



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



December 2015

KARL F. SEIDMAN | CONSULTING SERVICES

With
Karp Strategies



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

Prepared for
City of South Portland
South Portland Economic Development Committee
By

KARL F. SEIDMAN | CONSULTING
SERVICES

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To the Residents and Businesses of the City of South Portland,

On behalf of your Economic Development Committee (EDC), I am pleased to share South Portland's 2016 Economic Development Strategic Plan.

Our city is presently at a crossroads. For many years our community experienced growing prosperity because of geographic advantages and our reputation as a favorable place to live and conduct business. As a city, we have not, however, consistently and proactively pursued economic development. While South Portland still possesses a strong base of employers, it has recently experienced rising poverty rates, little overall growth in our economic base, and controversies that have affected our business-friendly reputation. In contrast to South Portland, neighboring communities have aggressively pursued new businesses and real estate projects, and developed strategies to grow their tax bases.

Over the past eight months, our goal has been to develop a plan that focuses on the future prosperity of our community. We need to expand our tax base, foster strong relationships with our businesses, grow new jobs and support entrepreneurs, and most importantly, continue to maintain our excellent quality of life. Our plan provides critical analysis and data about South Portland's economy and state of well-being, and a recommended roadmap of key strategies and activities for the city to pursue. It was prepared by expert consultants working closely with the EDC, and represents the input of hundreds of residents via interviews, surveys, and community workshops.

The Economic Development Committee looks forward to working with the City Council, City Manager, City staff, South Portland's residents, and our business community and partner organizations, to implement the strategies presented in this Economic Development Strategic Plan. Through our commitment to work together, we can continue to call South Portland one of the best cities in Maine in which to live, work, and play.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Little', with a stylized flourish at the end.

Ross Little
Chair, Economic Development Committee

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Executive Summary

Introduction

The City of South Portland, through its Economic Development Committee (EDC), presents an Economic Development Strategic Plan that is meant to complement the recently updated South Portland Comprehensive Plan. The plan represents an eight month process during which multiple sources of information, analysis, and input were considered. Formulation of the plan included:

- An analysis of demographic and economic data trends;
- Input from community workshops and EDC meetings;
- A compilation of opinions from a resident survey;
- Outreach to youth and “millennials” through focus groups and interviews; and
- Interviews with local businesses, property owners, real estate professionals, and community leaders.

Opportunities and Challenges

South Portland is a vibrant city within the Greater Portland region. It has a large and diverse economic base with strengths in retail, finance, corporate headquarters, administration, waste services, and education. It possesses an educated workforce, historic neighborhoods, a growing self-employment sector, and many natural and recreational amenities. The city’s employment and tax base, however, have not kept pace with growth in the Greater Portland region. Nor has South Portland kept pace with robust expansion in neighboring Scarborough and Westbrook. South Portland is falling behind those communities.

Further, since 2000 South Portland’s population has increased by 7% but its composition has seen significant changes; renter households grew by 20%, and persons living in poverty doubled from 2000 to 2013. These growth rates are much greater than Maine and Cumberland County. At the same time, households earning over \$100,000 have increased by 169%.

Analysis

If South Portland is to overcome these trends, and remain a vibrant and great place to live for all of its residents, it can no longer wait for investment to find it. Business growth is shifting to the suburbs. Urban investment is concentrated in Portland. South Portland needs to attain a proportionate share of regional economic development by positioning itself as a competitive place to start, grow, and locate a business. It needs to proactively work to retain and grow existing businesses and attract new firms. It needs to actively foster entrepreneurs and small businesses.

With regard to the recent increase in poverty, problems employers face in finding workers, and the increasing importance of workforce skills for economic development, South Portland also needs to be more engaged with the region’s higher education institutions and its local schools to address workforce development needs.

Conclusion

Through addressing these challenges, South Portland can position itself to fully benefit from the next wave of economic development. Only by doing so will the City improve the quality of life for all of its residents. This Plan advances numerous strategic and intentional economic development initiatives that are designed to improve South Portland in multiple ways including:

- adding to the tax base
- increasing good paying jobs
- improving the city's image, appearance, and physical environment
- advancing plans for a greener, mixed-used, and denser Mill Creek
- reducing poverty and expanding an educated workforce.

Four complementary strategies are detailed to advance these goals:

1. Business Retention and Attraction
2. Entrepreneurial and Small Business Development
3. Workforce Development and Employer Connections
4. Development of Underutilized Properties

Recommendations on best practices, funding, performance metrics and phasing to implement the plan are included.

South Portland's Future

In summary, South Portland is at a crossroads. It needs to proactively and aggressively increase its capacity for economic development. This Economic Development Plan represents a broad consensus from both business and community leaders that followed in-depth engagement with a demographic cross-section of the community. It presents both short- and long-term goals, and a time line for implementation. It calls for the involvement of businesses, our citizens, and our city officials. It represents a new way of thinking about economic development in South Portland. Significantly, it highlights the city's assets along with the deficiencies in how economic development in South Portland is currently being done and presents multiple strategies to build on South Portland's strengths and address the more troubling economic trends that threaten the equitable prosperity that all citizens of South Portland deserve.

Introduction

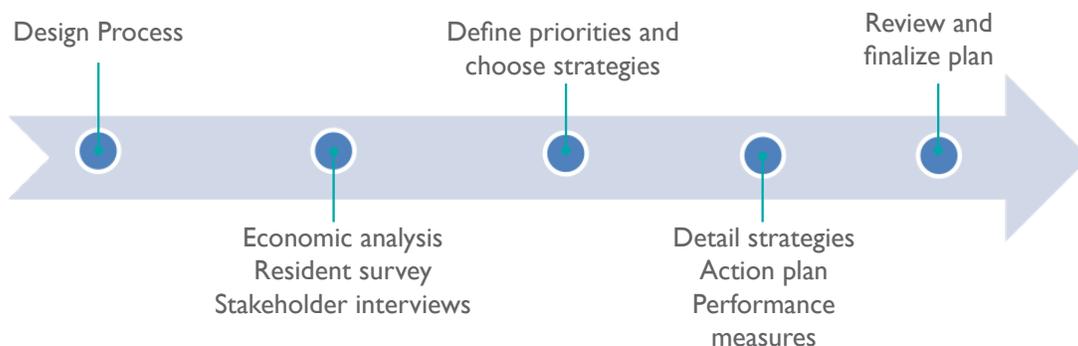


October 1, 2015 Community Workshop ; Source: Rebecca Karp

The City of South Portland, through its Economic Development Committee (EDC), initiated an economic development planning process to complement its recent Comprehensive Plan, which addressed land-use and physical development, and update its past economic development plan that was almost ten years old. South Portland is a vibrant city within the Greater Portland metropolitan area in southern Maine. South Portland is a key economic center within the region and a desirable city in which to live work and play, with diverse historic neighborhoods and many natural and recreational amenities. This economic development plan focuses on how South Portland can sustain and improve the city's economic base and the economic well-being of its residents. The city's ability to grow its business base and attract a strong workforce depends on many factors including its overall quality of life, providing professional and efficient government services and having well performing public schools. Although the Economic Development Plan focuses on business and workforce development, it is important for South Portland to continue to invest in and maintain the quality of these community assets. Similarly, the city's economic development contributes to the community's quality of life in many ways: providing a large part of the tax base to fund schools and city services; supplying desired amenities and services such as restaurants, cafes, entertainment, telecommunications and health care, and generating jobs and income that are the foundation for residents' economic well-being.

South Portland is inherently linked with the larger regional economy, and must be considered within the context of the broader geographic and economic area. Metropolitan areas are the core geographic units around which competitive economies are organized. Consequently, South Portland's economic development is closely tied to the strength of the Greater Portland region, its success in capitalizing on the strengths and trends within the region, and being a desirable place to start, grow and locate a business. Both the economic analysis and strategies presented in the plan are strongly tied to understanding and strengthening South Portland's position in the region's economy.

Figure I. Overview of Economic Development Planning Process



Planning Process

South Portland's Economic Development Plan was prepared over an eight month period from May through December 2015 under the direction of the Economic Development Committee working with Karl F. Seidman Consulting Services and Karp Strategies. The planning process, summarized in Figure 1, incorporated information, analysis and input from a variety of sources to formulate South Portland's Economic Development Plan including:

- A review of existing reports, plans, and analyses prepared by the City of South Portland and other sources;
- An analysis of demographic and economic data and trends for South Portland, nearby cities, Cumberland County, and Maine;
- Input from two community workshops, held on October 1st and November 17th;
- Input from nine meetings with the Economic Development Committee;
- An analysis of residents' opinions from a resident survey with 390 responses;
- Outreach to youth and "millennial" residents through focus groups at South Portland High School and Southern Maine Community College and individual interviews; and
- Individual interviews with over 25 local businesses, property owners, community leaders, the real estate community, and government leaders.

Throughout the process, interim materials were produced that summarize findings and results of the different analytical components of the process and community workshops. These materials are available [here](#) on the South Portland Economic Development Committee page of the City of South Portland web site.

Plan Organization

This report summarizes the results from analysis and community input phases of the economic development planning process and presents the goals, strategies and implementation plan and timeline for the South Portland Economic Development Plan. The report is organized into four sections:

1. An analysis of South Portland's economic performance and structure is presented along with information on real estate market conditions.
2. South Portland's major assets and advantages together with its major challenges are summarized, drawing on the prior section, including a resident survey and stakeholder analysis.
3. The economic development plan is detailed with overall plan goals, four strategies to advance these goals and a proposed organizational framework for implementation. The plan is informed by the SWOT analysis, community input from surveys and workshops, guidance from the EDC and the consultant team's knowledge of regional resources and best practices. For each strategy, its rationale and specific projects and activities to implement the strategy are discussed.
4. An implementation plan is provided that addresses phasing, key tasks, identifies key partners and discusses performance measures to track the plan's results and inform adjustments to the plan over time.

A separate document of appendices includes a summary of the stakeholder interviews, resident survey results and notes from the two community workshops.

Section One: Demographic, Economic and Real Estate Analysis

This section presents key summary information and findings from an analysis of the demographic and economic data on South Portland, surrounding communities, Cumberland County, and Maine. It is organized in four parts:

1. Profile of South Portland's population, including trends and composition;
2. Regional economic context and South Portland's economic base, including an assessment of the city's current economic structure and major sources of job growth;
3. South Portland's economic performance, including an analysis of the city's overall economic health, the well-being of its residents and tax base valuation; and
4. A summary of real estate market conditions.

This analysis highlights where South Portland is performing well and identifies faster growing sectors and important industries that may be appropriate targets for future growth. It also highlights problems and challenges that help to define the city's economic development goals.

Profile of South Portland Population

South Portland's population has grown steadily over the past thirteen years, aligned with growth in the county and slightly above the state, but with changes in its composition:

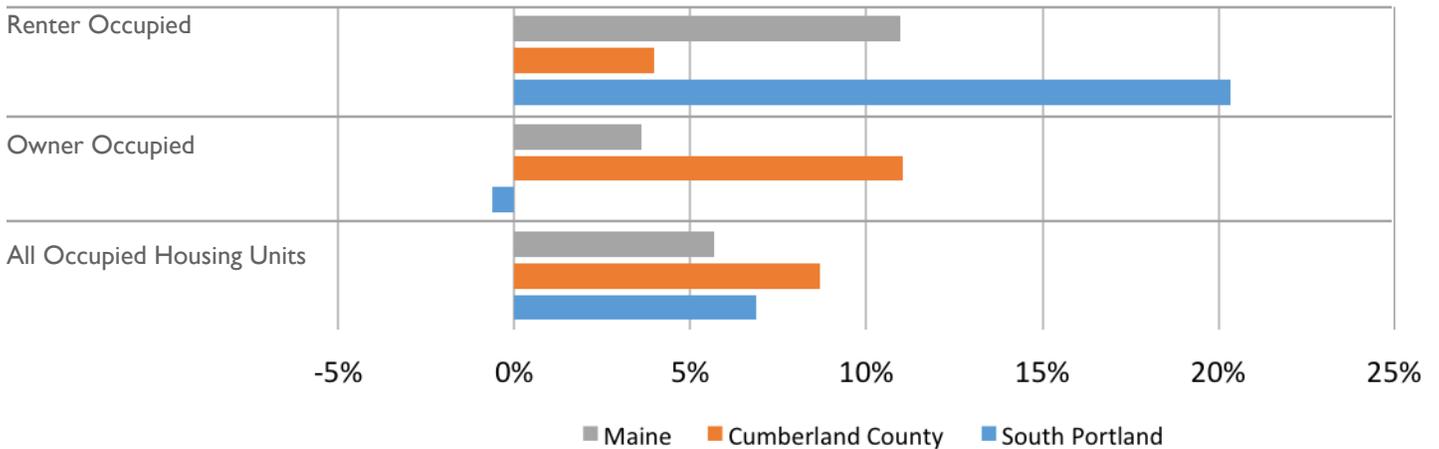
- The city's 2013 population was 25,073, a 7% increase from 2000, compared with 7% growth for the county and 4% for all of Maine.
- In 2013, South Portland reported 10,736 households, a 7% increase from 2000, compared with 9% growth in the county and 7% across Maine.
- Among households, South Portland experienced a 20% growth in renter-occupied households from 2000 to 2013, with 4,315 renter-occupied households in 2013. This growth is significantly higher than the county (4%) and state (11%). (See Figure 2)
- Owner-occupied households in South Portland decreased by 1% over the same period, dropping to 6,421, versus an 11% increase in the county and 4% increase in the state.

Composition and Trends by Age and Race

South Portland's population is similar in its composition by age and race to the county and state:

- South Portland's median age in 2013 was 40 years old, compared to 41.5 in Cumberland County and 43.2 years for the state.
- In 2013, 60% of the city's population was between the ages of 20 to 64 (working age), 15% was 64 and older (retirement age), and 25% was 19 or under. This age composition is similar to the county and state, and changed little since 2000.
- An exception is South Portland's growth in population between 55-64 years old, which grew by 46% from 2000-2013 to 3,058, compared to 147% growth in the county and 60% growth across the state.
- South Portland's population in 2013 was 91% White, 2% Black, 5% Asian and 2% Latino, with 98% of the population of one race.
- The South Portland population reporting as White decreased from 96% to 91% from 2000 to 2013. This breakdown is similar to both the county (93% White in 2013, decreasing from 96% in 2000) and the state (decrease from 97% to 95%).

Figure 2. Percent Change in Housing Units by Tenure 2000 to 2013

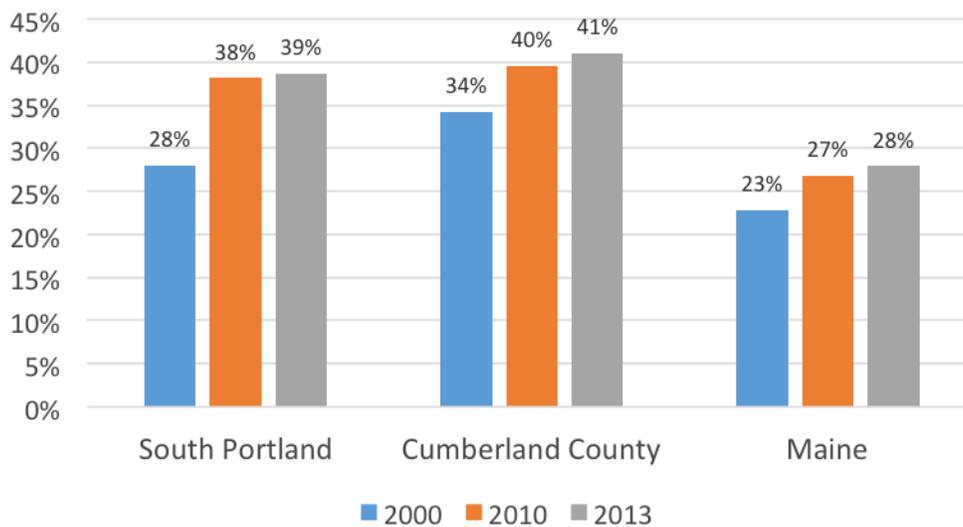


Educational Attainment

The population of South Portland is relatively well-educated (see Figure 3).

- 39% of South Portland adults possessed a bachelor’s degree or higher in 2013.
- This figure has increased from 28% in 2000, and is aligned with education levels in Cumberland County, with 41% of its population with at least a bachelor’s degree in 2013.
- This percentage is higher than the 2013 level for the United States at 32% and Maine at 28%.

