

ECONOMIC DEVELOPMENT COMMITTEE

REPORT TO THE TOWN COUNCIL
December 10, 2007

EDC Membership

**Re-elected
for 2008**

Rich Talipsky – Chair

Gary Gump – Vice Chair

Bob Hamilton - Secretary

- ***Bob Andrews***
- ***Paul Fleming***
- ***David Janiesch***
- ***Chad Kritzas***
- ***Steve Lake***
- ***Steve Larson***
- ***Molly Magee***
- ***John Palmieri***
- ***Ralph Plumb***
- ***Allen Shers***
- ***Doug Smith***

• ***Bill Clark -- Ex- Officio member***

• ***Town Council Liaisons – Len Katzman and Bill West***

Outline for This Report

- ***Status of Tax Base***
- ***PEDC Project Update***
- ***Business Development Director Summary***

Status of the Tax Base

- ***Why is the Tax Base Important?***
- ***Net Assessed Value Base for 2006 Tax Year***
- ***Tax Base History 1990 – 2006***
- ***The Tax Base Forecast***

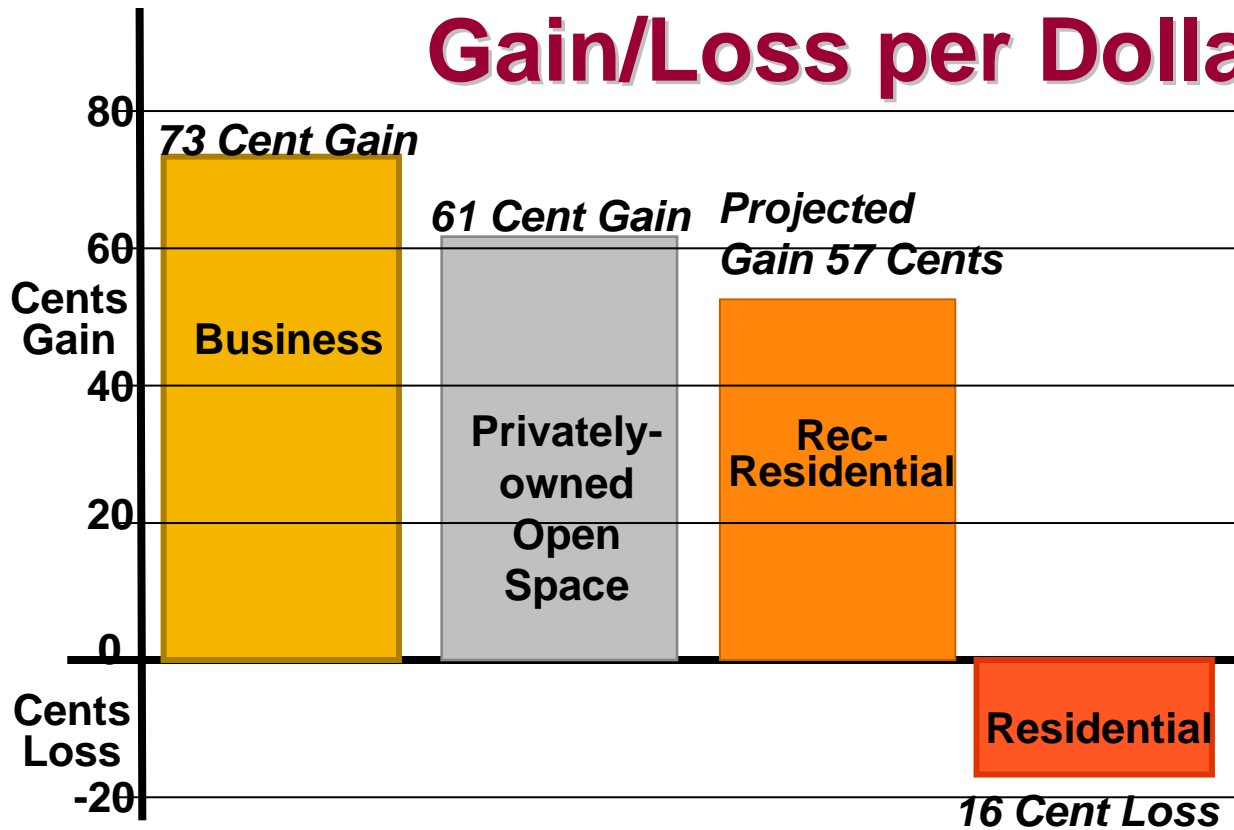
Why is the Tax Base Important?

