

# South Portland Economic Development Plan

**COMMUNITY  
WORKSHOP  
PRESENTATION  
OCTOBER 1, 2015  
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CONSULTING SERVICES**



# Workshop Agenda

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- What is an Economic Development Strategic Plan?
- Presentation of work to date (30 min.)
  - Economic and demographic analysis
  - Real estate market conditions
  - Stakeholder and resident input
  - What does it mean: SWOT analysis and options
- Community feedback in group discussions (45 min.)
  - Economic development priorities and strategies
- Collecting YOUR feedback (15 min.)
  - Group reports and discussion
- Wrap-up and next steps (10 min.)

# Economic Development Strategy

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- Proactive plan to shape future economic growth and its benefits
  - Shared agenda, choose strategies, stakeholder actions and roles
- Overseen by 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

# Findings from Analysis Phase

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- **Demographic Analysis**
- **Economic analysis**
- **Real estate market conditions**



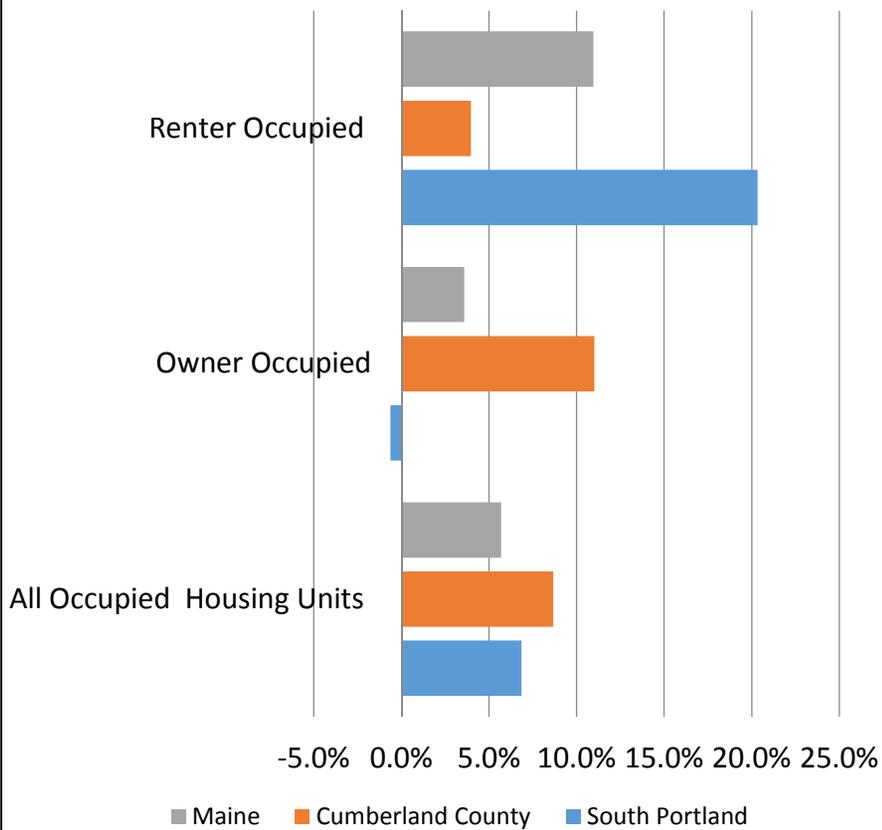
# Population Composition and Trends

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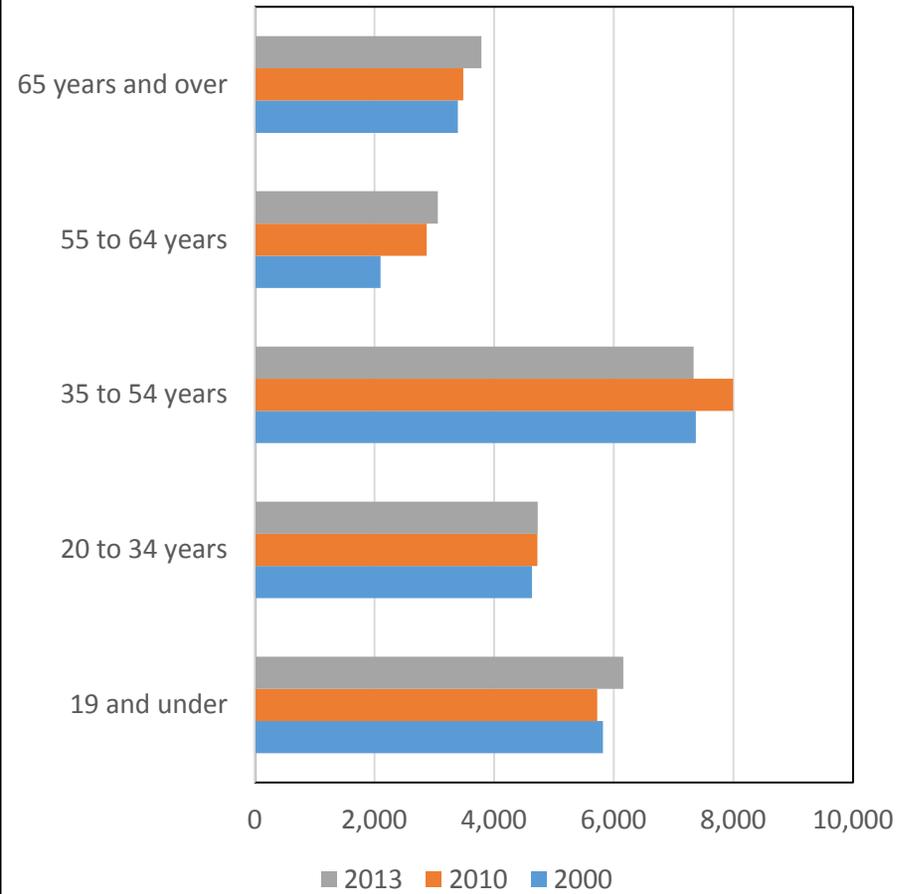
- South Portland population of 25,072 and 10,073 households in 2013; 7% increase from 2000 to 2013
- 91% White, 5% Asian, 2% Black, and 2% Latino
- 60% of the city is 20 to 64 years old, with 25% under 20 and 15% 65 or older