Figure 3. Percent of Adult Population with Bachelor’s Degree or Higher, 2013



Occupational Composition and Workforce

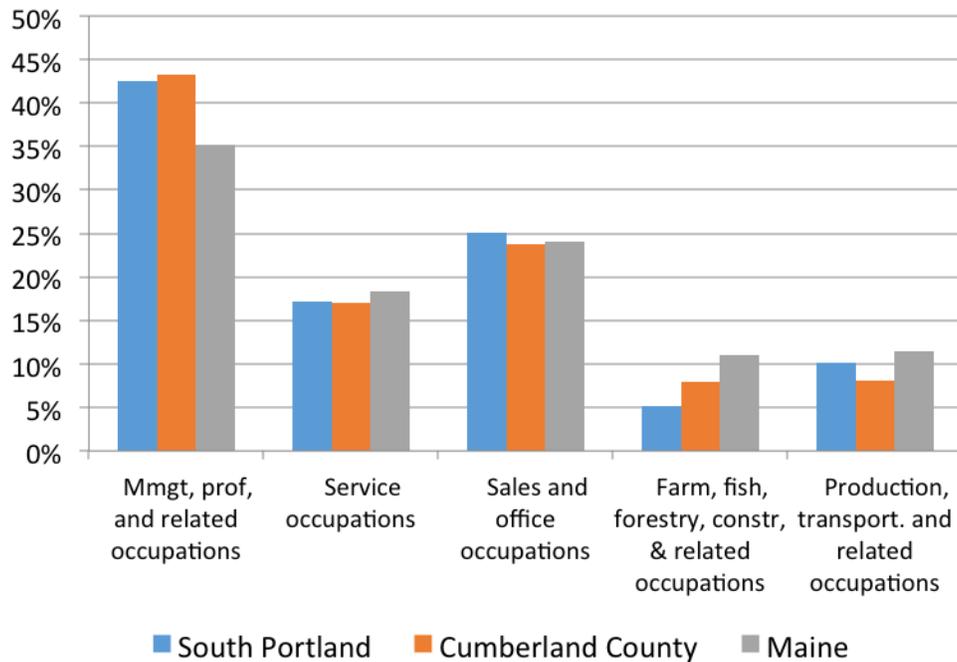
South Portland's occupational profile describes the range of jobs held by the city's resident workforce with employers located within and outside South Portland and via self-employment. While South Portland's workers are employed in diverse positions, they are heavily concentrated in professional occupations. As described in Figure 4 below, South Portland and Cumberland County present similar trends in occupational categories that tend to cluster in urban and suburban areas and differ from Maine in occupational groups that are more dominant in rural areas (e.g., farming). The vast majority (84%) of South Portland's workforce in 2013 worked in one of three occupational categories:

- Management, Professional, and Related Occupations (42%)
- Sales and Office (25%)
- Service (17%)

South Portland's overall workforce grew by 8% from 2000 to 2013 to 13,613, slightly above Cumberland County (7%), and much higher than Maine (4%). To understand how the city's workforce is faring in comparison to the region and state, we can examine notable changes in major occupational categories from 2000 to 2013:

- **Management, Professional, and Related Occupations**
 - South Portland's share grew from 36% of all occupations to 42% at a growth rate of 28%. In 2013, 5,785 South Portland residents worked in Management and Professional occupations.
 - Cumberland County experienced 20% growth with a similar share (43%) of overall occupations as South Portland; Maine had 16% growth in Management and Professional occupations comprising 35% of all workers occupations in 2013.
- **Sales and Office Occupations**
 - South Portland's share in 2013 (25%) was similar to that of Cumberland County and Maine (24%).
 - All three geographies experienced a decline, with South Portland's decrease the largest (12%).
- **Service Occupations**
 - South Portland's 17% share in 2013 was comparable to the county and the state.
 - All geographies experienced growth since 2000: 19% in South Portland, 29% in Cumberland County, and 24% in Maine.
- **Farming, Fishing, Forestry, Construction and Related Occupations**
 - South Portland experienced a 26% decline in its percentage whereas Cumberland County increased 2% and Maine declined 8%.
- **Production Transportation and Related Occupations**
 - South Portland's 10% share was above the 8% in Cumberland County but lower than Maine, at 11.5%.
 - South Portland's 3% decline from 2000 to 2013 was much less than the 22% decrease in these occupations for Cumberland County and Maine.
- **Self-employment**
 - South Portland experienced a 25% increase to a total of 898 in 2013.
 - Cumberland County's number of self-employed residents remained flat while Maine saw a 2% decline.

Figure 4. Share of Workforce by Occupations, 2013



South Portland’s Economic Base: A City within a Regional Economy

This section analyzes how the Greater Portland region (Labor Market Area or LMA) fits in to the state’s economy with attention given to employment size, composition by sector and industry, wage levels, and growth trends. It then focuses on the composition of South Portland’s economic base – which functions within the Greater Portland region - and major sources of job growth for the city and region to identify strengths and weaknesses within South Portland’s economic base, and potential target industries for future growth. In this analysis, the Portland-South Portland Labor Market Area consists of 39 cities and towns including most of Cumberland County, the eastern half of York County plus one town in Androscoggin County (see Figure 5).

Employment Base Composition by Sector and Industry

The Greater Portland region has a diverse economy that had modest job growth over the past decade. Total employment across the LMA in 2013 was 191,604, a 2% increase from 2004. No one sector dominates the LMA economy, but four sectors account for 51% of all jobs (see Table 1): Healthcare and Social Assistance; Retail Trade; Public Administration; and Accommodations and Food Services. A second tier of four sectors, each with over 10,000 jobs, represents another key part of the economic base: Manufacturing; Professional and Technical Services; Finance and Insurance; and Administrative and Waste Services.

Figure 5. Cities and Towns in Portland-South Portland LMA

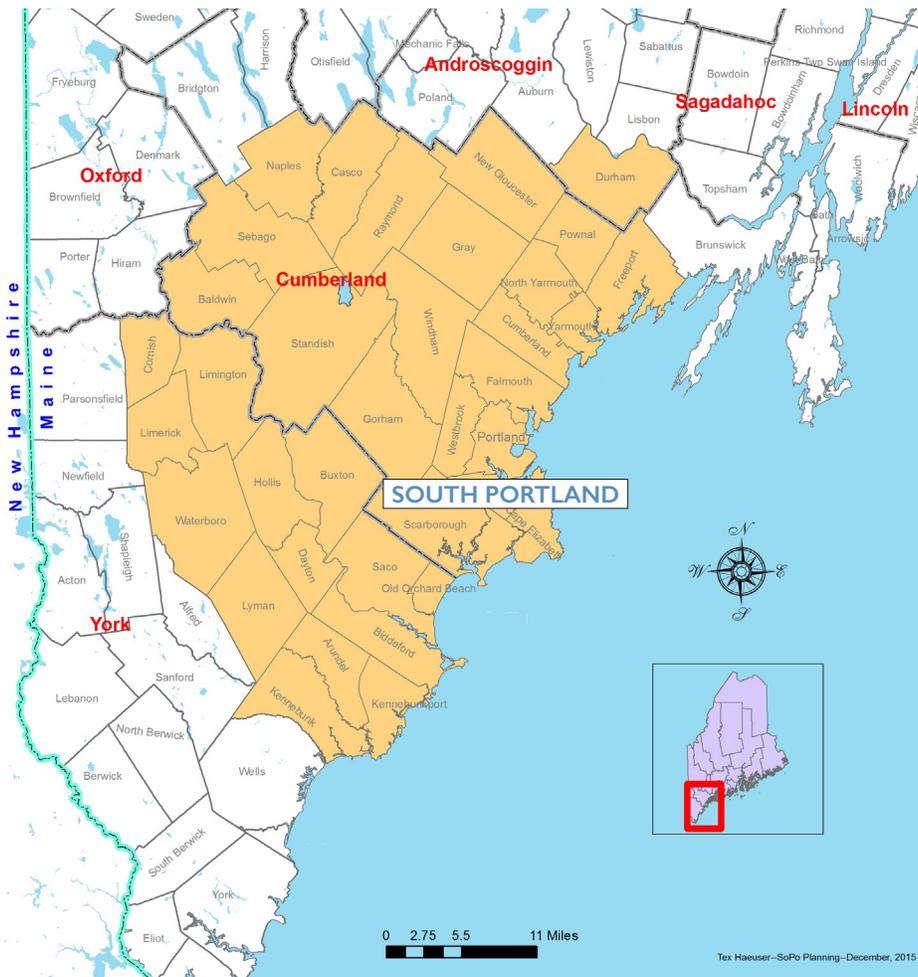


Table I. LMA 2013 Employment by Sector and Growth, 2004 to 2013

Sector	Total Jobs 2013	Percent of Total Jobs, 2013	Percent Change 2004 to 2013
Health Care and Social Assistance	32,246	16.8%	15%
Retail Trade	24,260	12.7%	-12%
Public Administration	23,193	12.1%	-2%
Accommodation and Food Services	18,507	9.7%	14%
Manufacturing	12,872	6.7%	-18%
Finance and Insurance	12,045	6.3%	-3%
Professional and Technical Services	10,720	5.6%	19%
Administrative and Waste Services	10,608	5.5%	21%
Construction	8,831	4.6%	-13%
Wholesale Trade	7,760	4.1%	-6%
Transportation and Warehousing	5,616	2.9%	21%
Other Services, Except Public Administration	5,533	2.9%	7%
Management of Companies and Enterprises	4,305	2.2%	36%
Educational Services	3,774	2.0%	40%
Information	3,178	1.7%	-34%
Arts, Entertainment, and Recreation	2,944	1.5%	4%
Real Estate and Rental and Leasing	2,869	1.5%	-9%

Job Growth within Sector and Industry, 2004 to 2013

Table 2 lists the five sectors with the highest job gains from 2004 to 2013. Health Care and Social Assistance generated 4,272 new jobs, by far the largest. Accommodations and Food Services, Administrative/Waste Services, Professional/Technical Services and Education all added over 1,000 jobs. Management of Companies and Transportation/Warehousing also had strong growth and added close to 1,000 jobs. Some declining sectors, such as Manufacturing and Retail, are still some of the region's largest sectors by total employment and remain important for the Greater Portland economy.

Table 2. LMA Largest Growth Sectors, 2004 to 2013

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

Looking one level deeper, the analysis identifies specific regional industries with the largest job gains. Table 3 presents industries with the job gains of 500 or greater from 2004 to 2013. The 2013 average annual wage is also included. Job growth is concentrated in both high wage and low-paying industries. Over half of the industries with the largest job gains paid average annual wages far above the 2013 LMA average wage of \$43,679 (e.g., pharmaceutical and medicine manufacturing and computer systems design). Four other growing industries paid average annual wages well below the regional average with two close to the poverty line (e.g., food services and drinking places).

Within the LMA, four sectors include the majority of job losses from 2004 to 2013, as depicted in Table 4. Retail and Manufacturing remain among the LMA's largest employment sectors, despite these job losses.

Table 3. LMA Industries with Largest Job Gains, 2004 to 2013

Industry	Job Gain	2013 Annual Wages
Food Services and Drinking Places	2,089	\$17,077
General Medical and Surgical Hospitals	1,627	\$61,105
Management of Companies and Enterprises	1,086	\$82,415
Computer Systems Design and Related Services	956	\$84,626
Pharmaceutical and Medicine Manufacturing	721	\$107,658
Electronic Markets and Agents and Brokers	808	\$ 69,472
Activities Related to Credit Intermediation	824	\$100,918
Computer Systems Design and Related Services	956	\$84,626
Business Support Services	682	\$48,633
Services to Buildings and Dwellings	645	\$24,059
Colleges and Universities	540	\$42,692
Offices of Other Health Practitioners	502	\$38,216
Individual and Family Services	622	\$20,787

Table 4. LMA Sectors with the Largest Job Losses, 2004 to 2013

Sector	Job Loss	2013 Avg. Wages
Retail Trade	(3,254)	\$25,758
Manufacturing	(2,771)	\$57,865
Information	(1,570)	\$50,111
Construction	(1,339)	\$46,217

Comparing the LMA to Maine

The Greater Portland region experienced modest job growth from 2004 to 2013 while statewide employment declined. Total employment in Maine decreased by 7,354 jobs or 1.2% during this period. The Portland-South Portland LMA added 3,129 jobs, representing 1.7% growth.

Growth sectors at the state level matched those for Greater Portland but with a slower rate of growth. The five sectors in Maine with the largest job gains from 2004 to 2013 were the same ones as those in the LMA, although Education and Administrative and Waste Services were more important sources of job growth for Maine than for the LMA (see Table 5). Notably, the Greater Portland region was the real driver of statewide growth in Professional and Technical Services and Accommodations and Food Services, accounting for 86% and 70%, respectively, of overall state jobs growth.

Examining specific industries that drove growth across Maine highlights the differences between the LMA and the state as whole. While there are some clear similarities in growth trends, with job gains in Maine in categories including General Medical and Surgical Hospitals, Business Support Services, and Management of Companies and Enterprises that are also seen in the LMA, the differences are clearer. For example, Leisure and Hospitality, Timber Tract Operations, Warehousing and Storage, and other manufacturing categories were growth areas in the state, but not in the LMA. Interestingly, Maine exhibits a similar trend to the LMA with gains in many low-wage and very high wage industries, with fewer job gains of middle-income industries.

Maine experienced large job losses in the same sectors as the LMA but also saw significant job decline in Public Administration and Finance and Insurance (See Table 6). Manufacturing was especially hard hit, shedding over 12,000 jobs over the decade. Moreover, job losses in these six sectors largely fell outside the Portland region. The Portland-South Portland LMA accounted for the majority of state job loss, at 58% in only one sector—Retail Trade.

Table 5. Largest Growth Sectors in Maine, 2004 to 2013

Sector	Job Growth 2004 to 2013	Percent Job Growth, 2004 to 2013	LMA as Percent of State Job Growth
Health Care and Social Assistance	8,405	9%	51%
Accommodation and Food Services	3,328	7%	70%
Administrative and Waste Services	6,835	32%	27%
Professional and Technical Services	2,042	9%	86%
Educational Services	2,769	30%	41%

Table 6. Maine's Major Declining Sectors, 2004 to 2013

Sector	Job Loss 2004 to 2013	Percent Job Loss, 2004 to 2013	LMA as Percent of State Job Losses
Manufacturing	(12,368)	-20%	22%
Retail Trade	(5,647)	-6%	58%
Construction	(5,241)	-17%	26%
Information	(3,430)	-31%	46%
Public Administration	(3,604)	-4%	16%
Finance and Insurance	(2,816)	-10%	15%

Focusing In: South Portland's Economic Base and Growth

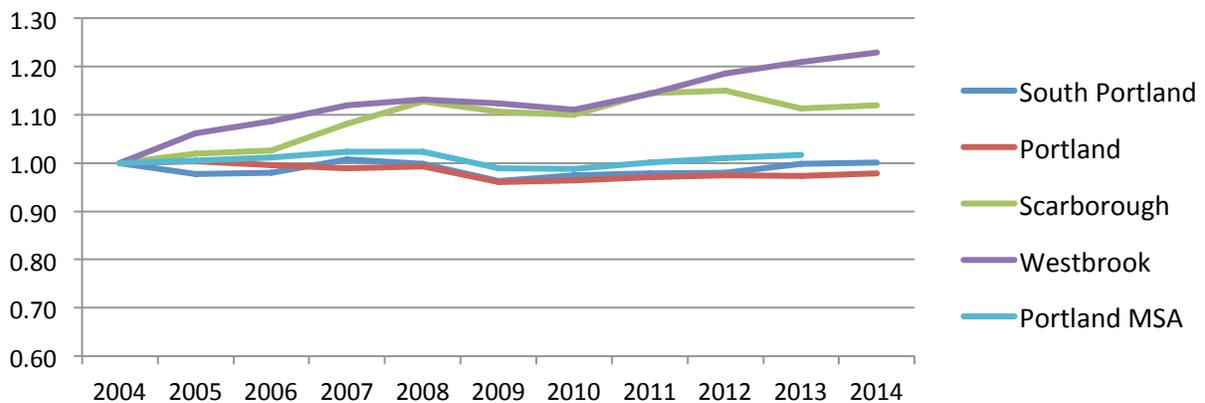
With the Greater Portland and the state economic picture as context, South Portland's economic picture becomes more meaningful. As illustrated in Figure 6, South Portland's overall employment was flat over the past decade, adding only 15 net jobs from 2004 to 2014. In 2014, South Portland's employment totaled 23,887 jobs. This flat growth lagged the LMA, which grew 2% from 2004 and 2013, but was better than the 1% decline in statewide employment. Compared to its surrounding communities, South Portland performed better than Portland (2% job loss) but well below Westbrook and Scarborough, which had job growth of 23% and 12%, respectively, as shown in Figure 6.

South Portland's economic base is well diversified with large retail, healthcare, hospitality and finance sectors. The city's six largest sectors in 2014 accounted for 69% of its job base as follows:

- Retail Trade (4,612 jobs)
- Healthcare and Social Services (3,594 jobs)
- Accommodations and Food Service (2,746 jobs)
- Finance and Insurance (2,507 jobs)
- Administrative and Waste Services (1,686 jobs)
- Educational Services (1,378 jobs)

Manufacturing was just below this at 1,113 jobs followed by Transportation and Warehousing with 1,079 jobs.