*Tax revenues are not keeping pace
with Town expenditures*

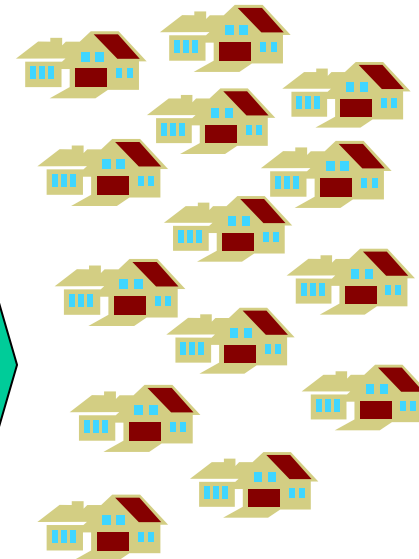
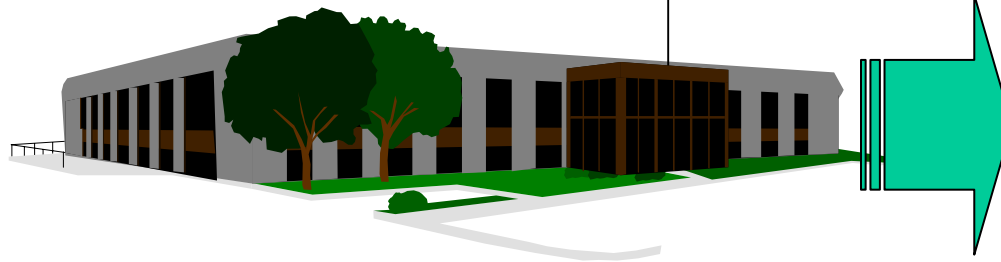
- ***Most of the Town's Revenue Comes from the Property Tax Base***
 - Most of our taxes come from Residential Properties.
 - Most Residential Properties are **“Revenue Negative”**
 - Commercial Properties are **“Revenue Positive”**
 - Privately Owned Open Space is **“Revenue Positive”**
 - Residences that are “Recreational-Residential” are **“Revenue Positive”**

Status of the Tax Base

Gain/Loss per Dollar Revenue



Note: Rec-Res. data from 2006 Portsmouth Town Planner "Cost of community services" analysis of the residential part of proposed Weaver Cove development. Other data from 1997 Portsmouth study



One "Renova" (Ex-"Quadrax") type building is needed to offset the revenue loss to Portsmouth for each 14 new homes