# Growth in Renter and Older Households

**Percentage Change in Housing Units by Tenure, 2000 to 2013**



**South Portland Population by Age**

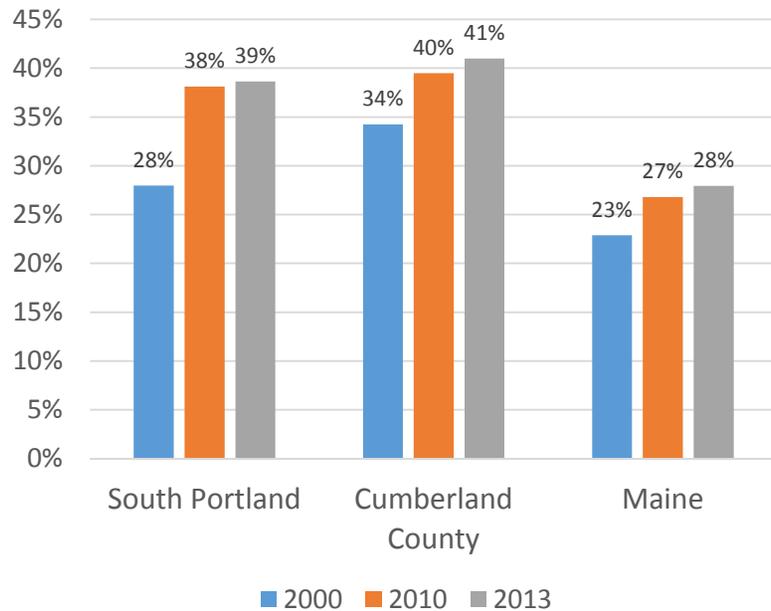


# South Portland Workforce

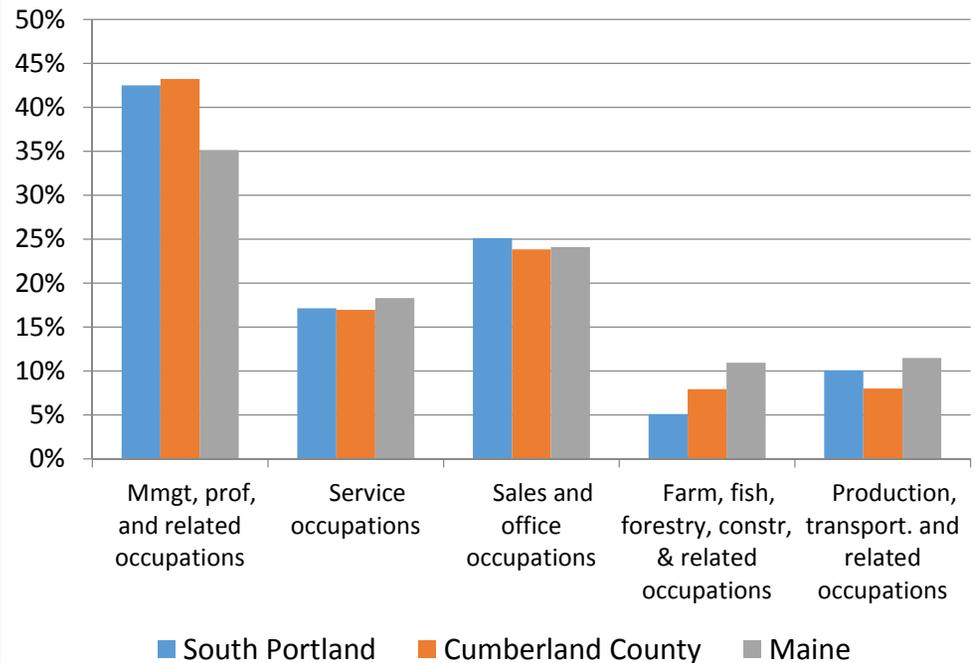
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- South Portland has an educated workforce concentrated in management, professional, sales and office occupations
- Growth in management and professional occupations since 2000