**Figure 6. South Portland and Neighboring Communities
Index of Total Employment 2004 to 2014**



When comparing job growth by sector to its neighbors, South Portland had mixed results over the past decade. It experienced job losses in several services in which its neighbors grew including Accommodations and Food Service, Arts and Entertainment, Retail and Real Estate, and saw steeper losses than its neighbors in Construction and Manufacturing. On the other hand, South Portland performed well, showing higher job growth than at least two neighboring communities, in Healthcare and Social Assistance, Finance and Insurance, Wholesale Trade, Transportation and Warehousing, and Management of Companies and Enterprises. South Portland fared especially well in Healthcare and Social Assistance, a key growing regional sector: Its employment grew by 15% and 1,043 jobs were added, a much faster pace than the region and two of its neighbors, as illustrated in Figure 7.

Figure 7. Index of Health and Social Services Employment, South Portland, Region and Neighbors 2004 to 2014

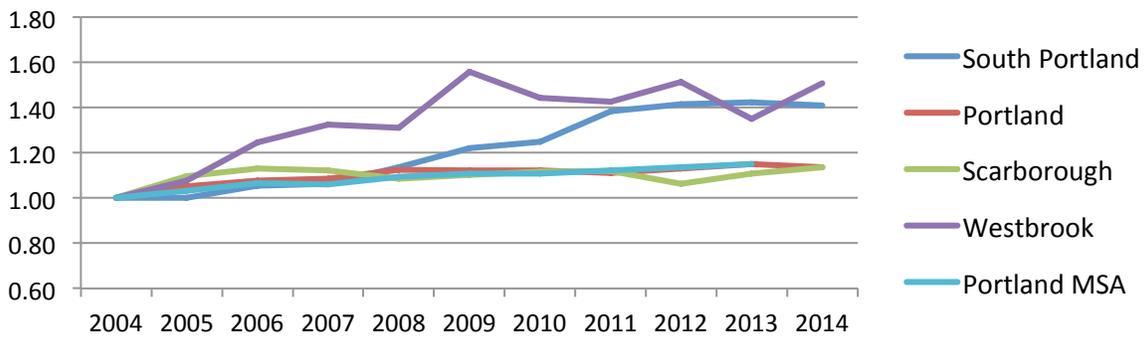


Table 7 presents the sectors in South Portland with large job gains or losses (at least 250) from 2004 to 2014 and their average annual wages in 2014. Wages in these growth sectors are higher than South Portland’s average annual wages. Moreover, wages in two growth sectors exceed average wages across all of the declining sectors. This suggests South Portland’s job base is adjusting toward higher paying industries and occupations. This is a positive trend and an opportunity for more South Portland residents to be employed locally in good paying jobs. However, there also are job losses in good-paying blue collar sectors and many workers in these sectors do not readily transition to the occupations and required skills in certain growing sectors. This highlights the importance of retaining and growing firms with good paying blue collar jobs and a potential need for skills training to prepare transition workers for jobs in growing sectors.

Table 7. Wage Levels for Sectors with Large Job Gains and Losses

Sector	Job Gains/Losses (250 +)	Average Annual Wages (2014)
Healthcare and Social Assistance	1,043	\$52,988
Management of Companies and Enterprises	803	\$98,488
Transportation and Warehousing	332	\$52,624
Finance and Insurance	325	\$81,784
Construction	(254)	\$64,688
Manufacturing	(1,023)	\$72,176
Retail Trade	(822)	\$24,752
Information	(613)	\$42,328

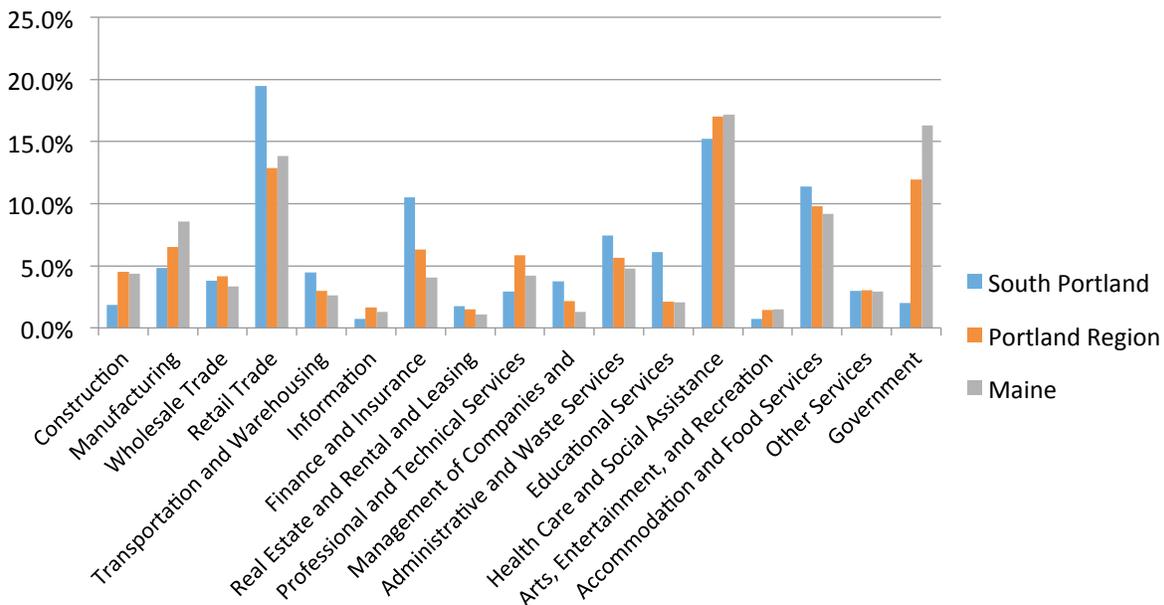
The largest and leading industries in South Portland present a wide range of average salaries, with a few paying low wages, on average. Table 8 below compares the average annual wages of the top industries in South Portland to wages in the region and state. Wage levels within South Portland's major sectors are mixed. Finance and Insurance and Health Care and Social Assistance pay wages well above the city's average annual wage of \$39,279. These are also higher paying sectors for the region and the state. Educational Services is on par with the city's annual average wage across industries but Retail, Administration and Waste Services, and Accommodation and Food Services all have pay levels below the city average. Moreover, for the Health Care/Social Assistance and Education Services sectors, South Portland employers pay an average wage above both the LMA and state average.

Table 8. 2013 Average Wages for Major Sectors

Sector	South Portland (2013)	LMA (2013)	Maine (2013)
Retail Trade	\$24,723	\$25,758	\$24,723
Finance and Insurance	\$63,738	\$76,198	\$63,737
Administrative and Waste Services	\$32,096	\$36,266	\$32,125
Educational Services	\$39,835	\$38,107	\$39,679
Health Care and Social Assistance	\$51,347	\$45,417	\$41,846
Accommodation and Food Services	\$17,009	\$18,008	\$17,013

One measure of South Portland's economic strength is the sectors in which it has a far larger concentration of jobs than the region or state. These concentrations suggest local advantages, specialization and a strong existing base to build on. Figure 8 compares South Portland's employment share by sector to the LMA and Maine. From this comparison, South Portland exhibits economic strengths in Retail, Finance, Management of Companies (corporate headquarters), Administrative and Waste services, and Educational Services—all sectors where the city's share is at least 30% higher than the state or region. Its strength in the retail sector is attributable to the presence of the Maine Mall, the state's largest enclosed shopping center with many national retailers. Its strength in education is tied to the presence of Southern Maine Community College.

Figure 8. 2013 Employment by Sector, South Portland, Portland Region and Maine

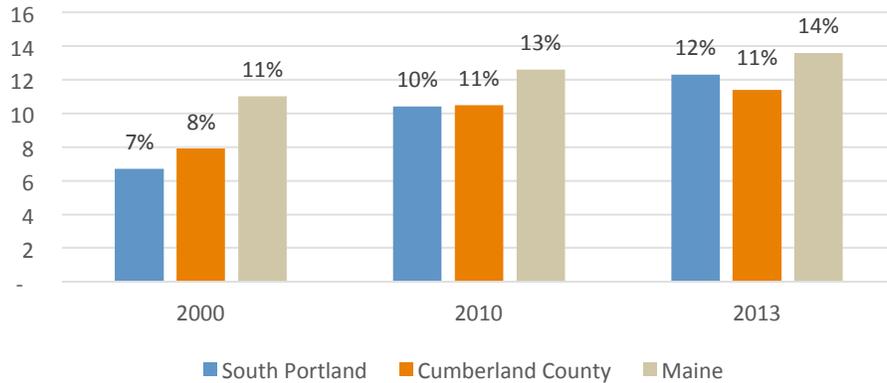


Income, Poverty, and Unemployment

An important measure for South Portland and the regional economy is how well it benefits residents. Improving the well-being of the city's households and residents is a key outcome from economic development. Key indicators of residents' economic well-being are median household income, poverty, and unemployment.

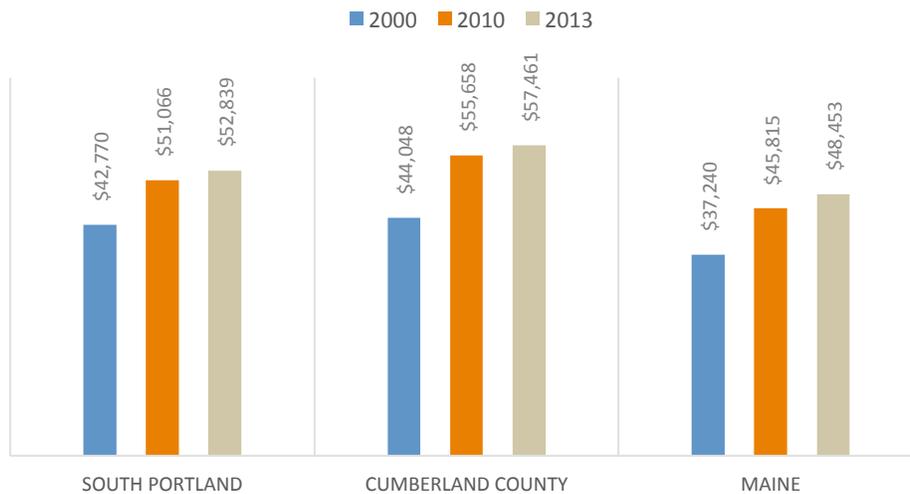
South Portland reflects national trends in rising inequality. The percentage of the city population living in poverty grew from 7% to 12% between 2000 and 2013, a larger increase than occurred for the county or the state. The number of South Portland residents living in poverty doubled during this period from 1,523 to 3,104.

Figure 9. Percentage of Population Living in Poverty



South Portland's median household income has increased 24% since 2000 and is 9% above Maine's median income and 8% below Cumberland County (see Figure 10). From 2000 to 2013, Maine and Cumberland County, median household income increased by 30% compared to 24% for South Portland.

Figure 10. Median Household Income



Trends in income distribution provide a more complete picture of how South Portland residents fared through the great recession and recovery, revealing strong income growth in households well above the city median. The number of households in South Portland (as well as the county and state) with household incomes below \$25,000 decreased by 17% while those earning from \$25,000-\$49,999 decreased by 13%, a trend similar to the state. On the other hand, South Portland's higher income households grew in number from 2000 to 2013, consistent with trends in the county and state. Households with median household incomes of \$50,000 to \$99,999 increased 7%, whereas those earning more than \$100,000 increased 169%, from 790 to 2124, a rate faster than the county and state.

Unemployment rates are another key indicator of the welfare of city residents. South Portland's workforce had greater employment success with a lower unemployment rate (5.4%) than either Cumberland County (6.2%) or Maine (7.7%) in 2013, as shown in Table 9. However, since workers in South Portland had a low pre-recession unemployment rate of 3.1% in 2005, their unemployment rate increased by 2.3 percentage points to 5.4%, a larger increase than the 2 percentage point growth for Maine but a lower increase than for Cumberland County.

Looking at poverty, household income, and unemployment statistics together, the economy is generating disparate outcomes for segments of South Portland's population. Some residents are doing extremely well, marked by the large increase in households earning over \$100,000 while other residents are struggling economically, shown by the increase in unemployed workers and growth in residents living in poverty.

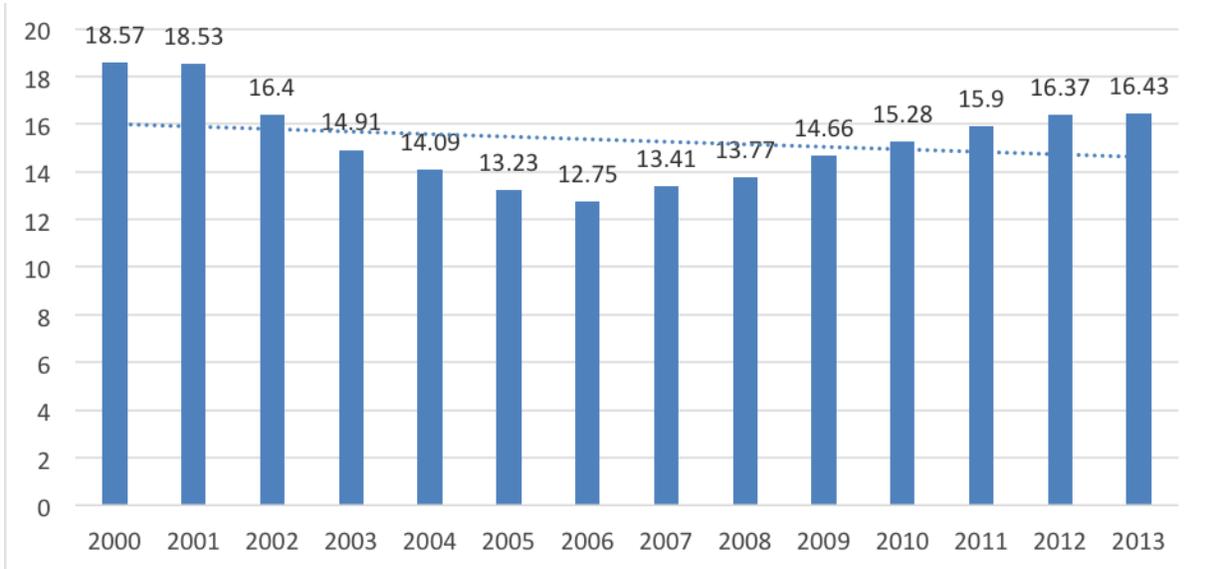
Table 9. Unemployment Rates by Geography, 2005 and 2013

Geography	2005 Unemployment rate (population 16 and older)	2013 Unemployment rate (population 16 and older)	Change
South Portland	3.1%	5.4%	+2.3
Cumberland County	3.7%	6.2%	+2.5
Maine	5.7%	7.7%	+2

Tax Base Changes

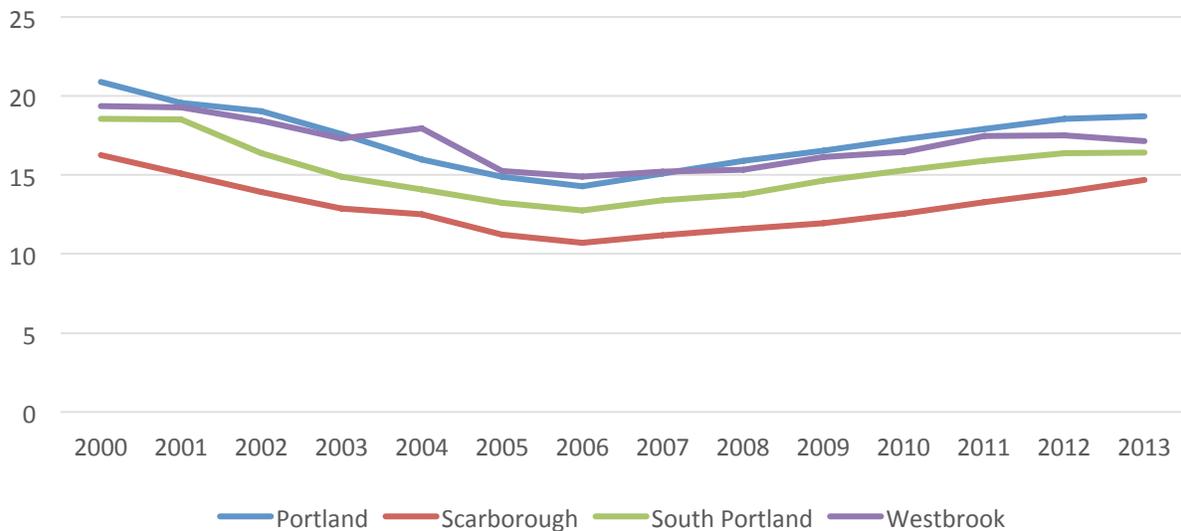
Tax base growth indicates how well the city's economy is performing from a fiscal perspective and its capacity to generate the revenues needed to support city services, infrastructure and public amenities. South Portland's full value tax rate varied from 2000 to 2013, bottoming out in 2006 at \$12.75 per thousand and then increasing to \$16.43 in 2013.