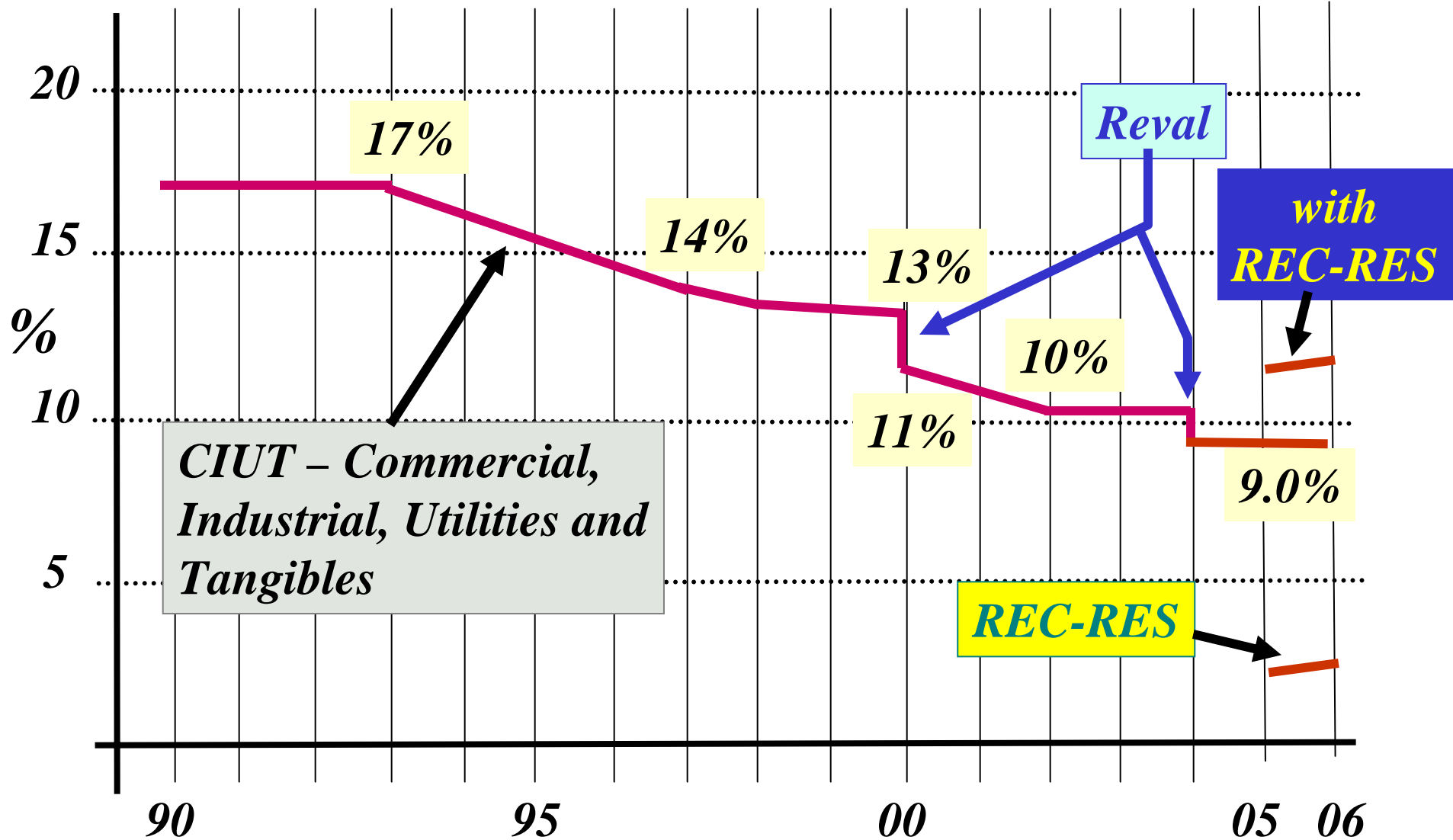
Status of the Tax Base

**Portsmouth Net Assessed Value Base
(Millions of Dollars)**

Net Assessed Value	12/31/05	12/31/06	Change	% Change
Total	3280	3328	+48	+1.4
Residential	2930	2973	+43	+1.5
Residential (less rec-res)	2848	2879	+31	+1.1
Recreational Residential (estimate)	82	94	+12	+14.6
Commercial, Industrial, Utilities	237	238	+1	+0.4
Tangibles	59	63	4	+6.8
C,I,U,T and Rec-Res	378	395	17	+4.5
Motor Vehicles	54	54	0	0
C,I,U and T as % of Total	9.0%	9.0%	0	0
Rec-Res as % of Total	2.50%	2.82%		+0.35
C,I,U,T and Rec- Res as a % of Total	11.52%	11.87%		+0.35

Basis: Portsmouth Tax Assessor data through 12/31/06. Taxable base after all exemptions (with exemptions applied to each applicable category)