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



**Share of Workforce by Occupations, 2013**

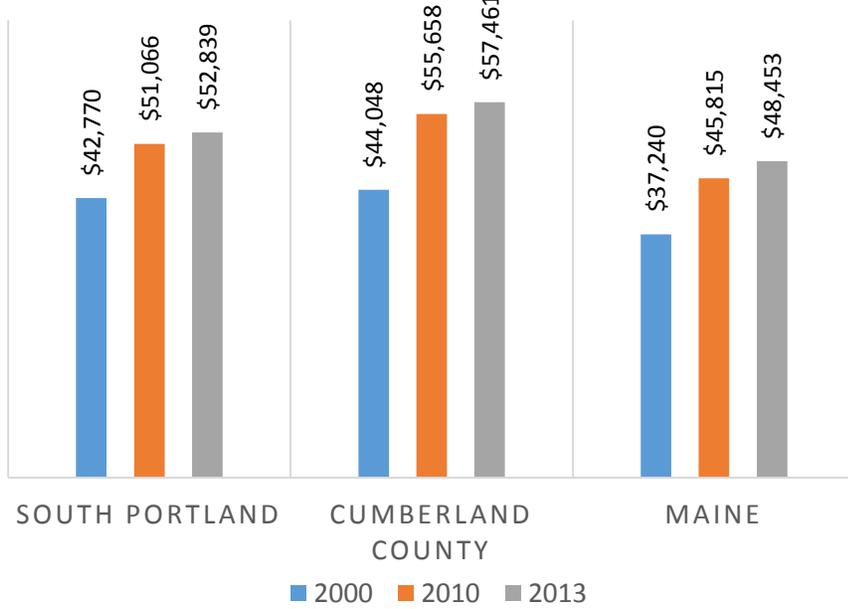


# Household Income

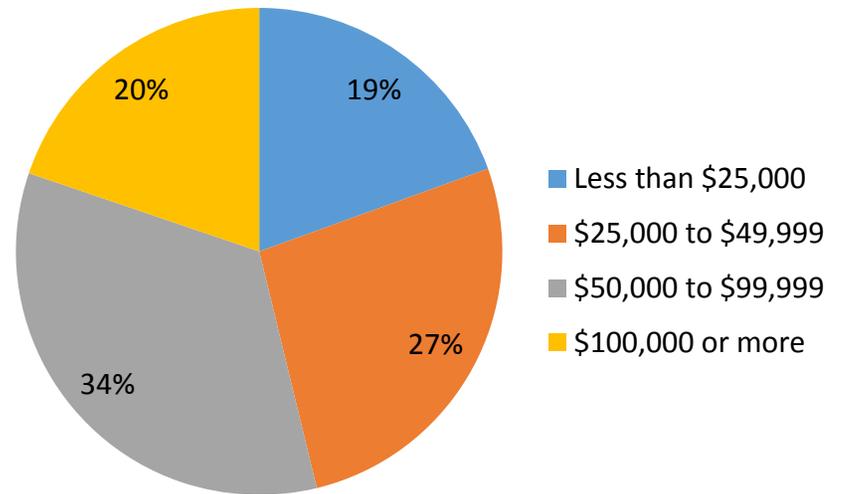
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- South Portland's median household income is 9% above Maine and 8% below Cumberland County but grew at a slower pace since 2000
- Income distribution mirrors the state and county, but the \$100,000+ group grew 168% since 2000, faster than the county

**South Portland Median Household Income, 2000 to 2013**



**Income Distribution of South Portland, 2013**

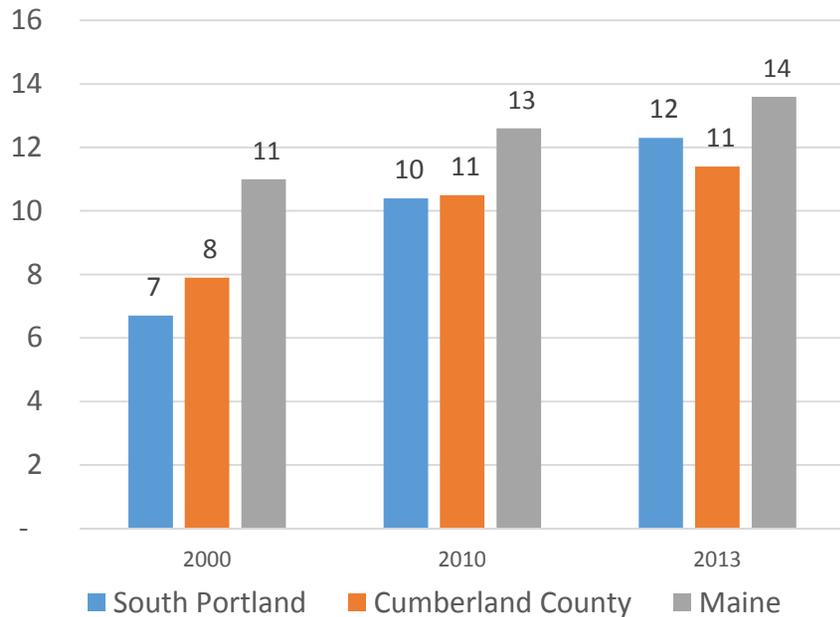


# Increasing Population in Poverty

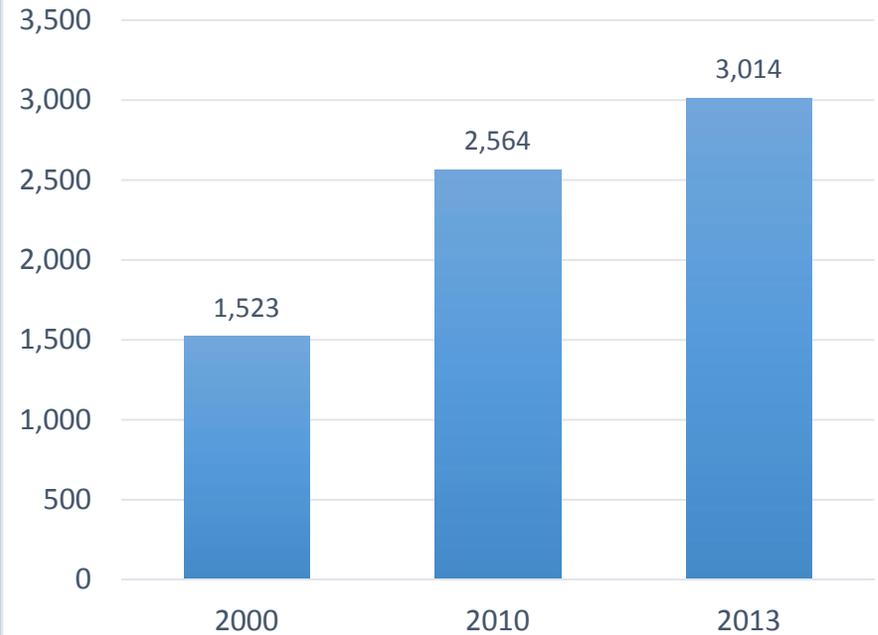
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- South Portland's poverty rate grew more than the county and state while residents living in poverty doubled