Figure 11. South Portland Full Value Tax Rate



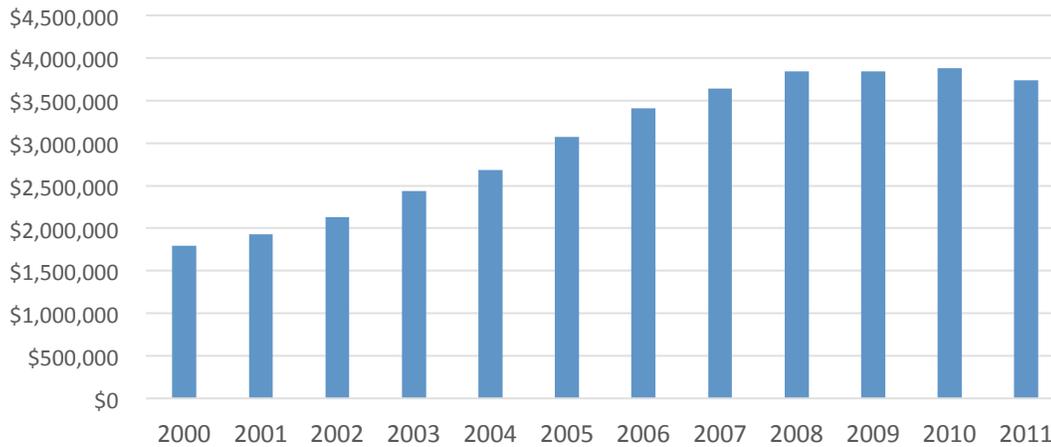
The decline in tax rate experienced by South Portland in the mid-2000s was similar to declines in the surrounding communities of Portland, Scarborough, and Westbrook, as demonstrated in Figure 12. Within these trends, South Portland maintained consistently lower tax rates than Westbrook and Portland, but above Scarborough from 2000 to 2013.

Figure 12 Full Value Tax Rate, South Portland and Surrounding Communities



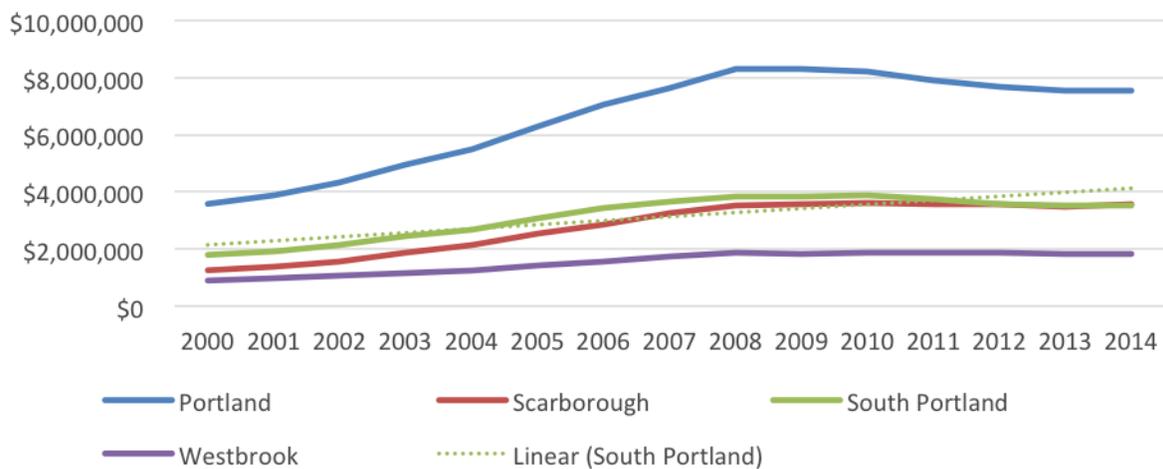
After a period of steady growth from 2000 to 2008, South Portland's property valuation leveled off at the end of the decade and declined slightly from 2011 to 2014 (see Figure 13).

Figure 13. South Portland Property Valuation (in thousands)



This overall pattern is similar to surrounding communities, all of which experienced increasing property values before the recession followed by declining valuation and stabilization after 2008. However, as shown in Figure 14, South Portland had the lowest percentage of growth in property valuation from 2000 to 2014 at 97%. Scarborough's property valuation grew by 186% over these 14 years, the highest among the four communities. Portland, with the highest overall valuation, increased 111% over the period, the second highest increase among the four communities.

Figure 14. Property Valuation, South Portland and Surrounding Communities (in thousands)



Commercial and industrial properties constitute an important part of South Portland's tax base. As shown in Table 10, all but three of the city's 25 largest tax payers are commercial or industrial properties. These 25 top taxpayers accounted for over a quarter of the city's total property valuation. The Maine Mall and Texas Instruments are especially important; these two properties equal 44% of the almost one trillion dollars in valuation among the 25 top taxpayers, and represent 12% of South Portland 2014 citywide taxable property value (\$3.5 trillion).

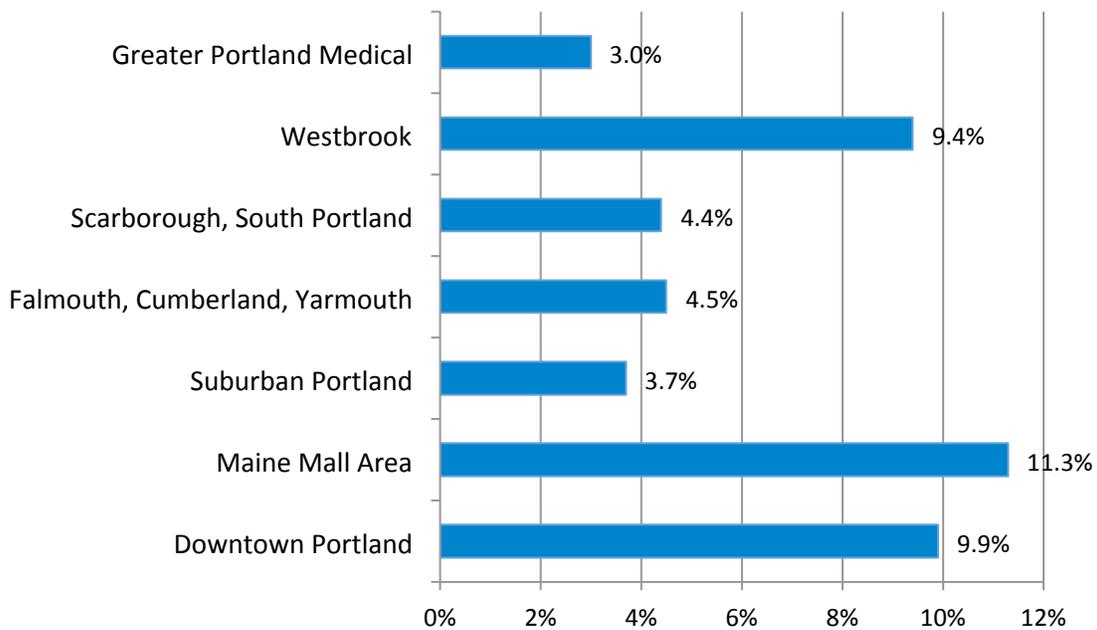
Table 10. South Portland's 25 Largest Tax Payers

Rank	Taxpayer	Total Taxable Value	Description
1	GGP Maine Mall	\$250,956,100	Maine Mall
2	Texas Instruments	\$180,078,200	Semiconductors
3	Hannaford	\$58,320,400	Retail Stores and Warehouse
4	Home Properties	\$55,243,700	Multi-family Housing
5	Portland Pipeline	\$44,706,800	Oil Transportation & Storage
6	Fairchild	\$42,168,200	Semiconductors
7	Central Maine Power	\$41,996,200	Electric Utility
8	Oprock Portland	\$30,426,700	Marriott & Holiday Inn Express
9	Anthem	\$27,368,100	Insurance Company
10	Asgrec Two, Inc. / Macy's	\$25,709,400	Macy's
11	Running Hill SP LLC	\$22,787,600	Maine Crossing Shopping Center
12	GMG LC	\$22,704,300	Mall Plaza Shopping Center
13	Riverplace Development LLC	\$19,513,800	Multi-Family Housing
14	CPSP LLC	\$18,951,000	Clark's Pond Shopping Center
15	Dead River Running Hill LLC	\$15,760,300	Fairchild Running Hill Rd Property
16	Kimco Mallside	\$15,094,900	Mallside Plaza Shopping Center
17	Sears	\$13,739,600	Sears
18	Target	\$13,125,500	Target
19	Brookwood Sable Oaks Drive	\$12,669,800	Office Building
20	RFB HOLDINGS LLC	\$12,666,800	Portland Press Herald
21	Metro 300 LLC	\$12,591,200	Office Building
22	Portland Terminal	\$12,226,400	Railroad
23	Olde English Village	\$12,503,900	Multi-Family Housing
24	Home Depot	\$11,961,700	Home Depot
25	400 Southborough LLC	\$11,076,600	Office Building
	Total	\$984,347,200	

Regional Real Estate Market Conditions and South Portland

This final part of the economic analysis section reviews regional real estate conditions. Real estate market conditions affect opportunities for new development and define South Portland's competitive position in the regional real estate market. Greater Portland's commercial, industrial and retail real estate markets all have rebounded since the great recession with reduced vacancy rates and higher rents. A key factor in improved market conditions is the limited amount of new construction with business growth largely absorbing available vacant building space. Despite these improved conditions, a large supply of over 910,000 square feet of available vacant office space remained at the end of 2014. At that time, vacant office space was concentrated in Downtown Portland (449,000 square feet) and the Maine Mall area (233,000 square feet). As a result, these two areas had the region's highest vacancy rates, as shown in Figure 15.

Figure 15. 2014 Office Vacancy Rate by Submarket, Greater Portland Market Area



In contrast to the office market, the retail and industrial markets have low vacancies and a limited supply of available space. The region's retail vacancy rate dropped to 3.7% at the end of 2014, a major improvement from the 10.8% rate in 2009, with just under 240,000 square feet of available space. South Portland's was one of the region's tightest markets with a vacancy rate of 1.9%, in part fueled by the Maine Mall's low vacancies and role as a magnet for additional surrounding retail. One recent trend is national retailers choosing to locate in downtown Portland. If this trend continues, it may increase downtown rents and crowd out some local stores.

Industrial vacancy rates averaged 3.7% across the Greater Portland region in December 2014 and were even still lower in some communities. Scarborough's vacancy rate was 2.1% while Westbrook had a 2.7% rate. South Portland's vacancy rate was 3.7%, equal to the regional average, while it had the second largest amount of available industrial space and the region's lowest rents, reflecting a significant amount of older low quality space (see Table 11).

Table 11. Industrial Rents and Available Space by Community December 2014

City or Town	2014 Average Industrial Rent	2014 Available Square Feet of Industrial 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

Although South Portland is a largely developed community with limited undeveloped land to support new economic development, it has a sizable inventory of vacant building space and some land available for business growth. Based on a review of South Portland's listings on the Loop Net real estate site in June 2015, there were 59 commercial, industrial and office properties listed for lease or sale that included 515,000 square feet for lease, and 46 acres of land and 150,000 square feet offered for sale.

From a real estate perspective, South Portland has strong location assets with its proximity to highways, the airport and downtown Portland-the region's largest business center. It is particularly strong as a retail center anchored by the Maine Mall and has the region's second largest concentration of office space. However, it faces some market challenges with a limited supply of land, outdated industrial buildings, and several unattractive gateways and commercial areas.

Conclusions and Implications

South Portland has a large and diverse economic base with strengths in retail, finance, corporate headquarters, administration and waste services, and education. Its highly educated workforce with a concentration in professional and management occupations and increasing self-employment are additional strengths. However, the city's overall employment and tax base have not kept pace with growth in the Greater Portland region and the neighboring communities of Scarborough and Westbrook, which experienced robust growth. South Portland's success in capturing regional growth industries is mixed: it has performed well in health care, finance, corporate headquarters, and transportation and warehousing, but has lagged regional growth in Accommodations and Food Service, Arts and Entertainment, and Real Estate. It also incurred steeper losses than its neighbors and the region in Construction, Manufacturing and Retail.

South Portland's population grew 7% over the past dozen years, on par with Cumberland County, but its composition has changed. The city's renter households and persons living in poverty increased at far greater rates than Maine and Cumberland County. At the same time, it has seen a large jump in households earning over \$100,000 as well as residents 55 to 64 years old.

These trends have two important implications for South Portland. First, the city needs to work proactively to influence future development trends. With business growth shifting to suburban communities and urban investment concentrated in Portland, South Portland cannot expect to gain its share of regional economic development by waiting for investment to come to the city. Second, the city's changing economic base and growth in the city's low-income population necessitate greater city engagement in workforce development both to improve resident employment and earnings and to ensure employers have a well-trained workforce with appropriate skills.

Section Two: SWOT Analysis

The consultant team prepared an analysis of South Portland's Strengths, Weaknesses, Opportunities and Threats (SWOT) to better assess factors shaping the city's economic development strategy and to connect strategy choices to specific assets, liabilities, opportunities and risks. The SWOT analysis draws on information from the following sources:

- City and regional demographic and economic trends;
- Local and regional real estate market conditions;
- Interviews with a diverse group of residents, businesses, developers, real estate professionals and civic leaders;
- Resident survey results; and
- Consultant observations.

Figure 16 summarizes the SWOT analysis results. This section highlights key findings under each category and then discusses key implications for the economic development strategy.

Figure 16. SWOT Analysis Summary

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 estate market
Development of underutilized 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

South Portland's Economic Development Strengths

South Portland possesses key strengths that provide a strong foundation for future economic and community development. These assets fall within four categories:

Economic Base. South Portland has a diverse economy with strong retail, health care, corporate headquarters and financial sectors making it the region's second largest employment center. The Maine Mall's role as a major shopping destination attracts many shoppers, visitors and other businesses to the city. Moreover, the city's well educated workforce with skills across diverse occupations means that employers can obtain needed workers and supports resident incomes.

Location and Infrastructure. South Portland is centrally located and well served by multi-modal transportation infrastructure. The eastern side of the city is a short distance from downtown Portland and has water port infrastructure. The western part of the city has excellent interstate highway access with several direct exits along I-95 and I-295, and is adjacent to Portland International Jetport. Finally, there is rail service to part of the waterfront and industrial areas.

Quality of Life and Amenities. Many stakeholders and residents emphasize South Portland's excellent quality of life and amenities that include its waterfront, recreational parks, trails, and facilities and its attractive neighborhoods some of which have local commercial areas.

Effective Local Government Services. Businesses and residents report that the city's core public services, including fire, police, and public works, are high quality while its procedures and staff assistance for business and development permitting are viewed as efficient and professional.



Willard Square; Source: Karl F. Seidman

Weaknesses and Barriers to Economic Development

South Portland's potential to capitalize on its strengths is impaired by several weaknesses that cut across four main areas:

Economic Performance. South Portland has had little new job growth over the past decade. Its growth has not kept up with the Greater Portland region, with most growth occurring in neighboring Scarborough and Westbrook. Furthermore, the city lost jobs in parts of the service sector that are growing regionally, including accommodations and food service, real estate and arts and entertainment. Another economic concern is the growth in the city's low-income population over the past decade.

Land and Physical Conditions. Several land and physical conditions are weaknesses and pose barriers to further economic development: (1) the city's supply of market-ready land to house new business growth is limited; (2) opportunities at several key sites are affected by property owners that are not actively pursuing their highest and best use; (3) many existing and vacant industrial properties are poor quality and outdated; and (4) historic industrial and auto-oriented development has resulted in unattractive gateways to the city and commercial areas.

Image and Perceptions. Stakeholders raised several perceptions of South Portland that pose barriers to economic development. First, the city's image is often tied to its industrial history and as home of The Maine Mall, neither of which reflect the diversity of South Portland's economy and neighborhoods. Second, some residents distrust the development permit process and view it as lacking in transparency. Finally, the city may be perceived as less welcoming to new businesses and development due to recent conflicts over city policies and local impacts from development.

Economic Development Capacity. A key weakness for South Portland is its limited staff and organization capacity for economic development with what is essentially a part-time position. Unlike other communities in the region, South Portland lacks full-time staff and a dedicated economic development office or organization.



Outdated Industrial Space Near Rigby Yards; Source: Karl F. Seidman

Economic Development Opportunities

A combination of regional economic development, market trends and local assets create opportunities that South Portland may be able to capitalize on in its economic development plan.

Regional Economic Opportunities. With close proximity to Portland, South Portland may benefit from spillover business growth and emerging entrepreneurial activity. South Portland has advantages with an easier licensing process and lower rents than downtown Portland. Mill Creek and Knightville, especially, may benefit from this proximity. Second, growing regional industries, such as food production, health care, professional and technical services, restaurants, and corporate headquarters are generating business and job growth that South Portland can work to attract. Finally the region's tourism activities and destinations provide a large base of visitors that can provide a market for South Portland businesses.

Market Trends. Three market trends create opportunities for South Portland. First, the growing demand for more urban mixed-use and pedestrian-oriented communities supports redevelopment plans for the Mill Creek area and can support continued vibrancy and expansion with the city neighborhood commercial areas. Second, the region's tight industrial real estate market can support new investment and redevelopment in the city's industrial zoned areas, such as around Rigby Yard. Third, the growing higher income and baby-boomer segment of South Portland's population provides a market for local businesses and might also support new higher density housing development.