Revenues as a Percent of Total



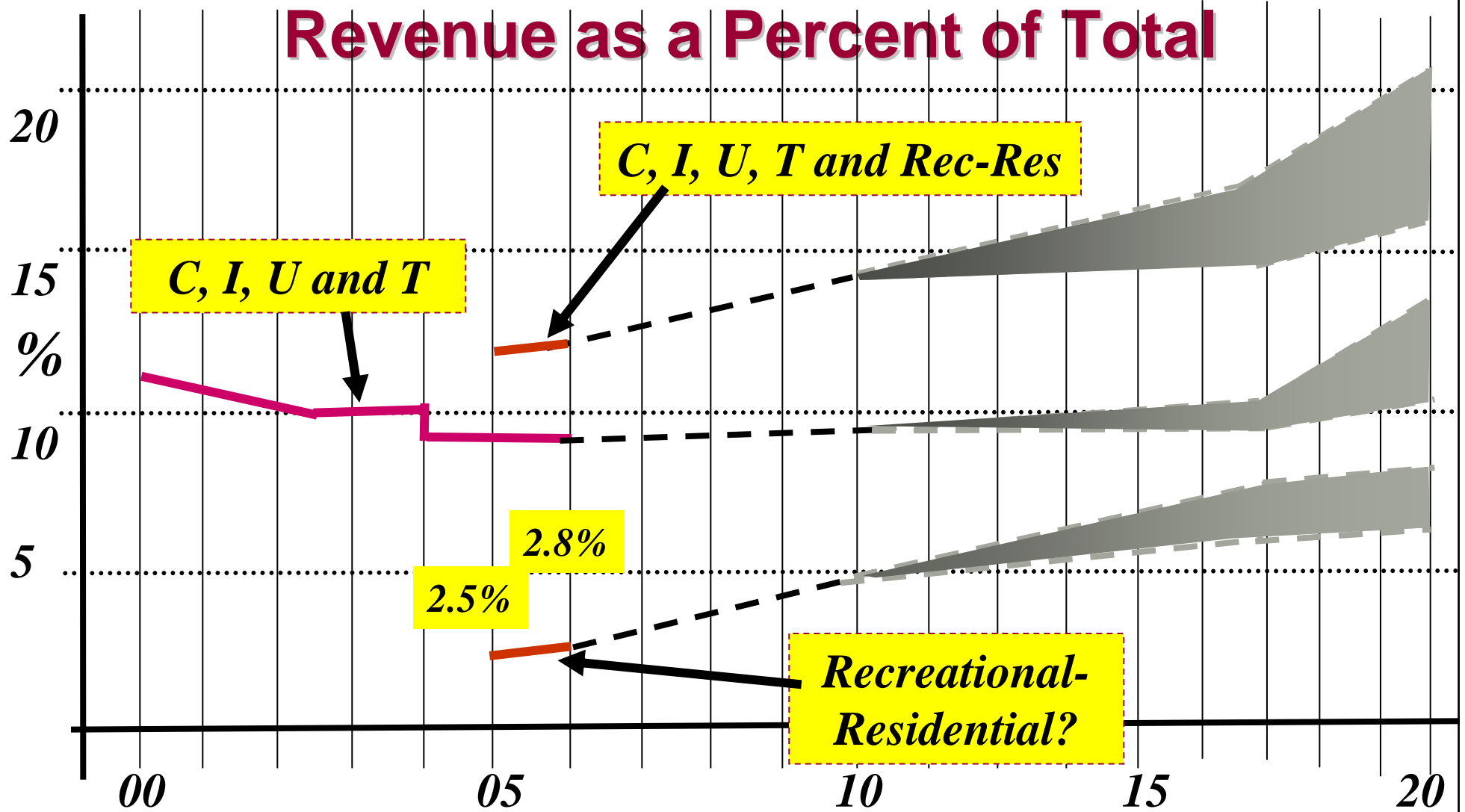
Basis: Portsmouth Tax Assessor data through 12/31/06. Taxable base after all exemptions. (with exemptions applied to proper categories)

The Result: Our Property Tax Revenues are Not Meeting our Budgetary Requirements

- ***How do we make up the difference?***
 - **More “Revenue Positive” Development**
 - **More User Fees**
 - **Less Town Services, Programs**

Projected Status of the Tax Base

Revenue as a Percent of Total



Conclusions

- ***The commercial percentage contribution to the tax base remained about constant for the 4th consecutive year.***
- ***Our Business Development Initiative still continues to maintain the commercial percentage.***
- ***The nearly 7% increase in tangibles points toward increased investments in business infrastructures.***
- ***It is estimated that Recreational-Residential properties increased by nearly 15% and their contribution to the tax base is just under 3 %***

- ***BUT: We still suffer a significant revenue shortfall.***
 - Phase II of our Strategic Planning Process will try to address this shortfall

PEDC Work for 2007

- ***Sustainable Energy***
 - **Wind Project**
 - ***Referendum drafted***
 - ***Feasibility Study Completed***
 - ***Successful Public Information Campaign***
 - ***Referendum Passed – RFP Issued***
 - **“Net Metering” legislative relief**
 - **RI Wind Power Alliance**
 - **RI Stakeholders**
- ***Provided Info on Wastewater Issue***
- ***Assisted Planning Board on Weyerhaeuser***
- ***Provided Info on Large Development Issue***
- ***Issued Economic Strategic Plan Phase I***
- ***Continued Business Development Initiative***