### Percentage of Population Living in Poverty

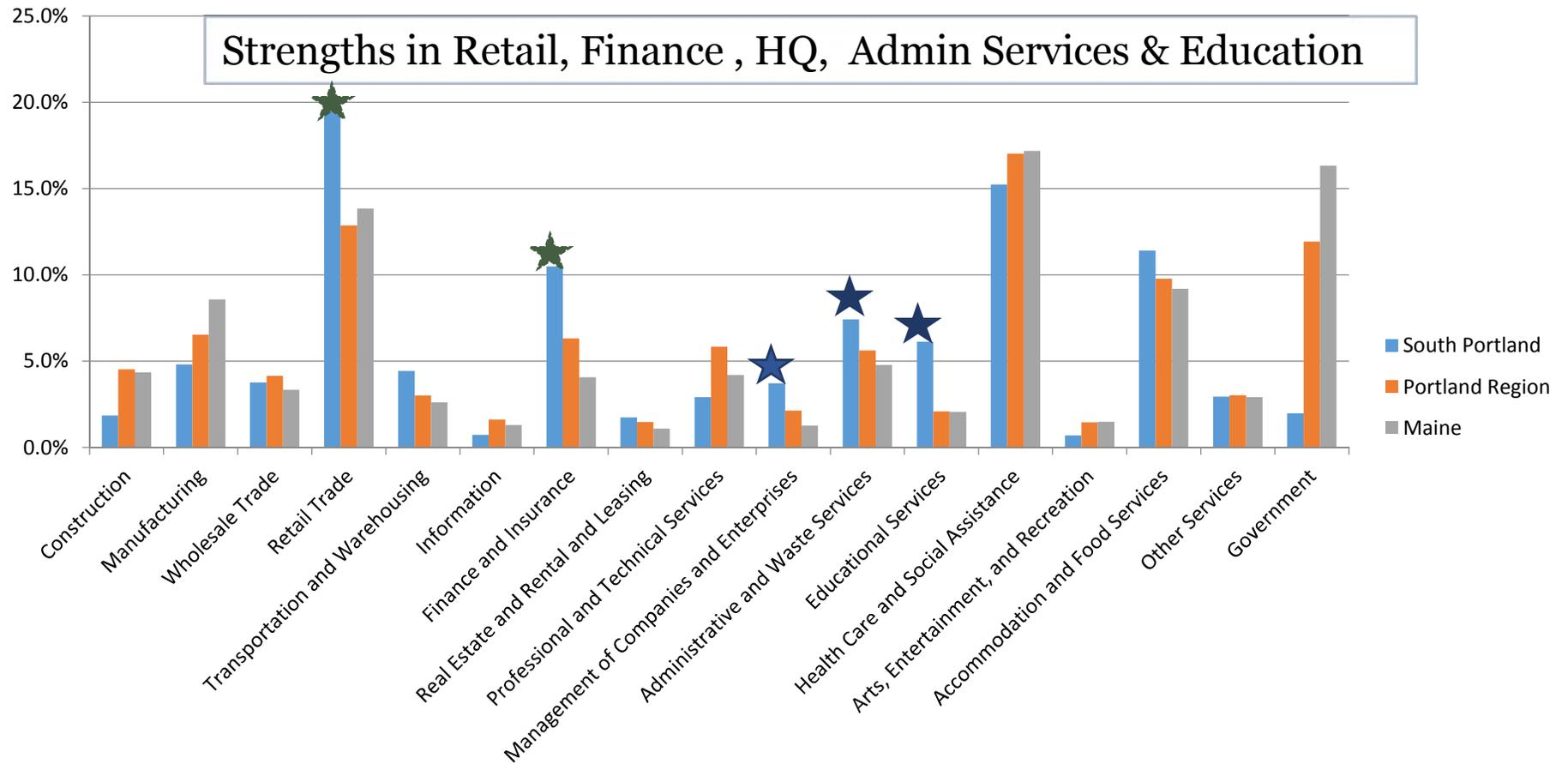


### South Portland Population Living in Poverty



# South Portland's Economic Base

## 2013 Employment By Sector



# Portland Region: Growing and Declining Sectors

Largest Job Gains by Sector		2004 to 2013
Sector	Job Growth	2013 Avg. Wages
Health Care and Social Assistance	4,272	<b>\$45,417</b>
Accommodation and Food Services	2,333	\$18,008
Administrative and Waste Services	1,842	\$36,266
Professional and Technical Services	1,752	<b>\$68,117</b>
Educational Services	1,139	\$38,107

**Bold = wages above all industry average**

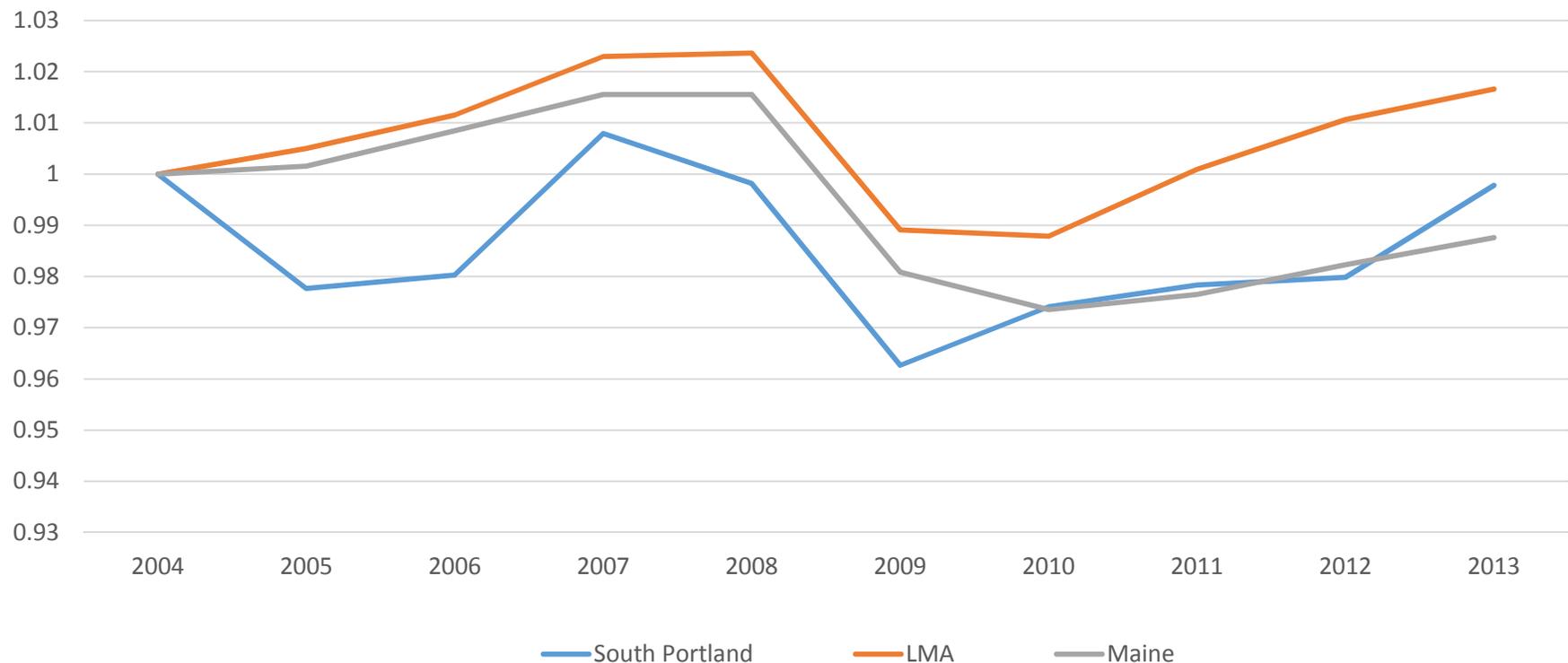
Largest Job Losses by Sector		2004 to 2013
Sector	Job Loss	2013 Avg. Wages
Retail Trade	(3,254)	\$25,758
Manufacturing	(2,771)	<b>\$57,865</b>
Information	(1,570)	<b>\$50,111</b>
Construction	(1,339)	\$46,217