Local Economic Development Assets. Two local assets pose special opportunities to impact economic development: (1) underutilized properties and potential redevelopment sites, especially those in strong locations and existing economic centers; and (2) the educational and training resources at Southern Maine Community College.

Threats Facing South Portland

Several threats emerged as especially relevant to South Portland and important to address in its economic development plan. First, the city faces increasing competition for new businesses and investment from other communities in the region. Many communities have full-time staff and greater economic development capacity to market their community, support the start-up and growth of local businesses and assist firms and projects searching for a new location. Second, the city's political climate poses a threat to the long standing perception of South Portland as a desirable place for businesses to locate. With increasing conflicts over business and development proposals and debates over state and national policy issues influencing decisions on local projects, South Portland is at risk of being viewed as a difficult city in which to start, grow or locate businesses. Third, the city's fiscal capacity and balanced tax base, with a large non-residential component, is weakened by the recent stagnation in its property tax base. Furthermore, the importance of several large properties and companies to non-residential taxes is an additional threat, highlighted by questions over the future of a large semiconductor manufacturing plant with the pending acquisition of Fairchild Semiconductor by ON Semiconductor. A longer term threat is posed by the continued growth in on-line retailing and new retail formats that may impact South Portland's shopping center-oriented retail base.



Maine Mall and Surrounding Businesses; Source: City of South Portland

Implications for South Portland

While South Portland has significant strengths and faces several promising market and economic opportunities that it can tap to advance its economic development goals, the city needs to overcome key weaknesses and barriers. As part of the Greater Portland regional economy, South Portland also needs to align its strategies with regional priorities, strengths, and growth opportunities and more effectively position itself as a competitive city to start, grow and locate a business. This necessitates stronger branding, more proactive efforts to retain and grow existing businesses and attract new firms and foster entrepreneurs, and an investment in greater local economic development capacity. With the recent increase in the poverty rate, the difficulties employers face in finding workers, and the increasing importance of workforce skills for economic development, South Portland needs to be more engaged in tapping the significant resources at SMCC and its local school system to address resident and employer workforce development needs. Through addressing its threats and weaknesses and capitalizing on its strengths and opportunities, South Portland can position itself to fully benefit from the next wave of economic development and continue to improve the quality of life for its residents.

Section Three: Economic Development Plan

South Portland's aspirations and challenges have changed in recent years. This economic development plan was formulated to address these changed conditions and advance shared community goals in the realm of business growth, non-residential development and resident employment. It complements other city efforts to maintain and improve the quality of life, environment and services for its residents.

The plan's focus and content is driven by shared economic development goals for South Portland that emerged from commonalities expressed in stakeholder interviews, a resident survey and community workshops. These goals reflect a desire for more strategic and intentional economic development that improves South Portland in multiple ways: adding to the tax base, increasing good paying jobs, improving the city's image, appearance and physical environment, advancing the vision for a greener, mixed-use and denser Mill Creek and reversing the recent increase in poverty. Stakeholders and residents also support a balanced approach to economic development that recognizes the importance of retaining existing businesses while attracting new ones, fostering new enterprise and supporting small businesses along with hosting larger regional and national firms and providing opportunities for residents of varied skills, ages, incomes and backgrounds. Based on these ideas and aspirations, this economic development plan focuses on achieving the following five goals:

1. Grow and retain businesses that create good paying jobs;
2. Expand South Portland's non-residential tax base;
3. Increase employment and reduce poverty among South Portland residents;
4. Activate and (re)develop underutilized properties for more vibrant and attractive economic uses and amenities; and
5. Address employer workforce needs and grow the city's educated workforce.

Along with these goals, the plan strives to address critical challenges that South Portland needs to tackle to be successful in realizing these goals. The challenges that informed the proposed strategies and activities are: (1) updating South Portland's image to reflect the diversity of its economy, workforce, and neighborhoods; (2) reversing recent economic trends to benefit from the region's growing industries and entrepreneurial activity; (3) more effectively engaging and capitalizing on the city and region's resources for economic development; and (4) creating local capacity to undertake a more sustained and diverse economic development program to help shape the city's economic future.

A set of four complementary strategies are proposed to advance the five goals:

1. Business Retention and Attraction
2. Entrepreneurial and Small Business Development
3. Workforce Development and Employer Connections
4. Advance Development of Underutilized Properties

A new South Portland Economic Development Corporation is also proposed to add capacity and oversee implementation of the plan. Figure 17 provides a graphic representation of the Plan goals and strategies. The balance of this section is devoted to detailing the rationale and components of each strategy.

Figure 17. Economic Development Plan Goals and Strategies



Strategy One: Business Retention and Attraction

Strategy Context and Goals

South Portland's businesses – small and large – are the backbone of its economy. Ranging from restaurants and service providers to semiconductor manufacturers and corporate headquarters, South Portland's employers are among the greatest assets of the city. In past decades, the city has realized business growth without proactively marketing the city, but its growth has slowed in recent years while other communities are attracting more development and actively seeking businesses. South Portland's assets and advantages as a business location are not always readily recognized, and may be overshadowed by Portland's centrality in the region and marketing efforts by other communities.

Within the city, a great appetite exists to nurture, retain, and grow South Portland's business base. Ensuring that current South Portland businesses continue to thrive creates stability in the tax base and employment in the community. South Portland is additionally becoming more intentional about the type and form of new business it seeks to attract, as well as the desired location for new businesses, in order to advance the city's vision and development goals.

To address the complementary goals of retaining and attracting businesses in and to South Portland, this strategy includes activities that advance three supporting goals:

1. Improve South Portland's image and recognition as a great city for businesses to locate, and grow;
2. Attract a larger share of the region's business growth; and
3. Retain and grow existing South Portland businesses.

Strategy Components and Activities

Six key components with supporting activities comprise this strategy to provide a holistic approach to business retention and attraction. These component activities can be considered standalone or as a set, and are designed to work together to mutually support strategic goals. Certain activities can begin immediately, while others may take more time to establish.

Establish a Business Retention Program

This program works to identify current businesses in need of assistance (i.e., new space, permits, employee training/hiring, etc.) and provide follow-up referrals and technical assistance. The program includes:

- *Establish a business visitation program*, conducting regular (ideally annual) visits to businesses to: inform them of city and economic development services; listen to businesses to identify any problems, needs or challenges they are facing; continue to build relationships between the city and the business community. The visits would be made by a combination of Economic Development staff and trained volunteers. Since it is impractical to visit every business each year, visitation priorities would be established based on reaching a diverse mix of large and small businesses and industries, newly established firms and businesses that may be considering relocation or faced with special challenges, based on information from the media or the city's economic development network.

-
- *Economic Development staff follow-up* with businesses identified by visits or other information to connect them to appropriate assistance, provide guidance on the process to expand on-site or help find new space in South Portland. This assistance would also draw on the knowledge and relationships developed by the Small Business Ambassador discussed in the next strategy. Staff would also cull information gained from multiple visits and contacts to identify any emerging issues, problems or opportunities that might require broader citywide or regional action.
 - *Promote events for business networking* to create tangible opportunities for collaboration. Co-sponsored by the Chamber of Commerce and Economic Development Committee with city support, events ranging from business breakfasts to an annual South Portland business holiday mixer promote business-to-business connections, sector growth, and demonstrate a commitment to a positive business environment. The events can also be used to highlight business and workforce development resources and key economic development initiatives.



Fairchild Semiconductors Plant in South Portland; Source: Karl F. Seidman

Next Stage Business Center

A Next Stage Business Center would provide a home for growing businesses looking to move out of their home, garage, or start-up location into a more established environment. In addition to space, the center would provide modest financial assistance for physical space improvements, hold periodic workshops and networking events, and provide an onsite business counselor on a regular basis (e.g., every other Friday) to provide management assistance. This center would be a partnership between a local property owner, the newly proposed South Portland Economic Development Corporation and the Small Business Development Center or other business technical assistance providers. Key steps include:

- Secure a physical location willing to host the Next Stage Business Center, ideally with a long term lease. This will likely involve working with an interested property owner who has a vacant building or space and wants to attract growing businesses that are moving out of their homes.
- Determine structure for business support services, including a counselor from the Small Business Development Center (SBDC) or SCORE, workshops or networking events, and other services as needed.

Develop South Portland Branding and Value Proposition

To directly address South Portland's visibility within the region and perceptions of its business climate, the city Economic Development Committee will create a refreshed brand for South Portland that clearly articulates its value proposition for businesses. Important components of the new brand include:

1. a vibrant, successful and diverse business community;
2. a faster, easier and "customer-focused" process to get a business established;
3. excellent government services;
4. access to a highly educated workforce and training resources; and
5. a city with desirable neighborhoods and high quality of life for employees.

Implementation of new branding includes: developing a new slogan/motto and logo for the city's economic development activities and proposed economic development corporation; creating updated outreach materials to the business community; repositioning economic development activities on the city's website so that they are more visible; and sharing pro-South Portland communication guidelines with the Chamber, all city staff, and any organizations working on economic development initiatives with the city.

Market South Portland

Actively market South Portland to the regional business community and real estate industry as a great location to locate, grow, and thrive through numerous outlets: (a) a website oriented toward business attraction and selling the city as a business location; (b) profiles and testimonials from diverse businesses; (c) press releases and coverage for new business openings, locations and expansions; (d) social media posting, news and announcements. These advertising activities will demonstrate that South Portland is open for business, attuned to the needs of private enterprise, and will highlight the ongoing activity of South Portland's local economy. The marketing campaign will be overseen by the South Portland Economic Development Corporation and utilize the refreshed brand.

Engage with and Advocate for New Businesses

Provide information and guidance to new businesses and economic development projects seeking to locate in South Portland, aligned with retention and expansion services provided to existing firms. Ensure that prospective businesses have access to economic development technical assistance and support services, relevant information, and guidance from the appropriate city staff and/or Economic Development Committee as necessary. Selectively advocate for firms or projects that maintain important economic development value and impact aligned with the city's vision and economic development agenda.

Maintain Available Space Inventory

Maintain an inventory of all vacant commercial and industrial building space and land available for lease and sale. Make businesses seeking new space aware of the available options in South Portland (via web, print media, or other methods) and connect them to real estate brokers and property owners. Differentiating South Portland properties – and the advantages of doing business in South Portland – from other locations in the region, along with an accurate list of available inventory will support businesses looking for space in the region and help to attract them to or retain them in South Portland. To ensure complete and up-to-date information on available properties, South Portland economic development staff should consider joining the New England Commercial Property Exchange.

Participate in Regional Economic Development Efforts

Engage in regional business, real estate, and economic development planning activities and organizations to both create a higher profile for South Portland and be up-to-date on trends and opportunities. Participation ensures a seat at the table for South Portland, and an opportunity to partner with its regional allies while considering how to capitalize on regional resources and initiatives to grow its economy and enhance its unique strengths.

Strategy Two: Entrepreneurial and Small Business Development

Strategy Context and Goals

Entrepreneurs and small businesses are a vital part of the South Portland economy and creating an entrepreneurial culture and supportive ecosystem for business creation and growth will help to diversify and grow the city's economy. Moreover, nurturing small businesses, which are often locally owned, contributes to community wealth creation and enhances some of the quality of life amenities sought by South Portland residents, such as restaurants, cafes, and entertainment venues.



"CIA Café" in Knightville; Source: Karl F. Seidman

A key asset for South Portland is the wealth of entrepreneurial and business development resources that exist in the region among colleges, universities, business associations, non-profit organizations, financial institutions and experienced business owners. However, it can be difficult for entrepreneurs to navigate this array of services and get connected to the most appropriate resources. These resources also are concentrated in Portland which can result in South Portland being overlooked or not seen as a priority area for these programs, making accessibility more challenging for South Portland businesses.

Finally, while the Portland region is gaining increasing recognition as an emerging entrepreneurial center, this recognition does not always carry over to South Portland. The city's image is often associated with the Maine Mall, large firms in this part of the city, or the industrial waterfront rather than being widely viewed as an entrepreneurial center and good place to start and grow small businesses.

To address these conditions, this strategy combines activities to advance four goals:

1. Increase new business creation in South Portland;
2. Increase the survival rate and growth of South Portland small businesses;
3. Strengthen the city's entrepreneurial culture and support system; and
4. Build South Portland's identity as a good place to start and grow a business.

Strategy Components and Activities

Seven activities are included in this strategy to provide a multifaceted and comprehensive approach to entrepreneurial development. These components will need to be phased in over several years (proposed phasing is found in the plan's implementation section) and adapted and refined over time based on experience and learning gained from their implementation and feedback from entrepreneurs.

Small Business Ambassador

Designate an economic development staff person to become an effective ambassador and bridge to regional small business resources. The city's Economic Development Director or the Executive Director of a new South Portland Economic Development Corporation is the appropriate person to serve as the ambassador. Key tasks and functions for the Ambassador include:

- develop knowledge and relationships with entrepreneurial and small business development organizations in the region and state (see Table 12);
- make introductions, referrals and follow-up to connect South Portland entrepreneurs and small businesses to the right resources;
- publicize and market entrepreneurial and small business development services and especially new initiatives to South Portland businesses; and
- assist entrepreneurs and new businesses in finding appropriate space and secure required city licenses and permits to establish their enterprise in South Portland.

Table 12. Regional Small Business Development Resources

Organization	Fund/Program Name	Location	Program Summary/Services	Targeted Businesses	Contact Info
Coastal Enterprises, Inc.	Women's Business Center	2 Portland Fish Pier, Suite 201, Portland, ME 04101	SBA funded center to provide counseling, training, networking and other assistance to women business owners	Women-owned businesses	Sarah Guerette: Program Director, sguerette@ceimaine.org, 207-535-2914
Coastal Enterprises, Inc.	Start Smart	2 Portland Fish Pier, Suite 201, Portland, ME 04101	Business development program for refugees and immigrants with business planning and counseling, help securing financing and an IDA saving program	Immigrant and refugee owned businesses	John Scribner, 207-775-1984, startsmart@ceimaine.org; jscribner@ceimaine.org
Coastal Enterprises, Inc.	Small Business lending and equity investing	2 Portland Fish Pier, Suite 201, Portland, ME 04101	Provides loans,, including SBA financing, venture capital and equity financing. Has targeted loans programs in several sectors	Small businesses; targeted programs for: energy, environment, agriculture, immigrants and refugees, healthy food, childcare, waterfronts and fisheries	Michael Finnegan, Senior Vice President, Lending, or call us at 207-882-7552; mfinnegan@ceimaine.org
Maine Angels		Statewide	Network of accredited angel investors seeking to invest in Maine early stage growth companies	Start-up and early stage ventures	contactmaineangels@gmail.com
Maine Center for Entrepreneurial Development	Top Gun Accelerator Program; Table Talk Workshops; Lunch and Learn Talks, MCEONLINEU.com	30 Danforth St., Suite 216, Portland, Maine 04101	Coaching, workshops, networking events, mentor network and on-line course. Top Gun .5-month accelerator program with mentoring and biweekly meetings.	Growth oriented Entrepreneurs	
New Ventures Maine	Statewide	NVME 175 Main Street. South Portland, Maine 04106	Training for career development, financial education and business start-up. Mini grants for business marketing	Individuals facing barriers to work, creating a business or reaching other personal goals	Guyton, Gigi, Regional Manager Southern Maine, 207-799-5025, gigi.guyton@maine.edu
Scale-Up Portland	One of 8 regions selected by SBA for Scale-Up America	Southern and Central Maine	Launched in 2014-targeted assistance to help existing firms grow via executive training, coaching, peer mentoring		Gerry Brown, gbrown@supplychainsolutions.com, 617-803-7822
SCORE-Portland		100 Middle Street, Portland, ME	Individual mentoring and workshops by retired business executives	Small Business	207-772-1147 Email us at info@scoremaine.com
SMCC	Entrepreneurial Center	South Portland	Assists SMCC students and alumni to start and grow small businesses via courses, technical assistance and incubator space.	SMCC students and alumni	Michelle Neujahr, 207-741-5936 mneujahr@smccME.edu
Start-Up Portland			Network/community of entrepreneurs with website, email newsletter, personal welcomes and connections	Start-ups	
University of Maine	UMaine Business Challenge	Statewide	Annual Business Plan Competition for higher education students	Student entrepreneurs	umainebusinesschallenge@gmail.com
USM	Campus Ventures	Statewide	Assists USM faculty and Maine firms bring a project from a late-stage concept to a market-ready or near market-ready level via product design, development, engineering and manufacturing process services	Technology-based businesses	Gregory S. Cavanaugh, Program Manager: gcavanaugh@usm.maine.edu 207-749-1478
USM	Center for Entrepreneurship	Statewide	Non-credit courses, workshops and research projects to support small business. Hosts a Student Business Plan Competition. Courses include Fast Track New Venture, Listening to your Business and Fundamentals of Marketing		Valarie C. Lamont, Director, (207) 780-5919.
USM	Maine Center for Business and Economic Research	Wishcamper Center, 3rd floor, 96 Falmouth Street, Portland, ME 04103	Provides applied research and technical assistance to economic development districts, not-for-profit organizations, businesses and individuals		Matthew Dean, Director, matthew.dean1@maine.edu
USM/SBA	Small Business Development Center	55 Exeter St PO Box 9300 Portland Maine 04014	SBA and state funded program that provides training and free individual counseling to support the start-up and growth of small businesses	Micro, small and technology-based businesses	Mark Delsie, Director, 207-780-4949

South Portland Business Awards Program

Establish an annual awards program to recognize and encourage local entrepreneurship, sustainable practices and local hiring. These awards will increase local and regional recognition of entrepreneurial activity in South Portland. They also will serve to highlight successes and role models to encourage new entrepreneurs and new practices among existing businesses. An awards program could be undertaken either as a joint program with the Cape Elizabeth/South Portland Chamber and Buy Local, or as part of an annual event held by the city or the economic development corporation to publicize and promote South Portland's economic development successes and plans. Award winners would be publicized regionally to increase awareness of the city's entrepreneurial activity and highlighted within South Portland to promote local pride and purchasing.