Plans for 2008

- ***Sustainable Energy***
 - **Wind Project**
 - *“Net Metering” legislative relief*
 - **What’s Next?**
 - *Conservation initiatives*
 - *Examine Other Energy Technologies*
- ***Provide Economic Perspective on Issues***
- ***Continue Business Development Initiative***
- ***Phase II of our Strategic Planning Process***

Strategic Planning Phase II

Principles

- *Foster Economic Vitality*
- *Preserve Community Quality*
- *Ensure Community Affordability*

Economic Development Goal

- *Increase the “Revenue Positive” portion of the property tax base to 20% by 2020*

Policies

- *Encompasses the West Side Master Plan Vision*
 - *Focus on West Side land primed for development*
 - *Update Business Forecast*
 - *Identify initiatives to support “smart growth”*
 - *Identify obstacles that may impede success*

Need a Town Council Workshop to Discuss Details

Director of Business Development

Bill Clark

- ***2007 Activities***
- ***Key Focus for 2008***

Marketing Portsmouth

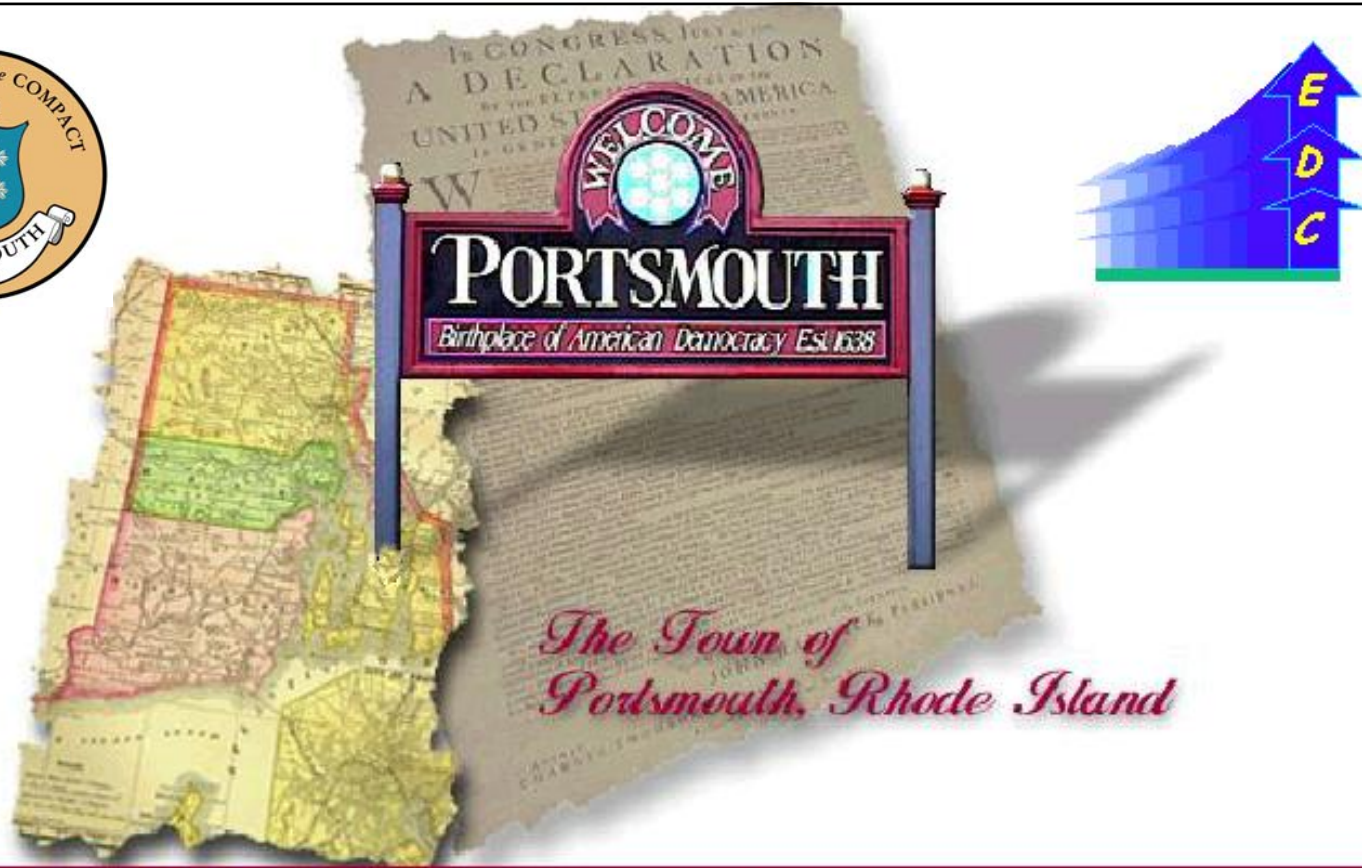
- *Town resource for business inquiries and issues*
- *Contact point for new and expanding business interests*
- *Promoted & administered Enterprise Zone program – enrolled new participants, assist with compliance*
- *Promoted Portsmouth at RIEDC and PBA expos.*
- *Advocated for owners of large parcels - zoning issues, restrictions, alternatives*
- *Communicated with legislators to continue Enterprise Zone program*
- *Initiated change in tax stabilization program to reflect current real estate practices*
- *Assisting the PRA in Marketing Plan development*