# South Portland Job Growth

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

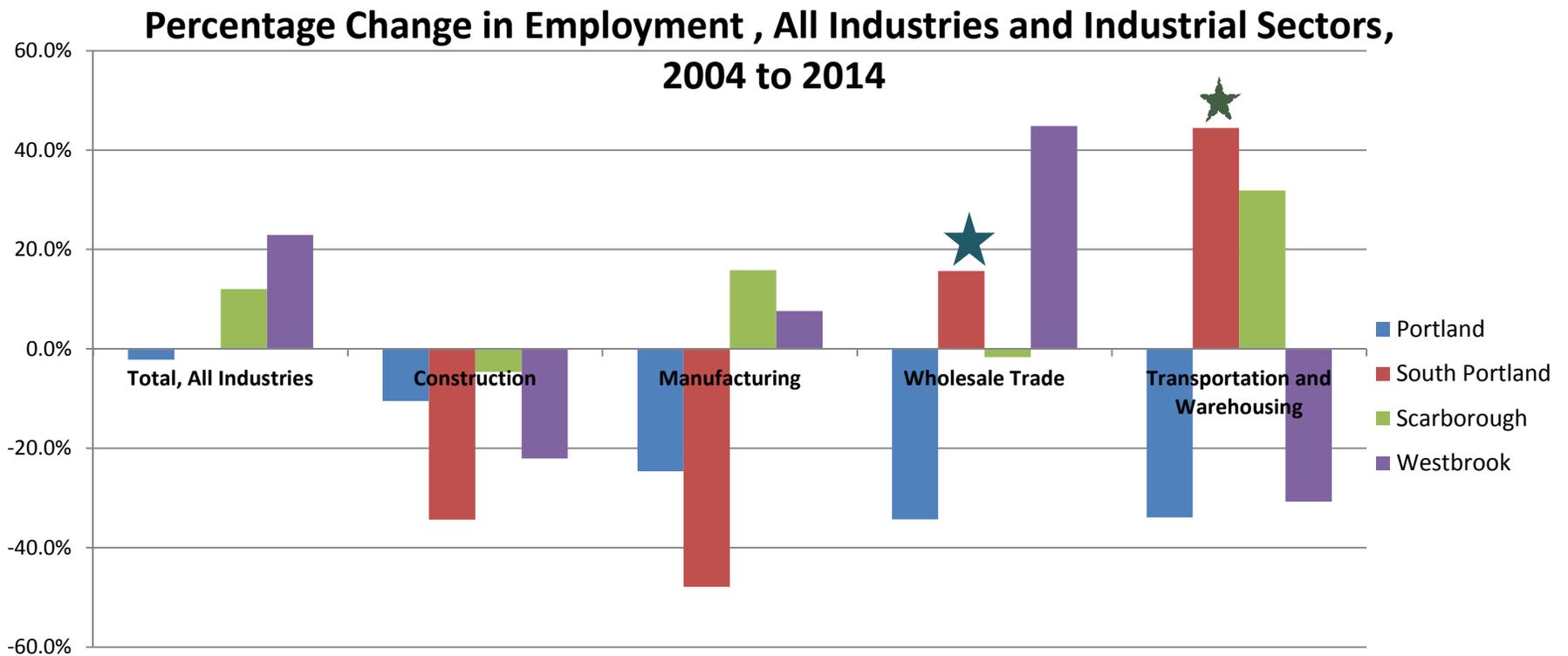
Index of Total Employment, 2004-2013



# South Portland and its Neighbors: Job Growth in Industrial Sectors

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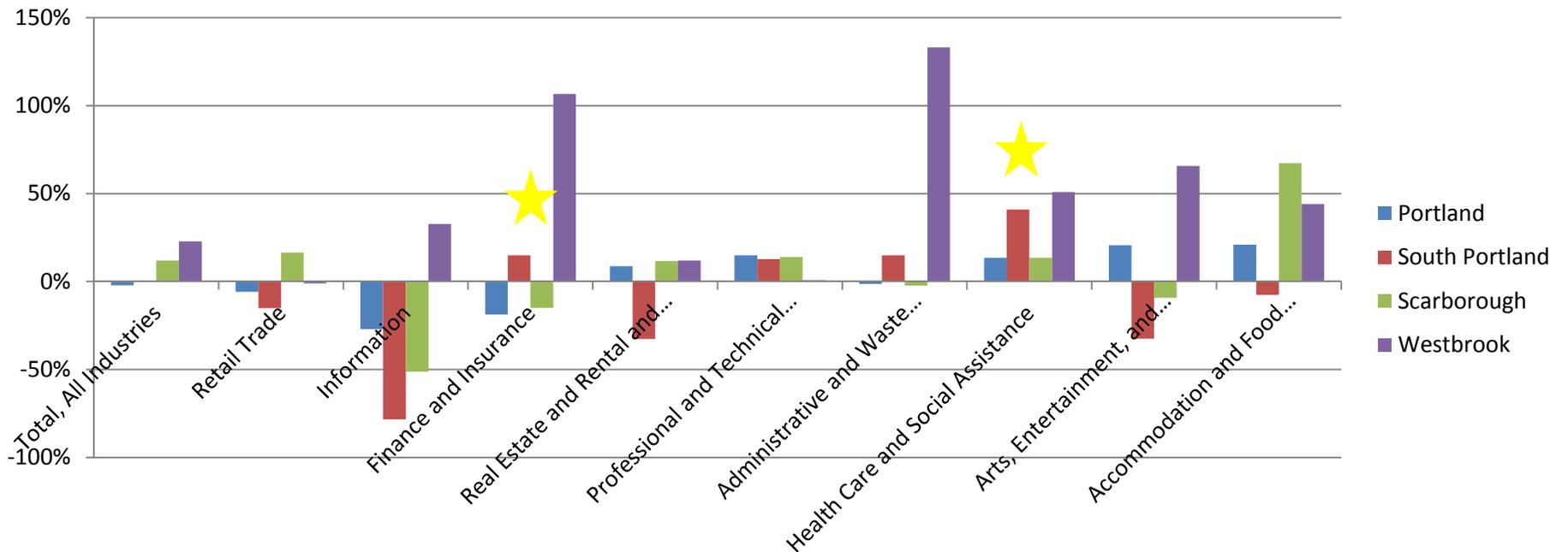
- South Portland lags behind Scarborough and Westbrook in total job growth and Manufacturing but performed well in Wholesale Trade and Transportation and Warehousing