Identify and Support Aspiring Entrepreneurs

An important part of fostering entrepreneurs is identifying local residents and informal entrepreneurs who are interested in starting a business and connecting them to appropriate training and assistance. This should be done proactively to ensure aspiring entrepreneurs do not fall through the cracks and to nurture a local entrepreneurial culture through two initiatives:

- Provide on-going information and promotion about the opportunity to start a business, and make support available with follow-up and referrals to aspiring entrepreneurs who come forward. Promotional activities can include: information on a city economic development website; social media posting and blogging (e.g., around new business openings); fliers at key community gathering places; information sessions at major community events and/or with key programs or groups (e.g. Propel, SMCC Entrepreneurial Center, etc.)
- Hold an annual "start-up" campaign, perhaps in conjunction with Start-Up Portland week, to identify, encourage, and connect existing and aspiring entrepreneurs. This would be a more intensive effort with multiple volunteers and groups working to get aspiring and new entrepreneurs to participate in activities during the week and ultimately connected to resources to start a business. One outcome of this effort is creating a database of residents and informal entrepreneurs seeking to establish or formalize a business to stay in touch with over the year and ensure they are connected to appropriate support.

Expand Access to Regional Business Assistance

Several actions can be taken to expand access to business development services within South Portland. Despite South Portland's proximity to Portland, traveling to Portland can be a barrier to accessing services for small business owners who often devote long hours to operating their businesses. Secondly, South Portland is not always on the radar screen of business development programs so they may not be as actively marketed in South Portland. The economic development plan can address these barriers by bringing programs to South Portland and proactively working to connect them to South Portland businesses through the following activities:

- Work with the regional Small Business Development Center (SBDC) to hold regular office hours at one or more South Portland locations. The SBDC is the primary federal and state funded small business assistance program with full-time business counselors that provide one-on-one counseling services to help entrepreneurs

start a business and existing businesses to address various business issues. An arrangement can be made to have a SBDC counselor hold regular office hours in South Portland to make these services more accessible. This arrangement might begin monthly and expand if sufficient demand exists.

- Partner with Scale-Up Portland to recruit South Portland businesses for one of its next cohorts. This SBA-funded program provides executive training, coaching and peer mentoring to support growth among a cohort of existing businesses. Scale-Up Portland recently partnered with several cities and towns to identify businesses for their next cohort. Since South Portland was not a partner community in the past, it should advocate with Scale-Up Portland to have slots in a winter or spring 2016 cohort and then identify local businesses that could benefit from the program.
- Hold periodic information sessions to expose South Portland entrepreneurs and business owners to key regional programs. This allows for delivering more detailed and nuanced information on programs and providing a direct personal connection between the entrepreneur and service provider that is valuable in building trust.

Assist Small Businesses in Adopting Sustainable Practices

South Portland has a strong commitment to environmental sustainability and the city government has worked to advance sustainable practices in its policies and operations. Residents also expressed a preference for growing businesses with sustainable practices in the survey conducted for the economic development plan. Some businesses will identify and implement sustainable practices on their own, but others may lack the information, expertise or financing to do so. An assistance program will help enterprises overcome these barriers, especially less resourced small businesses. Four activities to include in this initiative are:

- Work with the city Sustainability Director to develop a sustainable business resource directory for South Portland that includes a sustainable supplier/services directory and sources of information, technical assistance and funding for business sustainability. Much of the information for this directory could be crowd-sourced from city departments, large employers, small businesses, and business development organizations;
- Include a sustainable business award with the South Portland Business Awards program to highlight and promote adoption of sustainable practices;
- Promote the availability of Efficiency Maine programs and USDA funding for renewable energy (available through the Greater Portland Council of Governments) to businesses through the business retention program, Small Business Ambassador and other marketing and outreach around business assistance; and
- Test interest in creating a sustainable business learning network among South Portland businesses. This would include recruiting several business owners and/or managers interested in organizing the network.

Conduct a Feasibility Study to Establish a Food Processing Center or Business Incubator

Shared real estate facilities with targeted technical assistance and coaching are an effective way to launch and grow new enterprises. They reduce start-up and overhead costs, provide an efficient way to deliver assistance and promote peer learning and networking among entrepreneurs. Two options for such a project include: (1) a food processing center to support start-up and expanding food manufacturers; and (2) a general small business incubator for start-up businesses. A food processing center would build on the region's growing entrepreneurial activity around food products and align with the federally funded Greater Portland Sustainable Food Production Cluster initiative. A recent inventory identified 192 food producers and processors in the Greater Portland

Region with 22, or 11% located in South Portland. A food processing center would expand the city's position in this important industry cluster. A business incubator would not be targeted to any specific industry or business type but would provide valuable support to new enterprises, contributing to growing new enterprises in South Portland and enhance the city's image as a place to start a business.

The soon to be vacant city public works building is a possible site for one of these projects. Having an available property is a key first step to advance this project but a more detailed feasibility study is needed to ascertain if one or both of these projects are feasible and what funding and other resources are needed for their success. These projects can be challenging to implement, have specialized capital and operating costs and often need some level of subsidy to be viable. Furthermore, a careful assessment of the market support for a food processing center is needed as there are plans for a FORQ Food Lab food processing center in Portland's West Bayside area and an existing shared commercial kitchen in the basement of the Public Market House in Monument Square. The study could also consider whether both projects can be combined into a single building, as have been done at the Franklin County Venture Center in Greenfield, Massachusetts.

Support Organization to Promote and Improve Commercial Districts

South Portland neighborhood commercial districts are assets that contribute to the city's quality of life and distinct character. Their vitality and continued improvement is a goal in the 2012 Comprehensive Plan and opportunities exist to attract shoppers and visits from across and outside the city to expand their market. While the city has made physical improvements to several districts and some business owners have taken initiative on their own, there are limited organized efforts within these districts among businesses, property owners or residents to promote the districts, improve the pedestrian experience and beautify them. The city Economic Development Director and Economic Development Committee can convene business owners in each neighborhood commercial district, working with Buy Local and the Cape Elizabeth/South Portland Chamber, to gauge their interest in working together to promote and improve their commercial area. Where there is interest, support can be provided to help them create an informal group or formal association for their business district. As both an incentive and resource for the commercial district groups, a small fund can be established to provide small grants for improvement projects, promotional activity and community events. If multiple groups are established, occasional (e.g., quarterly) meetings can be held among the groups to share experiences and best practices and explore joint activities (e.g., a multi-district shopping crawl or dine South Portland promotion).



Ocean Street Commercial District in Knightville; Source: Karl F. Seidman

Strategy Three: Workforce Development and Employer Connections

Strategy Context and Goals

The availability of a strong workforce across all levels that is matched to employer needs is critical to supporting South Portland's employers, and in turn, a strong local economy. Additionally, training and other workforce development services can help increase employment and earnings for residents, especially the city's growing low-income population. Employers seeking a variety of skills from entry level staff at retail businesses to advanced technical positions in STEM industries rely on the city and the greater Portland region to aid in building a ready workforce. Local businesses must be able to fill positions with quality employees to remain competitive in their respective industries. Utilizing and further developing the workforce development and job training resources available for employers through Southern Maine Community College (SMCC) and other institutions of higher education – all true assets for the region and South Portland – will aid South Portland in maintaining a healthy pipeline and trained workforce for the future. South Portland's employers and residents are not always taking full advantage of the resource available through SMCC and other institutions.

The workforce in South Portland will come from a variety of places, and without creative and purposeful action, the city and its employers will miss an opportunity to include several important segments of the population: low-income residents, immigrants learning English or disconnected from the workforce, and dislocated or older workers who need new skills to adjust to the changing economy. This population needs support from training and service providers who offer contextualized and bridge services to employment, and represents a key opportunity for employers to access a workforce for key positions that are currently going unfilled. It can be a challenge for both employers and residents to connect to necessary service providers; most of them are located in Portland, which serves as the hub for the region.

South Portland's younger population, specifically its high school and college-age students, are another key segment of the community that can be better leveraged. While Portland is becoming well-known and sought after as a place for younger residents to work, South Portland may be missing opportunities to connect to the next generation of talent. Developing specific strategies to include area youth and connect them to South Portland's many employers will generate both an immediate and long-term pipeline of internship and employment candidates.

To address these conditions and generate increased opportunities, this strategy combines activities to advance four goals:

1. Prepare South Portland's residents for available job opportunities, now and in the future;
2. Ensure that all residents are included and able to obtain job training and preparation services;
3. Support South Portland's business community and employers by developing its workforce, through contextualized training and curriculum;
4. Increase collaboration among South Portland's employers, educational institutions, and service providers, with respect to workforce development services.

Strategy Components and Activities

Three activities are included in this strategy to provide a multidimensional and complementary approach to workforce development that integrates programs for both employers and individuals in need of services. Program components may be phased in over time – some components are easier to address and can be acted on immediately, while others involve greater collaboration across several entities and may require raising funds.

Train and Employ Low-Income Residents via Employer and Service Provider Partnerships

Create partnerships between employers and service providers to train and employ low-income residents. This can be most readily achieved through partnering with the successful Portland Jobs Alliance, a multisector collaborative that provides employment services to promote access to jobs and training for low/moderate income job seekers and to meet businesses' hiring needs by developing contextualized job training and referral services. The Portland Jobs Alliance currently operates only in Portland, and is only funded to operate in Portland. South Portland should seek to raise funds or reassign existing funds to support an expansion of the Portland Jobs Alliance so that it may increase its services to include South Portland employers and job seekers and potentially serve employers outside the hospitality industry. If expansion to South Portland is successful, the initiative can be further expanded to the region.

To date, the Portland Jobs Alliance has taken a sector-focus in its work to serve the growth in hotels. The expansion to South Portland should continue with a sector approach, but may need to expand beyond hospitality to include retail – two immediate needs for South Portland employers.

Establish Partnerships between SMCC/Educational Institutions and Employers

Connecting new and existing employers to training and educational resources at SMCC and elsewhere is a key component of a workforce-employer strategy. Through its various certificate, two year, and employer-focused customized training programs, SMCC offers an array of opportunities for employers and job seekers alike that can serve to strengthen the workforce and the competitive advantage of South Portland's employers. Specialized curriculum and training programs can be designed to employer specifications, and should be done proactively. In addition to SMCC, workforce partners such as Coastal Counties Workforce Inc. (CCWI), which is the region's Workforce Investment Board (WIB), seek to become further connected to employers in key sectors and can provide assistance in matching training dollars to employer needs as available. Several activities will initially support the partnership component of the workforce strategy:

- Create a direct bridge and connection between South Portland's Adult Basic Education (ABE) and English as a Second Language (ESL/ESOL) program graduates and SMCC's course offerings to provide continuity in educational opportunities and a career pathway. Each year, the school department serves 50 adults in its ESL program and another 20 adults in Adult Basic Education leading to a high school equivalency diploma. However, no formal connection is currently made to help these students understand and access SMCC programs. This could be readily done by providing information on SMCC programs and having a college representative come to one or more ESL and ABE classes to discuss their programs and services. School department and/or SMCC staff could then follow-up to advise interested individuals on their best options and financial aid resources. In so doing, disadvantaged populations who might be "lost" or least likely to connect to these resources will be directly connected to training opportunities aligned with employment needs.
- Develop curriculum and training specific to employer needs at SMCC, USM, PATHS, and other educational and training providers as appropriate. A first step to pursue these opportunities is for the South Portland Economic Development Committee to convene a meeting with key department heads and curriculum/training designers and employers to discuss emerging training needs, potential curricula and training to address them, and determine priorities for new education and training initiatives. Several sessions will likely need to be organized around specific occupational or industry clusters (e.g., health care, information technology, etc.)

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- Participate in the CCWI's emerging sectoral workforce initiatives around Finance and Transportation/Logistics. This regional workforce agency has targeted these two sectors for creating career pathway programs in the Portland area. Research and planning for these programs is in the early stages. Given the importance of both sectors in South Portland, the city and its economic development staff can track these efforts and ensure the needs of South Portland employers are addressed in the program design, and that they are connected to and benefit from any programs that are implemented.
 - Connect CCWI's disadvantaged youth program to the entry level vacancies at the Maine Mall seen by specific employers. CCWI contracts with Goodwill to provide entry level training to disadvantaged and out-of-school youth. This program has targeted retail jobs and had a successful partnership with TJ Maxx in South Portland. There is interest in adding employers in this program so it can be a good fit to help address hiring need among stores at the Maine Mall.

High School/College Graduate Retention Initiative with Local Employers

As South Portland employers look to the future, they are eager to ensure that they can draw on the best talent pool. Across Maine, communities including South Portland are eager to retain their youth, and to ensure that those graduating from high school, college, and career and technical training programs are just as eager about the opportunity to work in their hometown. This initiative involves a continuum of activities whereby the business community connects with South Portland youth during high school and college to support their career development and expose them to the opportunity to work and live in South Portland following their graduation. It demonstrates local businesses' commitment to the success of South Portland's young adults and builds connections to encourage their return to the community to provide the next generation of the workforce. The proposed set of activities includes:

- Support and expand current well established programs at South Portland High School connecting students to local companies via an internship program and employer visitation days. The South Portland/Cape Elizabeth Chamber is already involved in helping the High School secure internship slots with local employers. The South Portland Economic Development Committee and Corporation can be an additional partner to expand these opportunities for students in high growth industries, including STEM-oriented ones, and with small businesses and entrepreneurs.
- Hold a financial aid support day. Sponsored by the Chamber of Commerce and the Economic Development Corporation, staff and business volunteers would help local South Portland parents and students fill out their college financial aid paperwork and college applications. This early engagement with students demonstrates that businesses in the city are invested in the future success of its students, exposes students to the businesses who participate, and further builds the relationships among educational institutions, businesses, and the future workforce.
- Connect with high school seniors in their final term through an event that celebrates their graduation and provides them information on job and college internship opportunities with local companies. This event would be cosponsored with the South Portland/Cape Elizabeth Chamber of Commerce and South Portland High School.

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- Develop a partnership with Propel to strongly engage college students currently enrolled at SMCC, USM, Bowdoin College, and other Maine institutions to create a networking program with the explicit purpose of attracting and retaining these students to South Portland and area businesses. An initial focus of this effort would be to connect with college students working in summer internships with South Portland employers to promote living and working in South Portland upon graduation. Potential activities could include summer happy hours with speakers from local businesses, tours and “show and tell” events at key employers, industry skills training sessions, interviewing and other networking support, and providing connections to existing resources such as the Innovate for Maine and Project>Login’s internship programs.



South Portland High School; Source: City of South Portland

Strategy Four: Advance Development of Underutilized Sites

Strategy Context and Goals

A supply of market ready real estate suitable for business use is vital for new businesses and to support the expansion of existing firms. South Portland, however, is largely developed with a limited supply of land zoned for industrial and commercial use. Consequently, a good share of new real estate supply for economic development will need to come from the reuse and redevelopment of existing under-utilized property (see Figure 18). Several of these underutilized sites are on or near the waterfront, including the Cacoulides property near Bug Light Park and the Aspasia Marina. Since waterfront sites are a special community asset and a high priority area for economic development from the resident survey and stakeholder interviews, they warrant special attention and efforts to promote reuse in a manner that capitalizes on their economic potential and enhances their value as a community amenity. The Clark Pond Plaza, with its growing vacancies and need for renovations, is another important underused site. Other sites, such as vacant land sites offered for sale are less complex and could be marketed through the Business Attraction strategy. Finally, implementation of the Mill Creek redevelopment plan and creation of a more attractive, denser and pedestrian-oriented mixed-use downtown is a key part of stakeholders' vision for South Portland's future and cited as a priority area for economic development among 68% of surveyed residents—far higher than any other area. Although the Mill Creek Master Plan has been approved and zoning in support of the Master Plan is being developed, redevelopment still faces significant obstacles: financial feasibility of redevelopment, developer capacity, acquiring and combining sites into development parcels and addressing the current leases and space needs of existing businesses in Mill Creek. Additional city policies and actions will likely be needed to overcome these obstacles.