“The success of business is related to the support of the community.”

Key Focus for 2008

- ***Work with marine industry & RIEDC to complete “Melville Backyard” transfer***
- ***Expand Enterprise Zone participation.***
- ***Recruit new members for Portsmouth Business Association.***
- ***Assess WSMP potential development impact – work with PRA & AIPC***
- ***Nominate Town Ctr. in CEDS program for additional exposure for possible funding***

– all aimed at growing Portsmouth’s revenue positive tax base



*Thank you for your time.
Any questions or comments?*

Additional Information

***The following attachments
provide additional details
of the information
in the slide presentation.***

PEDC Projects

***The following provides additional
information on PEDC projects
for 2007 and 2008***

**Liaison with the Town Center Committee
(Project Originated by the PEDC Continuing in
2008 Under a Separate Committee)**

- ***By Laws in Place***
- ***Public forum with DOT***
- ***Formulating RFPs for Greenway and Streetscape Design***
- ***Town Council approved RFP for Grant Planning Project***
- ***Hired Mayforth Group to work Congressional contacts to try to speedup project***

Wind Energy Initiative (2007 Project Results)

PEDC Projects

- ***2007 Wind Energy Project Accomplishments:***
 - Completed Feasibility Study (Oct)
 - Conducted information Campaign (Apr-Nov)
 - Drafted and husbanded Referendum through the Assembly (Jan-Jun)
 - Referendum Passed (Nov)
 - Developed and issued Wind Project RFP (Nov)
- ***Legislative Relief***
 - Participate in the RI Offshore Wind Stakeholders Group
 - Participate in RI Wind Alliance (synergy with other Towns)

Sustainable Energy Initiative (2008 Expanded Project)

PEDC Projects

- ***Sustainable Energy initiatives:***
 - Explore possibility of “Island wide” wind energy plan with AIPC and other towns
 - Support RI PUC “Distributed Generation” requirement for Towns and municipalities
 - Continue to Champion Energy efficiencies and Cost reductions
 - *PBA, Town, School Department, citizens*
 - Promote Portsmouth visibility at all state levels

Replacing one 60W incandescent bulb with a compact fluorescent in each of 1000 homes can save 130 Million Watt-Hrs per year energy*.

** Savings of 45 watts per bulb, 10 hours per day for 300 days*

West Side Development (Project Continuing in 2008)

- **2007 WSMP Work**
 - Monitored initiative to turn the concepts of the plan into reality.
 - Choice area for commercial development
 - *In the Enterprise Zone*
 - *Access to coastline*
 - Need to preserve the “high quality” of the area.
 - *Potential for uncontrolled development*
 - *West Side Drive Plan a good start, however:*
 - Could add traffic and noise to a currently serene drive
 - Must be a carefully controlled total plan.
 - Ensure development meets the needs of the Town as specified in the Town Comprehensive Plan.
 - Establish a list of standards by which each initiative can be measured to ensure each improves the economic and way of life goals of the Town.

Economic Strategic Planning (Continuing Project for 2008)

PEDC Projects

VISION

Provide the Town a framework to both guide and measure progress to a better economic future.