# South Portland and its Neighbors: Job Growth in Service Sectors

- 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**



# Real Estate Market Overview

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# Real Estate Market Overview: Portland Region

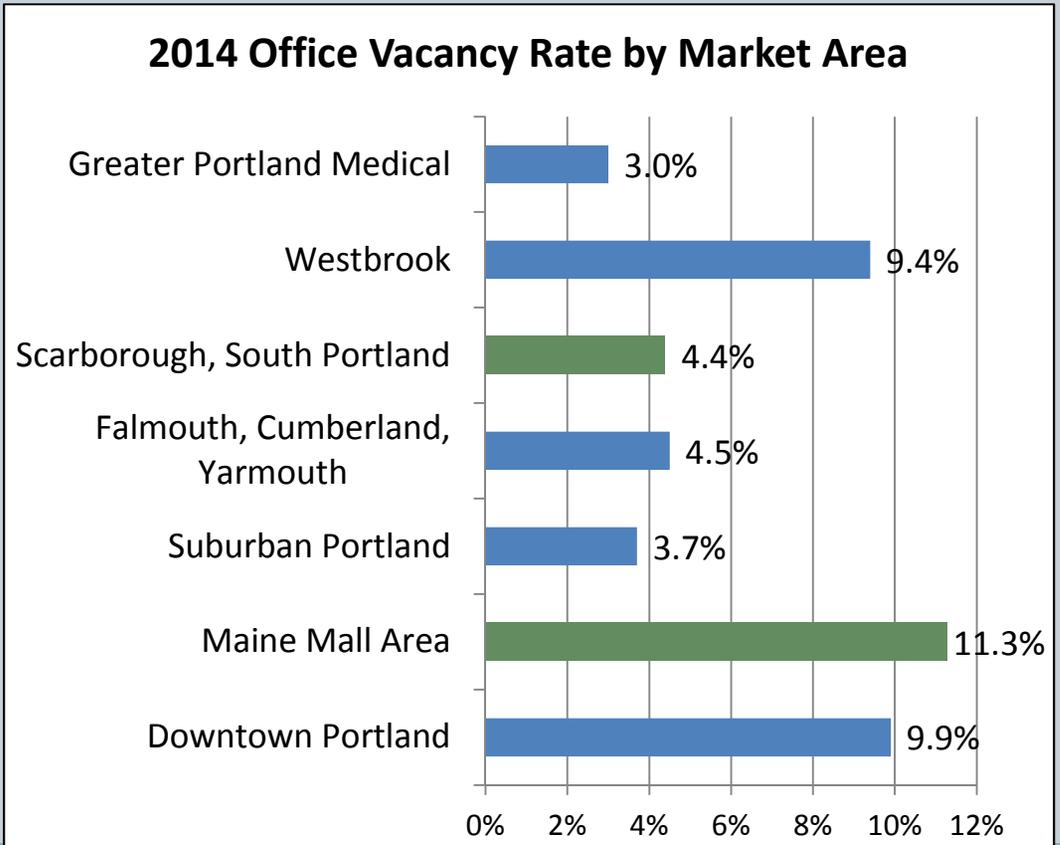
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- Commercial, industrial and retail real estate have all rebounded since great recession
- Limited new construction is a large factor in reduced vacancy rates and higher rents
- Large supply of available office space remains in Downtown Portland and Maine Mall areas
- Industrial market is especially tight
- South Portland has:
  - strong location assets, existing and emerging economic centers and underutilized waterfront;
  - challenges with limited land, outdated industrial buildings, and unattractive gateways/commercial areas;
  - key property owners not seeking high and best use of their property

# Office and Industrial Market

- Large vacancies in downtown Portland & Maine Mall area
- Low South Portland rents reflect outdated buildings

City/Town	2014 Avg. Rent	2014 Avail. Space
Gorham	\$5.95	7,500
Portland	\$5.65	305,162
Saco	\$6.35	71,965
Scarborough	\$6.05	54,926
South Portland	\$5.05	100,873
Westbrook	\$5.55	71,080