Figure 18. South Portland Key Economic Centers and Major Underutilized Parcels



For all these reasons, South Portland needs to work proactively to advance the development of these key under-utilized sites in a manner consistent with the community vision in the Comprehensive Plan and Mill Creek Master Plan. This strategy includes actions, policies and initiatives intended to overcome some reuse obstacles, engage and incentivize property owner action and facilitate desirable new development. Given the nature of the obstacles and longer period needed for redevelopment, this is a long-term strategy. It will take several years and sustained work before successful redevelopment projects come to fruition.

Strategy Components and Activities

Three initiatives are the foundation of this strategy:

1. Create incentives and actively promote implementation of the Mill Creek Master Plan;
2. Engage and assist property owners to plan for and develop other key properties; and
3. Implement zoning changes to concentrate retail and consumer-oriented businesses in commercial centers.

Figure 19. Image of Redeveloped Mill Creek



Source: Milan Nevajda

Implementation of the Mill Creek Master Plan

The Mill Creek Master Plan is based on the expectation that a combination of city physical improvements and zoning to allow higher density development will either convince current property owners to redevelop their property or attract developers to acquire sites and undertake redevelopment. For either scenario to work, redevelopment must be financially feasible and offer a financial return to the property owner or developer. The consultant team completed a preliminary analysis to assess whether current plans appear financially feasible based on development scenarios presented in the Mill Creek Master Plan¹. The results, shown in Table 13, reveal that only one of the four development scenarios appears financially viable; the other three scenarios result in a financial loss in which the developer does not even recoup its initial equity investment in the project. The implication of this preliminary analysis is that the current master plan is unlikely to result in redevelopment without increasing allowable density, providing financial incentives to reduce the developer's equity investment, large increases in real estate prices, or some combination of the three. Consequently, a strategy is needed to address this financial barrier to redevelopment. Key steps to this strategy include:

- Undertake a thorough financial feasibility analysis to understand the financial feasibility of the current Master Plan and the impact of several options to improve financial viability;
- Hold discussions with existing property owners and developers experienced with urban mixed-use redevelopment projects to better understand redevelopment costs, their financial and non-financial considerations in undertaking redevelopment, and what actions would be effective to interest them in undertaking redevelopment.
- Share the results of the financial analysis and developer discussions with key Mill Creek stakeholders, community residents, and city councilors to foster shared understanding of the viability of the current plan and alternatives to enhance its feasibility and identify the preferred options to achieve a feasible plan;
- Update the Master Plan and adopt implementation measures that provide the basis for feasible redevelopment that might include zoning for higher density, reduced parking requirements, a different mix of housing and commercial space, financial incentives through TIF or other means, business relocation assistance or other measures. This step includes city council approval and any required state action, such as for TIF use for incentives.

¹ Development was assumed to be for condominium sales, not rentals, to simplify the analysis. Assumptions include: acquisition costs at current assessed value; demolition at \$10/square foot (sf); other development costs at \$200/sf; projects

As part of a revised Mill Creek Master Plan, South Portland should consider including an option for a “priority development agreement” that would apply to a developer or property owner that gained site control over multiple properties that allows for implementation of a significant portion of the development plan under one project. This agreement might provide a density bonus, financial incentives, permitting of multiple buildings through one process or enhanced public improvements in exchange for advancing major parts of the reuse plan. This approach could help overcome site assembly barriers and lower the costs associated with separate development of several smaller projects. It might motivate a developer or current property owner to undertake the difficult task of combining sites and provide an incentive for other owners to sell since their property could be more valuable under the PDA option.

A second implementation option, if multiple property owners are interested in redevelopment of their properties under the Master Plan, is to negotiate an agreement and process through which these owners jointly offer their sites for sale and redevelopment under a development RFP. The terms of the RFP might include providing existing businesses a first option to lease space in the new development to reduce displacement impacts.

Table 13. Mill Creek Master Plan Scenarios Financial Feasibility Analysis Results

Master Plan Parcel	Development Scenario	Estimated Total Development Costs	Estimated Condo Sales Revenue	Developer’s Net Cash Return²	Internal Rate of Return to Developer
3A Yankee Ford	7,000 SF commercial space and 92 housing units	\$21,662,240	\$25,922,750	\$2,964,373	29.8%
3C Finard Shopping Center	197,500 SF commercial space	\$49,420,055	\$35,550,000	(\$15,647,555)	NA
3D Hinckley-Thomas Block	16,200 SF commercial space and 18 housing units	\$6,133,910	\$5,737,500	(\$683,285)	-33%
4 Cottage and Broadway	20,900 SF commercial space	\$4,738,400	\$3,762,000	(1,164,000)	NA

² Net cash proceeds for developer after repayment of debt and brokerage/other sales costs

Engage and Assist Property Owners

Beyond Mill Creek, there are several less complicated properties under single ownership that have fewer barriers to development. Three particularly important such properties are: (1) the Cacoulides property near Bug Light Park; (2) the Aspasia Marina; and (3) undeveloped sites in the Sable Oaks hotel and office development. Through the economic development plan, the city can take a proactive approach to encourage owners of these properties to pursue development, consistent with the city's vision and plans, and offer assistance to help them prepare and implement positive development plans. These efforts may take time to yield results since they require building relationships and trust between property owners and city economic development staff, understanding the owner's goals and how to align them with desired development outcomes, and finding solutions to development obstacles such as site contamination or real estate development expertise. This work will entail a flexible problem solving approach tailored to each property owner that incorporates some of the following activities:

- Outreach and meetings with property owners to learn about their plans, explain the city's plans and goals and encourage them to work toward development that fits city plans;
- Assistance with preparing plans for site development and reuse, including interpretation and application of city zoning and other regulations and facilitating community workshops and input into development planning;
- Help identifying potential development partners or technical experts needed to evaluate site conditions and development options, prepare plans and undertake development;
- For any contaminated sites, assistance accessing brownfield cleanup funding, including loans available through the Greater Portland Council of Governments;
- Referrals, information and assistance navigating potential financing sources for projects that are ready to move into implementation;
- Information on South Portland's market, assets and workforce and other resources to support marketing and lease-up of the project when it moves into development.

Change Zoning to Concentrate Retail and Consumer Businesses in Existing Commercial Centers

South Portland's existing commercial centers are an economic and community asset. Land-use policies should promote the concentration of retail and customer-oriented businesses in these centers to support their economic health and improve their market position. Since successful retail, dining and entertainment districts thrive on agglomeration, in which having multiple related businesses attracts more customers, it is important to concentrate rather than disperse such uses. Current zoning allows a diverse set of uses in industrial zones that include retail stores, restaurants and other consumer oriented businesses. This policy means that these consumer oriented businesses can operate in almost any area zoned for business use, which has two undesirable consequences: (1) it broadens the range of sites allowable for these businesses and allows industrial areas to compete with existing retail corridors and centers for these businesses. This reduces the need for businesses to locate in the retail centers, potentially weakening market demand for space in these areas; and (2) it allows the scarcer industrial land and buildings in these areas to be used for non-industrial purposes, reducing their potential to support typically higher paying blue collar jobs (as compared to retail and restaurants).

Capacity for Plan Implementation:

Strategy Context and Goals

South Portland will need to invest in expanded economic development capacity to implement the multiple strategies and actions in the economic development strategic plan. For many years, the city did not have any dedicated economic development organization and staff. More recently (about five years ago), the city created a part-time Economic Development Director staff position within the responsibilities of the Assistant City Manager. This part-time position did add to the city's capacity and increased South Portland's engagement and visibility in regional economic development organizations, but it does not provide sufficient staff resources to consistently implement the four strategies within this plan. Without greater economic development capacity, key parts of the economic development plan cannot be implemented due to limited staff time and resources. Initiatives that are less tied to tax base expansion, job growth and local employment or that require considerable time, leg work and coordination to implement are the most likely ones to move to the back burner and not be implemented. These might include programs with high school and college students to encourage them to live and work in South Portland, efforts to support sustainable business practices, work to develop new educational curricula to address emerging employer needs and longer term engagement with property owners to redevelop and reuse underutilized properties.

Two main options exist to expand the city's economic development capacity:

- Create a city economic development office with additional staff; or
- Establish a new non-profit corporation as a public-private partnership.

Several compelling reasons make the creation of a new South Portland Economic Development Corporation a preferred option for the city. The advantages of implementing the plan through a public-private partnership include:

- Cost-sharing for staff and operating costs between the city government and private sector;
- Expanded volunteer and civic participation from engaging business and residents in the governance and activities of the corporation;
- Access to foundation funding and donations that require non-profit tax-exempt status while also accessing government funds through partnerships with the city government; and
- Avoiding real or perceived conflicts of interest that can arise when city staff are working to assist private businesses or advocate for projects; and
- A best practice model established across the country in small to mid-sized cities.

South Portland Economic Development Corporation

Strategy Activities and Implementation

The model for a South Portland Economic Development Corporation (SPEDC) is the formation of a new non-profit corporation that operates as a public-private partnership with shared governance and funding between the city government and private sector. It would be governed by a board of directors that represents city government, businesses, the real estate community, SMCC, and civic groups. The corporation's mission would be to advance the city's economic development and the welfare of its residents. It would serve as the lead organization to implement the city's economic development plan (in collaboration with other parties), track the plan's progress and adapt the plan and its activities over time. Another role for the SPEDC is to be an active participant, connector and voice for South Portland in state and regional organizations and initiatives related to economic development. It would operate with an annual budget of \$200,000 to \$250,000, ideally with 50% from city government funds and 50% from the business community and other stakeholders. Its staff would include two full-time positions: an Executive Director and a second person with administrative, marketing and program responsibilities.

Section Four: Plan Implementation

Each strategy and goal of South Portland's economic development plan is only as strong as the city's ability and will to implement the steps necessary to see those strategies to fruition. Taken together, the four strategies comprising the heart of the economic development plan are a robust set of actions designed to support the city's economy, including its businesses and residents, as it moves forward facing an array of challenges and opportunities. While the strategies and their sub-activities are linked and all of relative importance, we recognize that they cannot all be achieved simultaneously.

The matrices that follow establish a proposed phased implementation plan across each strategy, with a timeline that ties all activities together. As such, the city will begin work in 2016 in each strategy area, but may not achieve full implementation of each strategy until late 2016, or 2017 or beyond depending on the task at hand. Some activities are dependent on the formation of the Economic Development Corporation, but others are independent of it, and are broken out for early action. This timing and phased approach allows the city to move forward in parallel tracks across several initiatives, while being mindful of limited and targeted resource expenditure. Since effective implementation requires tracking progress and adjusting programs over time, this section provides milestones and measures to monitor the progress and results from each strategy and long term performance measures to use in evaluating and adapting the overall economic development plan.

Funding Implementation

Implementation requires identifying and allocating additional funding for new and expanded economic development activities. South Portland can tap four funding sources to address the Plan's staff, project-specific and program related costs:

- Tax-increment financing revenues from the city's ten TIF districts provide a source to fund core economic development staff, incentives to implement the Mill Creek Master Plan and eligible program activities and physical improvements within other TIF districts. This is the most important funding source since it provides a sustainable means to cover on-going staff and other recurring costs. South Portland's TIF fund had FY 2014 revenues of \$3.6 million with an ending fund balance of \$6.5 million.
- Reallocating the business loan fund capital. South Portland has a small business revolving loan fund with just under \$100,000 in capital with another \$100,000 of TIF funds earmarked for this purpose. The loan fund has not been well used in recent years and is duplicative of larger small business loan programs operated by Coastal Enterprises, Inc. and the Greater Portland Council of Governments. Although a one-time source, this funding could be reallocated to fund particular projects such as the Next Stage Business Center, development of the marketing and branding strategy, and neighborhood commercial district initiative.
- Private sector funding and in-kind donations can be an important resource for many of the plan components. The SPEDC is designed to gain private sector financial support for its operations. Sponsorships, donations and in-kind support from local businesses can help underwrite the Business Awards Program, branding and marketing of South Portland, and the High School/College graduate retention initiative.
- Grant funding opportunities. Specific projects and initiatives may align with federal, state or foundation funding priorities. When these opportunities arise, the city and SPEDC may be able to secure funding to plan, implement and/or expand specific projects and programs.

Milestones and Measures for Strategy Launch

For each strategy, striving for key milestones and articulating performance measures is an important part of measuring progress, determining if new approaches are necessary and celebrating success. Since it will take several years for strategies to result in measurable change in economic development goals (e.g., tax base, job growth, poverty reduction, etc.), the initial performance measures relate to success in program implementation and activity levels. Suggested milestones and measures for top level strategies are listed below (see Table 14). These represent a starting point that are best reviewed and adjusted with the city's implementation partners, in part to ensure the necessary data to measure progress can and will be collected.

On a case by case basis, the parties leading implementation of each strategy can set up intermediary milestones, with supporting measures. On an operational basis, these intermediate checks help all partners involved in a strategy know that programs and strategies are moving forward on schedule and that each party knows and is accountable for completing its assigned tasks.

Table 14. Strategy Milestones and Interim Performance Measures

Strategy	Milestone	Interim Performance Measure (Annual)
Business Retention & Attraction	<ol style="list-style-type: none"> 1. Implementation of the business retention program 2. Creation of South Portland branding and marketing launch 3. Creation of Next Stage Business Center 4. Space inventory created and updated 	<ol style="list-style-type: none"> 1. Number of businesses visited Number of volunteers trained and making visits 2. Number of visited businesses provided follow-up assistance 3. Number of businesses and employees retained in South Portland 4. Number of businesses contacted about locating in South Portland 5. Number of businesses and employees assisted in finding space in South Portland 6. Number of networking events held per year and attendees
Entrepreneurial & Small Business Development	<ol style="list-style-type: none"> 1. Designation of Small Business Ambassador 2. Small Business Awards 3. Launch of annual entrepreneur campaign 4. Sustainability Resource Guide created 5. Establish SBDC office hours 6. Complete food processing center/incubator feasibility study 	<ol style="list-style-type: none"> 1. Number of small businesses assisted 2. Number of nominations and attendees for awards program 3. Number of aspiring entrepreneurs identified and referred to assistance 4. Number of new businesses created 5. Number of assistance sessions and informational events held for entrepreneurs 6. Number of groups formed to improve commercial districts
Workforce Development & Employer Connections	<ol style="list-style-type: none"> 1. Expand Portland Jobs Alliance program to South Portland 2. Establish partnership between SMCC and ABE/ESL programs 3. Meetings held to discuss curriculum/training development 4. Create college internship program with Propel 5. Financial aid form support day held 	<ol style="list-style-type: none"> 1. Number of low-income residents trained and employed from training 2. Number still employed after one year and wage/benefit level 3. Number of employers participating in program; number of hires from program 4. Number of ABE/ESL program graduates enrolled in SMCC programs, number graduating, number employed after graduation and wage/benefit level 5. Number of new training programs/curricula developed 6. Number of participants, new hires and SP employees served by programs 7. Number of college interns participating in Propel program 8. Number of student and volunteer participants in financial aid form support day
Advance Development of Underutilized Sites	<ol style="list-style-type: none"> 1. Complete financial analysis of Mill Creek Master Plan (MCMP) 2. Update plan and creative development incentives 3. Amend zoning for industrial areas 	<ol style="list-style-type: none"> 1. RFP issued or partnerships formed to redevelop sites 2. Redevelopment proposals made for Mill Creek Properties 3. Number of property owners engaged with EDC/city to market or plan for their site

Long-term Performance Measures

The economic development plan and strategies are grounded in South Portland's goals of supporting a robust, growing economy, ensuring that all of its citizens can participate in the economy, and to being competitive in the Greater Portland region. To that end, while numerous milestones and measures should be tracked in the short and medium term to ensure that initiatives are moving forward and on a pathway to advance the plan's goals, it is important to assess progress in achieving these long-term goals. Since meaningful progress on these goals will take much longer to emerge and reach a measurable scale, long-term measures are appropriate to track after five to ten years. The following long-term performance measures are recommended to track the impact of the South Portland Economic Development Plan:

1. Total and percent change in total employment, compared to Greater Portland LMA;
2. Dollar and percent change in the city's average wage, compared to Greater Portland LMA;
3. Total and percent change in city employment for LMA growing sectors with above average wages;
4. Percent change in the non-residential property valuation, compared to Portland, Scarborough and Westbrook;
5. Change in the number and percent of South Portland residents living in poverty;
6. Change in the employment rate among South Portland adults living in poverty;
7. Total and percent change in the number of establishments, compared LMA;
8. Number of new businesses established in South Portland;
9. Percent of residents 25 and over with a bachelor's degree or higher, compared to LMA, Portland, Scarborough and Westbrook; and
10. Number and percent change in the number of residents 25 to 34 years old, compared to LMA, Portland, Scarborough and Westbrook.

South Portland's economic development committee and corporation should collect and review this data every five years and compare it to progress on the milestones and interim measures for each strategy. This analysis will help evaluate the extent to which fully implemented activities are serving many people and business, and are having their intended impact in reaching goals.

