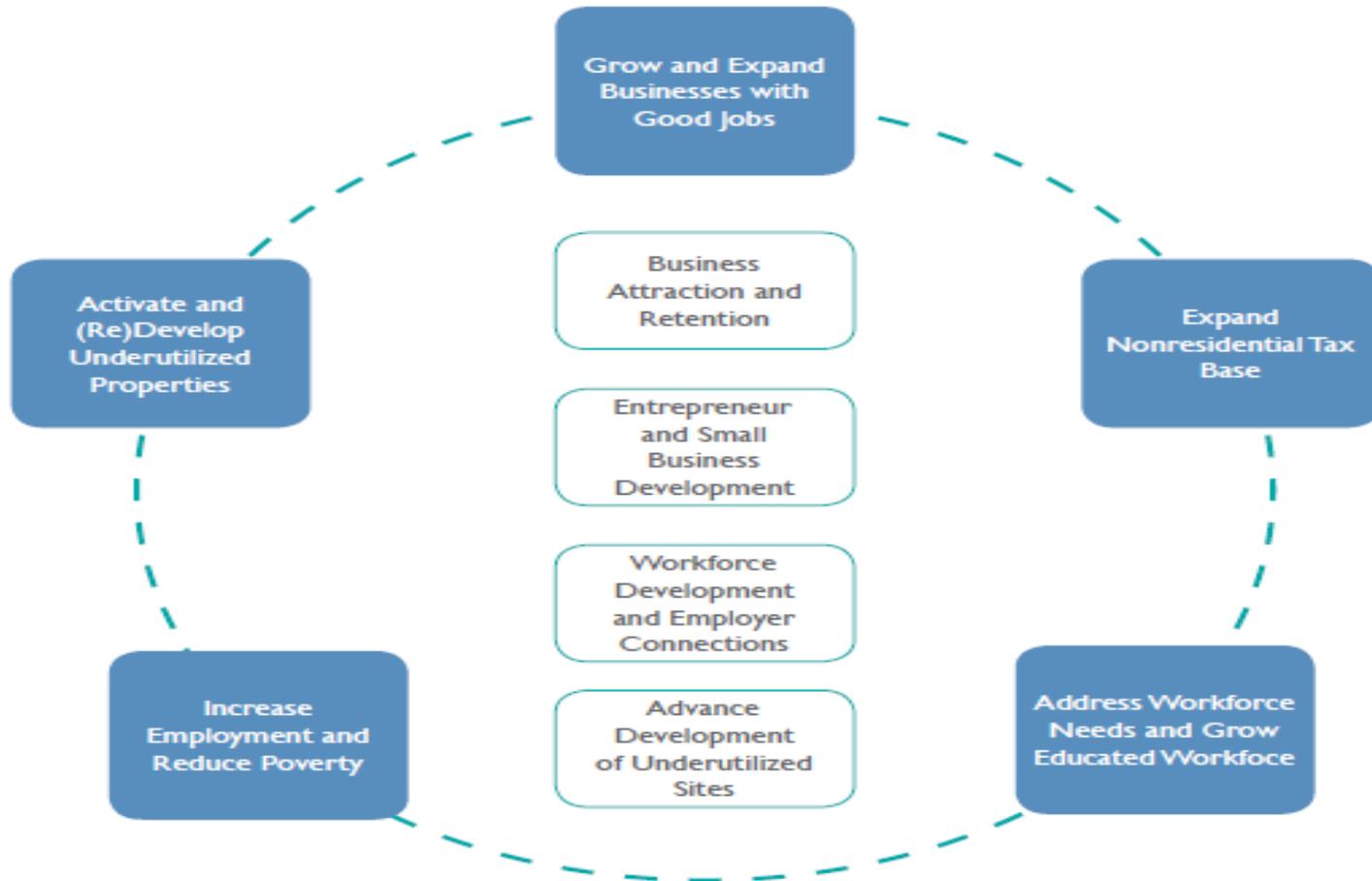
South Portland's Current Context

13

- **Desire for more strategic and intentional development to advance several shared goals:**
 - Tax base growth, good jobs, reduced poverty, improved city image and appearance, greener businesses
 - Balanced approach: retain, grow and attract businesses; support entrepreneurs and small businesses while hosting large firms
- **Need to tackle key challenges:**
 - Improve and update city image
 - Reverse recent trends and leverage regional growth
 - Effectively capitalize on local and regional assets
 - Build capacity for a sustained and diverse ED program

Economic Development Plan Goals & Strategies

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Strategy One: Business Attraction and Retention

15

- Proactive initiative to retain firms, brand South Portland and attract new businesses with:
 - Business retention program
 - Next stage business center
 - Develop branding & value proposition and market South Portland
 - Maintain space inventory
 - Engage with and advocate for new businesses
 - Participate in regional economic development efforts

Strategy Two: Entrepreneurial and Small Business Development

16

- Comprehensive effort to spur new enterprises and support small business growth:
 - Small business ambassador
 - Business awards program
 - Identify and support aspiring entrepreneurs
 - Expand access to regional resources
 - Assist firms in adopting sustainable practices
 - Feasibility study for food processing center/business incubator
 - Organize to promote and improve commercial districts



Strategy Three: Workforce Development and Employer Connections

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- Complimentary programs to address employer needs, increase resident incomes and retain the next generation workforce:
 - Employer partnership to train and employ low-income residents
 - Build partnerships between employers and SMCC
 - High school and college graduate retention initiative



Strategy Four: Advance Development of Underutilized Sites

18

- Redevelop and reuse sites to capitalize on key assets, support business growth and increase amenities:
 - Create incentives and promote implementation of Mill Creek Master Plan
 - ✦ Initial financial analysis indicates plan may not be feasible without incentives or increased density
 - Engage and assist property owners to plan for and develop sites
 - Zoning changes to concentrate consumer-oriented businesses in commercial districts

Implementation Capacity: South Portland Economic Development Corporation

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- **Create public-private partnership to implement plan**
 - Cost share with private sector
 - Expand volunteer and civic participation
 - Access to foundation and government funding
 - Established best practice model
- **New non-profit corporation**
- **Mission to advance city economic development and improve resident welfare**
- **\$200,000 to \$250,000 budget shared between city government and private sector**
- **Two person staff**