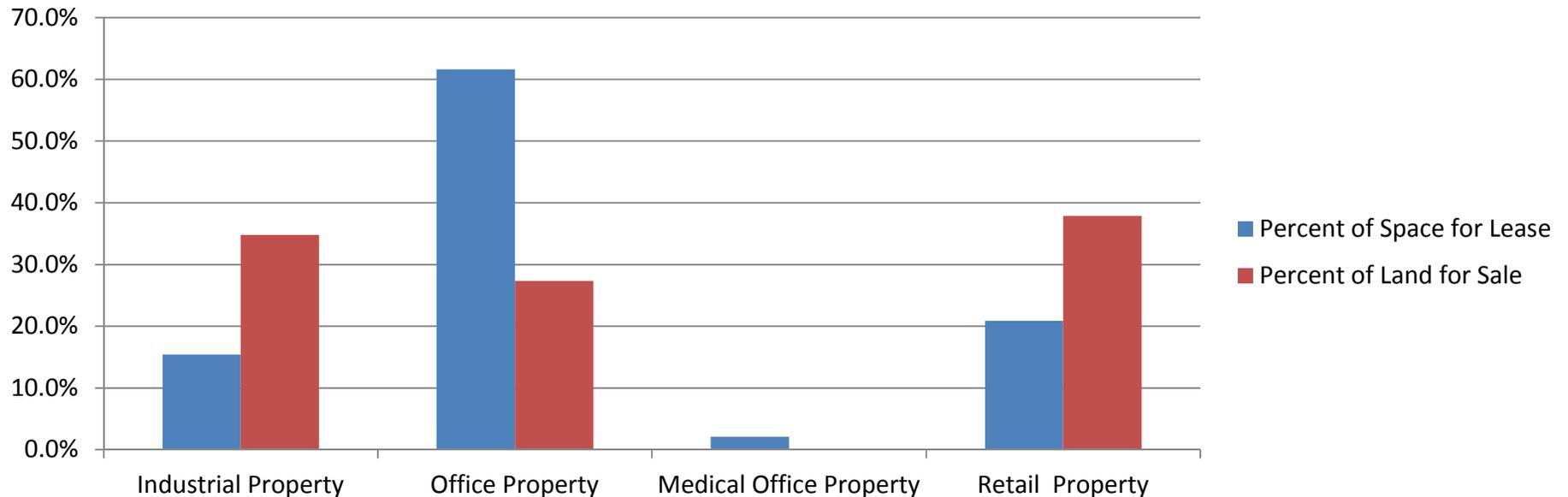


# South Portland RE Listings June 2015

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- 59 commercial, industrial and office properties listed for lease or sale on Loopnet (web listing site) in June 2015
- 515,000 sq. feet for lease; 46 acres & 150,000 sq. feet for sale

June 2015 South Portland Property Listing by Property Type



# Results: Stakeholder Inputs

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- Resident Survey
- Stakeholder Interviews



# Resident Survey Results

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## Who took the survey?

- 390 respondents
  - 52% female, 48% male (aligns with South Portland)
  - Adults 18 to 35 are **under-represented**: 15.3% of survey takers versus over 25% of city population
  - Homeowners are **over-represented**: 88% of respondents compared to 60% of the city households
  - 35% work in South Portland
  - 17% own a business here

# Resident Survey: Economic Development Goals

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## Most Important Economic Development Goals?

1. Improve and revitalize South Portland's downtown area (47%)
2. Expand the city's tax base to generate revenue and limit growth in residential tax rate (40%)
3. Improve and revitalize South Portland's waterfront (36%)

## Priority Areas for Economic Development?

1. Downtown/Mill Creek/Knightville (68%)
2. Waterfront (47%)
3. Main Street Corridor/South End, with Rigby Yard (44%)

# Resident Survey: Use Preferences

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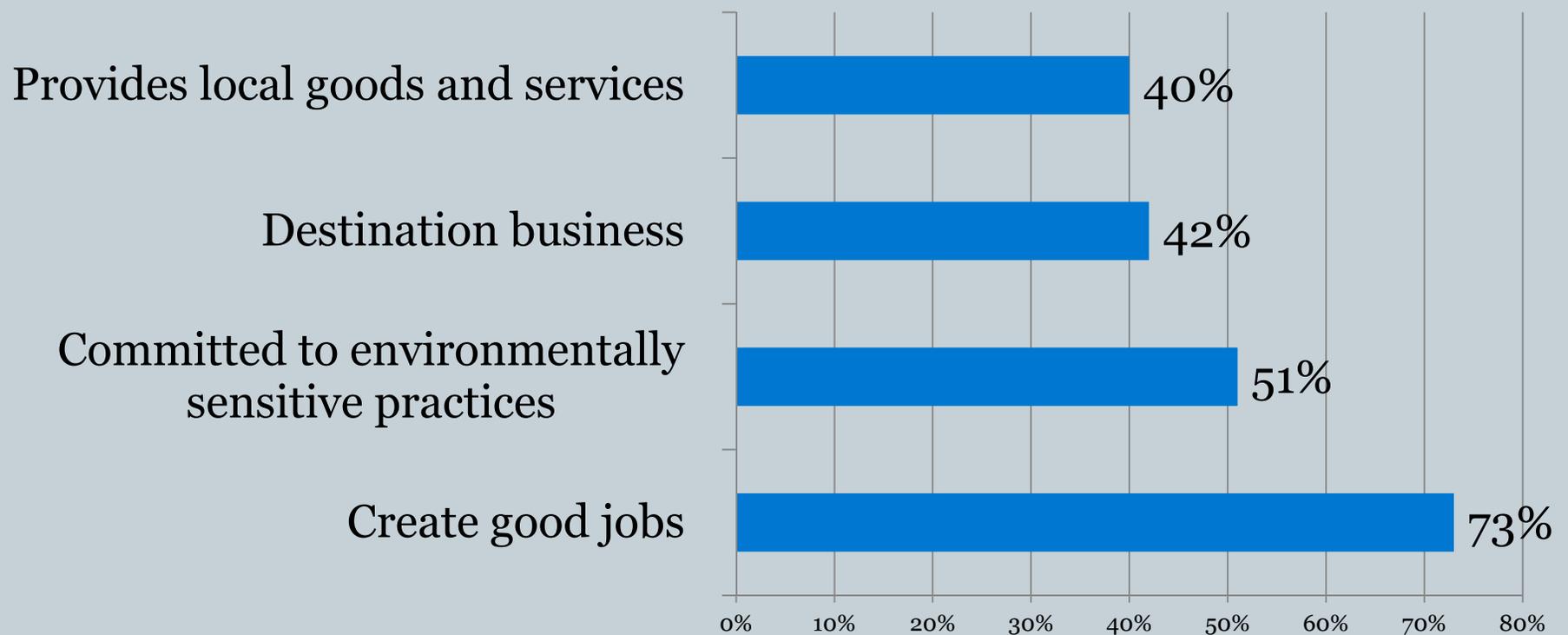
## Which uses would you prefer across areas?

- Support for office and service businesses in all areas except the waterfront
- Little support for heavy industry or petroleum
- Strong desire (over 70% ) for arts/entertainment, restaurants, and retail in Mill Creek/Knightville
- Retail development also supported along Broadway, in Maine Mall area, and on Main Street
- Restaurants preferred on waterfront, along Broadway and in Mill Creek/Knightville

# Resident Survey

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Which are most important characteristics for businesses that South Portland attracts and grows?