South Portland, through its Economic Development Committee, also should revisit and adapt the economic development plan in the future and make adjustments as needed. After a period of at least three years—which leaves sufficient time to implement the strategies—the plan should be evaluated to determine if the strategies presented are still on target and appropriate given changes in the regional economy and the state of the city. On an annual basis, the city and the SPEDC can monitor progress with strategy implementation, forming partnerships for strategies, program activity and participation levels and new developments (projects coming online, businesses leaving, etc.). This "annual audit" will help to update priorities, identify needed tactical and operational changes and respond to new opportunities and threats. Information from these annual assessments also will inform review of the plan at the three year mark.

Implementation Capacity and Phasing

A critical part of implementation is building the capacity to act on all four strategies through creation of the South Portland Economic Development Corporation (SPEDC). This is a priority for 2016 that will require strong leadership from the Economic Development Committee along with political and financial support from the City Council to move forward. Consequently, the first step in establishing the SPEDC is obtaining council support for its creation and a commitment to provide annual funding on the order of \$100,000 to \$125,000. Once city support is confirmed, the next task for the EDC is outreach to key private sector businesses, employers and property owners to explain the context and goals for the Economic Development Plan and the case for creating the SPEDC. From these meetings and additional follow-up the EDC needs to establish business community support for the EDC and their willingness to match city funding for its operations. Ideally, private sector financial support would be through three-year pledges to ensure core stable funding for the SPEDC to make substantial implementation progress and demonstrate its value and impact. Depending on the business size and resources, these pledges may range from \$500 to \$10,000 per year. Once a core of private sector funding is committed, in the range of \$50,000 to \$75,000, the recruitment of its founding board members and incorporation can proceed. After incorporation, the SPEDC should also seek tax-exempt status from the IRS to permit it to receive foundation and tax-deductible grants and donations. At this stage, it can complete its initial fund-raising drive and take the necessary steps to hire an Executive Director and additional staff.

Since establishing the SPEDC and hiring staff will likely take a year or longer, South Portland needs to proceed to implement key parts of the Economic Development Plan before the SPEDC is operational with city staff, the Economic Development Committee and other partners. This will maintain the momentum from the planning process, strengthen South Portland's position in the region and build a good foundation for the SPEDC. A recommended timeline for implementation phasing is provided in Figure 21 that reflects the strategy action plans presented later in the section. This implementation plan proposes that work begin on some aspects of all strategies during 2016 with phasing in activities over the year. Priorities for early action in 2016 include the business retention program, the branding of South Portland and creating a property inventory, establishing the Small Business Ambassador, identifying and supporting aspiring entrepreneurs, and working to advance implementation of the Mill Creek Master Plan.

Figure 21. Economic Development Plan Implementation Time

Project/Activity	2016 1st Quarter	2016 2nd Quarter	2016 3rd Quarter	2016 4th Quarter	2017 1st Quarter	2017 2nd Quarter	2017 3rd Quarter	2017 4th Quarter	2018 1st Half	2018 2nd Half
<u>Form South Portland Economic Development Corp.</u>										
Confirm City Support and Funding										
Outreach to Obtain Private Sector Support										
Recruit Initial Board										
Incorporate and Apply for 501(c) Status										
Complete Initial Fundraising										
Hire Executive Director and Staff										
<u>Business Retention and Attraction</u>										
Establish Business Retention Program										
Next Stage Business Center										
Develop Branding and Value Proposition										
Market South Portland										
Engage With/Advocate for New Businesses										
Maintain Space Inventory										
Participate in Regional Economic Development Efforts										
<u>Entrepreneurials and Small Business Development</u>										
Small Business Ambassador										
Business Awards Program										
Identify and Support Aspiring Entrepreneurs										
Expand Access to Regional Business Assistance										
Assist Small Businesses in Adopting Sustainable Practices										
Feasibility Study for Food Processing Center/ Business Incubator										
Support Organization to Promote and Improve Commercial Districts										
<u>Workforce Development</u>										
Partnership to Train and Employ Low-Income Residents										
Establish Partnerships between Employers and Educational Institutions										
High School/College Graduate Retention Initiative										
<u>Advance Development of Underutilized Sites</u>										
Implementation of Mill Creek Master Plan										
Engage and Assist Property Owners										
Update Zoning to Concentrate Commercial Activity										

Strategy One

Business Attraction and Retention				
Strategy Component/ Proposal Description	Timeframe	Implementing Parties*	Resources/ Funding Required	Key Tasks
Establish business retention program with three components:				
Establish a business visitation program	Third quarter 2016 and ongoing	<ul style="list-style-type: none"> *Economic Development Director *SPEDC Trained volunteers 	<ul style="list-style-type: none"> ED staff /volunteers Database/tracking system to capture information learned from visits 	<ul style="list-style-type: none"> Design visitation protocol/process Recruit and train volunteers Conduct annual visits to businesses to inform them of city services/capabilities and listen to business needs; Relay key information between city and businesses to promote economic development
Economic development staff follow-up	Third quarter 2016 and ongoing	<ul style="list-style-type: none"> *Economic Development Director *SPEDC City staff Small Business Ambassador 	<ul style="list-style-type: none"> ED staff 	<ul style="list-style-type: none"> Follow up with businesses needing additional information, services, assistance, or guidance as identified during visits Identify emerging issues or trends for broader action
Promote events for business networking	First quarter 2016 and ongoing	<ul style="list-style-type: none"> *Chamber of Commerce *Economic Development Committee Economic Development Director 	<ul style="list-style-type: none"> Staff to plan/organize Event space Donations for food/drinks Advertisement 	<ul style="list-style-type: none"> Gain Chamber support/collaboration Decide on and plan event Host a range of networking events Use events to educate on ED activities/demonstrate commitment to business development, and retention in South Portland
Establish Next Stage Business Center	Fourth quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC Local Property Owner SBDC/other providers 	<ul style="list-style-type: none"> Physical space Business councilors from SBDC/others Funding for space improvements 	<ul style="list-style-type: none"> Secure a physical location/property owner partner for the Center. Design business services/recruit SBDC or other partner. Secure funds/design space improvement fund Market/recruit tenants
Develop South Portland's Brand and Value Proposition	First quarter 2016	<ul style="list-style-type: none"> *SPEDC Economic Development Committee *Economic Development Director Marketing/branding consultant 	<ul style="list-style-type: none"> EDC staff Marketing and branding expertise 	<ul style="list-style-type: none"> Process to define value proposition and associated branding Develop logo and motto for city's economic development activities Update outreach materials, printed and online (website) Develop and share pro-South Portland communication guidelines
Market South Portland	Third quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC staff/ board City staff Businesses Real estate brokers Chamber Regional partners 	<ul style="list-style-type: none"> EDC staff Volunteers Facebook page/social media outlets 	<ul style="list-style-type: none"> Update and maintain website Develop profiles and testimonials of businesses; showcase in materials Promote and pursue traditional and social media coverage
Engage with and Advocate for New Business	First quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC staff Economic Development Committee 	<ul style="list-style-type: none"> Staff capacity Knowledge of city regulations and processes 	<ul style="list-style-type: none"> Provide information and guidance to new businesses and development projects as needed Coordinate support activities and technical assistance from necessary economic development experts Attend community and public meeting to explain and support project aligned with city economic development priorities
Maintain Available Space Inventory	Second quarter 2016	<ul style="list-style-type: none"> *SPEDC staff Small business ambassador Interns Real estate brokers 	<ul style="list-style-type: none"> Online platform to share current information Staff capacity Real time real estate information Database/software 	<ul style="list-style-type: none"> Collect and regularly update information on all commercial and industrial space and land for lease and sale. Connect with brokers to view/know key property attributes Connect businesses to inventory and real estate brokers. Differentiate South Portland property to demonstrate uniqueness of city within the region.
Participate in Regional Economic Development Efforts	First quarter 2016	<ul style="list-style-type: none"> *Economic Development Director *SPEDC staff 	<ul style="list-style-type: none"> Staff capacity Expertise/acumen in issues at hand 	<ul style="list-style-type: none"> Attend and participate in regional business, real estate, and economic development planning activities and organizations.

* Indicates lead implementation organization

Strategy Two

Entrepreneurial and Small Business Development				
Strategy Component	Timeframe	Implementing Parties*	Resources/ Funding Required	Key Tasks
Small Business Ambassador	First quarter 2016 and ongoing	<ul style="list-style-type: none"> Economic Development Director *SPEDC Executive Director 	<ul style="list-style-type: none"> Funded as part of SP ED Corporation 	<ul style="list-style-type: none"> Develop relationships with programs and service providers Publicize and market services Assist entrepreneurs/ small firms access services and start-up in South Portland
South Portland Business Awards Program	Third quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC SP/CE Chamber ED Committee 	<ul style="list-style-type: none"> Staff to oversee process and organize event Volunteers to promote and judge Funding for publicity and event, covered by event registration fee 	<ul style="list-style-type: none"> Secure Chamber support Decide on award categories and criteria and judging process Plan and organize awards event Publicize/solicit nominations Make awards, hold event and publicize awardees
Identify and Support Aspiring Entrepreneurs	First quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC SP/CE Chamber Economic Development Director ED Committee SMCC Ent Center Start-up Portland 	<ul style="list-style-type: none"> Staff for outreach and campaign oversight Volunteers to identify entrepreneurs, promote campaign Funding for SP events as part of Start-Up Portland 	<ul style="list-style-type: none"> Publicity and outreach to find and encourage entrepreneurs Referrals to assistance providers Design and implement annual campaign Work with Start-Up Portland to hold South Portland events and promote campaign
Assist in Adopting Sustainable Practices	Fourth quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC *Sustainability Director SP/CE Chamber Efficiency Maine GPCOG SB assistance providers 	<ul style="list-style-type: none"> Staff/intern to prepare online resource directory Staff to survey businesses and assist in forming network 	<ul style="list-style-type: none"> Conduct research and develop resource directory Develop knowledge and relationships with Efficiency Maine, GPCOG, other resources Market resources via retention and ambassador program Work with Chamber to survey business/form sustainability network
Expand Access to Regional Business Assistance	Second quarter 2016 and ongoing	<ul style="list-style-type: none"> *Economic Development Director *SPEDC SBDC Scale-up Portland Other SB assistance providers 	<ul style="list-style-type: none"> Staff and funding of existing organizations 	<ul style="list-style-type: none"> Survey small businesses to assess demand for services Secure SBDC agreement for SP office hours Identify host location Work with Scale-Up Portland to get slots for SP business in future cohort; recruit local businesses
Feasibility Study for Food Processing Center/ Business Incubator	Third quarter 2016 to second quarter 2017	<ul style="list-style-type: none"> *SPEDC Economic Development Director ED Committee 	<ul style="list-style-type: none"> Funds for feasibility study 	<ul style="list-style-type: none"> Confirm availability of Public Works building as site Secure grant for study Prepare and issue RFP Select consultant and oversee study
Support Organization to Promote and Improve Commercial Districts	Second quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC Planning Development SP/CE Chamber 	<ul style="list-style-type: none"> Staff time to assist with organization Volunteers for district groups Funding for small grants for façade improvements, events, marketing 	<ul style="list-style-type: none"> Hold meetings to gauge business and property owner interest Work with interest districts to form organizations, define priorities and activities Secure city funds or grant to provide assistance

* Indicates lead implementation organization

Strategy Three

Strategy Component/ Proposal Description	Workforce Development			Key Tasks
	Timeframe	Implementing Parties*	Resources/ Funding Required	
Train and employ low-income residents via employer and service provider partnerships	First quarter 2017	<ul style="list-style-type: none"> *SPEDC Economic Development Coordinator Regional organizations (CEI, CCWI) *Portland Jobs Alliance Local employers 	<ul style="list-style-type: none"> Funding Staff capacity Partnership by PJA and regional organizations 	<ul style="list-style-type: none"> Partner with Portland Jobs Alliance to expand service provisions to South Portland Recruit employers for partnership Raise funds to support service provisions Determine sector focus that best aligns with South Portland employer needs
Establish partnerships between SMCC/educational institutions and employers:				
Create a direct bridge between Adult Basic Education and ESL graduates with SMCC programs and career pathways	Second quarter 2016 and ongoing	<ul style="list-style-type: none"> *South Portland school dept. *SMCC Economic Development Coordinator 	<ul style="list-style-type: none"> Staff capacity Partnership support 	<ul style="list-style-type: none"> Establish partnership between SMCC and school district Provide information on SMCC programs to ABE and ESL enrollees. Send SMCC representative to meet with program enrollees. Advise and support ABE/ESL students on options and financial aid resources.
Develop curriculum and training specific to employer needs at area education and training providers	Second quarter 2016 and ongoing	<ul style="list-style-type: none"> *SMCC Employers Economic development committee *Economic Development Director 	<ul style="list-style-type: none"> Funding Educator and employer capacity Facilitators 	<ul style="list-style-type: none"> Plan and convene meeting among key employers, SMCC, and area educational providers Develop specialized curriculum tailored to employer needs
Participate in CCWI's sectoral workforce initiatives in Transportation and Finance	Second quarter 2016 and ongoing	<ul style="list-style-type: none"> *SPEDC *Economic Development Director Economic Development Committee CCWI 	<ul style="list-style-type: none"> Staff capacity 	<ul style="list-style-type: none"> Participate in research, planning, and development in CCWI's sectoral initiatives as is aligned with South Portland's economic development interests
Connect CCWI's disadvantaged youth program to the entry level vacancies at the Maine Mall	Third quarter 2016	<ul style="list-style-type: none"> *Economic Development Director City staff CCWI/Goodwill Maine Mall employers 	<ul style="list-style-type: none"> Staff capacity Program funding 	<ul style="list-style-type: none"> Convene Maine Mall employers with CCWI/Goodwill to connect disadvantaged youth program to entry level vacancies
High school/college initiative with local employers:				
Support and expand South Portland High School and Employer programs	Third quarter 2016 and ongoing	<ul style="list-style-type: none"> *South Portland High School *Employers Economic development committee and staff South Portland-Cape Elizabeth Chamber of Commerce 	<ul style="list-style-type: none"> Employer time (visitation days) Internship slots (at employers) Staff capacity 	<ul style="list-style-type: none"> Engage with current and new employer partners to increase opportunities for SPHS students Expand opportunities in STEM Consider opportunities for internships with entrepreneurs/small business start ups
Encourage students enrolled in Maine colleges to stay in South Portland via relationship with Propel	Third quarter 2016 and ongoing	<ul style="list-style-type: none"> *Propel Colleges/HS Employers SPEDC City staff 	<ul style="list-style-type: none"> Staff capacity Students Funding Employment opportunities 	<ul style="list-style-type: none"> Design and organize networking program elements Gain employer support and participation Host networking events, summer happy hours and business meet-ups, and other events to expose students to employment and internship opportunities Follow-up with employers and students to track/encourage hiring and moving to SP
Hold a financial aid form support day	Fourth quarter 2016 and ongoing	<ul style="list-style-type: none"> Employers *Chamber Economic Development Director South Portland High School 	<ul style="list-style-type: none"> Time/staff capacity Physical meeting space Knowledge of financial aid forms/process 	<ul style="list-style-type: none"> Secure High School and PTO support Recruit and train local employers and volunteers to assist at these sessions Plan, organize and publicize sessions

* Indicates lead implementation organization

Strategy Four

Proposal Project Description and Activities	Develop Underutilized Sites			Key Tasks
	Timeframe	Implementing Parties*	Resources/ Funding Required	
Mill Creek Master Plan Implementation	First quarter 2016 and on-going	<ul style="list-style-type: none"> • *Planning Department • Planning Board • Economic Development Director • City Council • *SPEDC 	<ul style="list-style-type: none"> • Funds for financial feasibility study • TIF funds for financial incentives 	<ul style="list-style-type: none"> • Complete detailed financial feasibility analysis • Review results with stakeholders • Update Master Plan/decide on financial incentives • Decide on Preferred Development Agreement Option • Work with property owners to redevelop properties and/or issue developer RFP
Engage and Assist Property Owners	Third quarter 2018 and ongoing	<ul style="list-style-type: none"> • *SPEDC • Economic Development Coordinator • Planning Department 	<ul style="list-style-type: none"> • Staff support for development plans • GPCOG loan funds for brownfield clean-up 	<ul style="list-style-type: none"> • Outreach to property owners • Assist with and hold workshops on redevelopment plans • Assist with project financing, incentives, workforce development, as needed • Information and assistance in securing development approvals
Update Industrial Zoning to Concentrate Commercial Activity	Second quarter 2016 to Fourth quarter 2017	<ul style="list-style-type: none"> • *Planning Department • Planning Board • Economic Development Director • City Council 	<ul style="list-style-type: none"> • No funding needed 	<ul style="list-style-type: none"> • Draft zoning changes and rationale • Hold community workshop and Planning Board meeting to review and refine proposal • Amend zoning ordinance to adopt changes

* Indicates lead implementation organization

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