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

CITY COUNCIL MEETING
FEBRUARY 17, 2016
KARL SEIDMAN CONSULTING SERVICES
Economic Development Strategy

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

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<th>Design process</th>
<th>Define priorities &amp; choose strategies</th>
<th>Review and finalize plan</th>
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<td>Economic analysis</td>
<td>Detail strategies</td>
<td>Action plan</td>
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<td>Resident survey</td>
<td>Performance measures</td>
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<td>Stakeholder interviews</td>
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Community Outreach and Engagement

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

- Demographic analysis
- Economic analysis
South Portland Population & Workforce

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

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

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<th>South Portland</th>
<th>Cumberland County</th>
<th>Maine</th>
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<td>2000</td>
<td>28%</td>
<td>34%</td>
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<td>2010</td>
<td>39%</td>
<td>40%</td>
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<td>2013</td>
<td>39%</td>
<td>41%</td>
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### Share of Workforce by Occupations, 2013

- **Management, professional, and related occupations**
- **Service occupations**
- **Sales and office occupations**
- **Farm, fish, forestry, construction, and related occupations**
- **Production, transportation, and related occupations**

**South Portland**

**Cumberland County**

**Maine**
South Portland’s median household income is 9% above Maine and 8% below Cumberland County but grew at a slower pace since 2000.

Income distribution mirrors the state and county, but the $100,000+ group grew 168% since 2000, faster than the county.
South Portland’s poverty rate grew more than the county and state while residents living in poverty doubled.
South Portland’s Economic Base

2013 Employment By Sector

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

South Portland Economic Development Plan
Lagging region (LMA) but outpacing Maine in recent years
South Portland and its Neighbors: Job Growth in Industrial Sectors

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

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

- **Total, All Industries**
- **Construction**
- **Manufacturing**
- **Wholesale Trade**
- **Transportation and Warehousing**

- Portland
- South Portland
- Scarborough
- Westbrook
South Portland and its Neighbors: Job Growth in Service Sectors

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

[Bar chart showing percentage change in employment, all industries and service sectors, 2004 to 2014]
# Summing Up: SWOT Analysis

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

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

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

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

- Desire for more strategic and intentional development to advance several shared goals:
  - Tax base growth, good jobs, reduced poverty, improved city image and appearance, greener businesses
  - Balanced approach: retain, grow and attract businesses; support entrepreneurs and small businesses while hosting large firms

- Need to tackle key challenges:
  - Improve and update city image
  - Reverse recent trends and leverage regional growth
  - Effectively capitalize on local and regional assets
  - Build capacity for a sustained and diverse ED program
South Portland Economic Development Plan Goals & Strategies

- Grow and Expand Businesses with Good Jobs
- Expand Nonresidential Tax Base
- Business Attraction and Retention
- Entrepreneur and Small Business Development
- Workforce Development and Employer Connections
- Advance Development of Underutilized Sites
- Address Workforce Needs and Grow Educated Workforce
- Increase Employment and Reduce Poverty
- Activate and (Re)Develop Underutilized Properties
Strategy One: Business Attraction and Retention

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

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

South Portland Economic Development Plan
Strategy Three: Workforce Development and Employer Connections

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

- Redevelop and reuse sites to capitalize on key assets, support business growth and increase amenities:
  - Create incentives and promote implementation of Mill Creek Master Plan
    - Initial financial analysis indicates plan may not be feasible without incentives or increased density
  - Engage and assist property owners to plan for and develop sites
  - Zoning changes to concentrate consumer-oriented businesses in commercial districts
Create public-private partnership to implement plan
  ○ Cost share with private sector
  ○ Expand volunteer and civic participation
  ○ Access to foundation and government funding
  ○ Established best practice model

New non-profit corporation

Mission to advance city economic development and improve resident welfare

$200,000 to $250,000 budget shared between city government and private sector

Two person staff
# Implementation Timeline

## South Portland Economic Development Plan

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