# Stakeholder Interviews

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- 25 interviews: large and small businesses, resident and civic leaders, real estate brokers and developers

## Shared Vision

- **Expand pedestrian-oriented, mixed-use neighborhood business centers**
  - Higher use of underutilized properties
- Business friendly city

## Common Goals

- **Expand jobs**
- **Increase tax base**
- Diversify economy
- Improve neighborhood commercial areas

## South Portland Assets

- **Waterfront**
- Proximity to highway
- Maine Mall
- Knightville
- Proximity to Portland
- Supportive staff and policies

## South Portland Weaknesses

- Decreased city council and resident support for economic development
- Lack of land for new development
- Poor communication and community engagement on new development

# Stakeholder Interviews

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- **Key regional trends cited**
  - Portland housing boom and hotel/tourism growth
  - Buy local and support for local businesses
  - Food culture and growing food-related businesses
  - Growing arts and cultural activity
- **No single common priority. Six activities supported by 20 to 30% of interviewees:**
  - Mill Creek redevelopment
  - Business attraction
  - Develop underutilized properties
  - More attractive commercial areas
  - Business friendly image and culture
  - Create mixed-use, pedestrian-oriented districts

# Summing Up: SWOT Analysis

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## Strengths

Diverse economic base; strong sectors  
Educated workforce  
Transportation infrastructure  
Maine Mall  
Access to downtown Portland and highways  
Waterfront amenities and real estate  
Attractive neighborhoods  
Quality government services  
Effective permitting processes

## Weaknesses

Lagging job growth in past decade  
Decline in several sectors  
Little market ready land  
Unattractive gateways and commercial areas  
Outdated city image  
Differing priorities on city's future growth  
Distrust of development approval process  
School system performance  
Growing low-income population  
Limited economic development capacity

## Opportunities

Spillover growth from Portland  
Growing regional industries  
Demand for mixed-use districts  
Tight industrial real market  
Development of under-used land  
Regional base of visitors  
Southern Maine Community College  
High income and baby-boomer population

## Threats

Political climate /conflict over growth  
Perception as a difficult city for businesses  
Competition from other communities  
Stagnation in property tax base  
Growth in online/new retail formats  
Tax base reliance on large properties

# Summing Up: Other Issues and Opportunities

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- Reverse recent trends to benefit from region's economic growth
- How to address increased poverty and many low income households ?
- Updating South Portland's image to reflect current diversity of its economy and workforce
- Creating redevelopment capacity to accommodate new growth

# Economic Development Strategy Options

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- **Main Street Program**
  - Market, improve and attract enterprises to neighborhood comm. areas
- **Business and Development Attraction**
  - Actively market South Portland for businesses and projects; maintain real estate inventory; assist new firms and projects to locate
- **Develop Underutilized Sites**
  - Outreach and assist owners to plan for reuse; find partners to implement plans; brownfield cleanup; assemble and improve priority sites
- **Entrepreneurial and Small Business Development**
  - Connect entrepreneurs and firms to regional resources; effort to identify and foster resident entrepreneurs; youth entrepreneurship program.
- **Community Education, Engagement and Leadership**
  - Ongoing info on econ. development plans and projects; institutionalize community review of projects; civic leadership training with SMCC
- **Workforce and Employment Initiative**
  - Partnership to employ low-income residents; school career initiative with local companies; work with SMCC to address employer needs

# SWOT Analysis: Strategy Options

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**Strength**  
**Weakness**  
**Opportunity**  
**Threat**

Leverage historic neighborhood centers  
Proximity to Portland  
Effective business permitting & city services

Balance mall and strip centers  
Shared vision  
Helps attract young workers

**Main Street Program**

Improve image  
More attractive gateways & centers  
Reverse lagging restaurants  
Add ED capacity

Demand for walk able mixed use areas  
Leverage regional food sector and entrepreneurs

# SWOT Analysis: Strategy Options

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**Strength**  
**Weakness**  
**Opportunity**  
**Threat**

Effective permitting processes & city services  
Proximity to Portland  
Workforce assets  
Build on existing centers

Respond to competition  
Diversify economy  
Grow tax base

**Business and  
Development  
Attraction**

Change city image  
Create demand for vacant space & underused land  
Lagging job growth

Attract growing regional industries  
Cost & process advantage over Portland  
Tap tight industrial market

# SWOT Analysis: Strategy Options

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**Strength**  
**Weakness**  
**Opportunity**  
**Threat**

Waterfront land  
Effective permitting  
process & city services  
Workforce assets

Grow tax base  
Diversify  
economy

**Develop  
Underutilized  
Sites**

Address underused,  
outdated properties  
Engage problem  
property owners

Attract regional growth  
industries  
Process advantage over  
Portland  
Create new economic asset

# SWOT Analysis and Strategies Options

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**Strength**

**Weakness**

**Opportunity**

**Threat**

Educated workforce

Effective business permitting  
& city services

Proximity to Portland

Diversity economy

“Grow your own”  
response to  
competition

**Entrepreneurial  
& Small Business  
Development**

Change city image

Address poverty &  
raise income via  
microbusiness

Leverage regional food sector  
and entrepreneurs

Spillover from Portland

Regional tourism market

SMCC Entrepreneurial Center

# SWOT Analysis and Strategies Options

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**Strength**

**Weakness**

**Opportunity**

**Threat**

Enhance civic capacity and government services via resident skills

Help address political conflicts  
Improve perception of “business climate”

**Community  
Education,  
Engagement and  
Leadership**

Balance/resolve varied priorities  
Build trust in permitting decisions

SMCC educational resources  
Build on comp plan success  
Engage increasingly active residents

# SWOT Analysis and Strategies Options

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**Strength**  
**Weakness**  
**Opportunity**  
**Threat**

Connect residents to  
diverse local jobs  
Enhance workforce assets  
Expand city business  
services

Address  
competition via  
workforce  
services

**Workforce and  
Employment  
Initiative**

Address poverty &  
raise incomes  
Improve schools

SMCC resources  
Expand mixed use areas  
Leverage regional food  
sector and entrepreneurs

# Goals for Community Input Tonight

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- Gain resident views on economic development vision and goals for South Portland
- Confirm and refine understanding of key city economic assets and weakness
- Reaction to and priorities for strategy options

# Discussion Break-out Process

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- Move to table with your number
- Each table already has volunteer facilitator
- Select note taker and “reporter” to summarize table discussion to full meeting
- Discuss these four questions
  - ✦ What strengths should South Portland preserve and build on in the economic development strategy?
  - ✦ What are needed improvements to address in economic development strategy?
  - ✦ What are the right goals and priorities for the strategy?
  - ✦ Which of the proposed strategies should South Portland pursue? Are there missing strategies to under?