MISSION

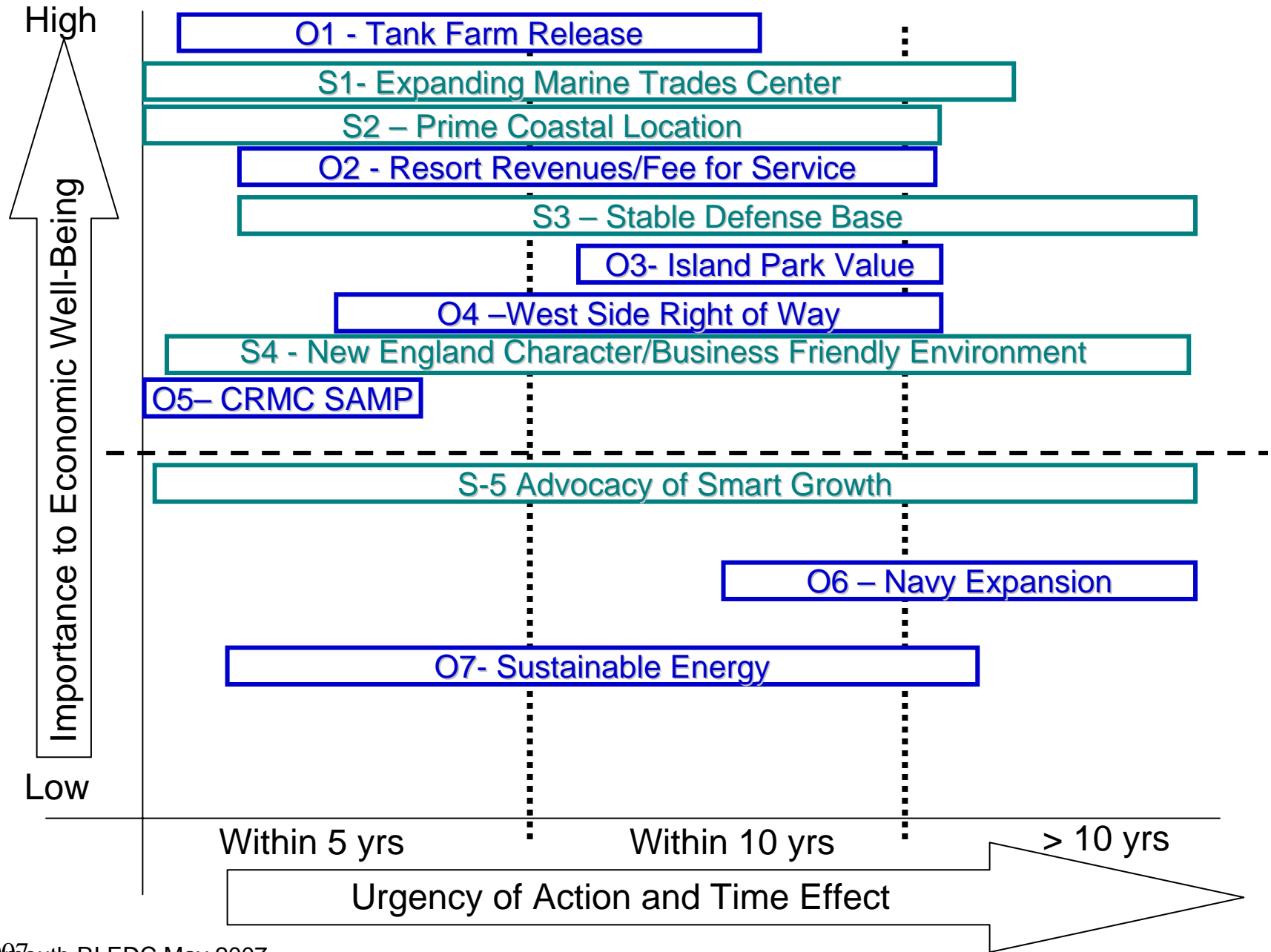
The Portsmouth Economic Development Committee is charged with creating and recommending a Town Economic Strategic Plan that is consistent with the Town's Comprehensive Plan. It encompasses the vision of the West Side Master Plan, while taking into consideration the economic spin-offs that will impact the entire Town.

Our primary focus will be the Melville Marine District because it is primed for near-term development

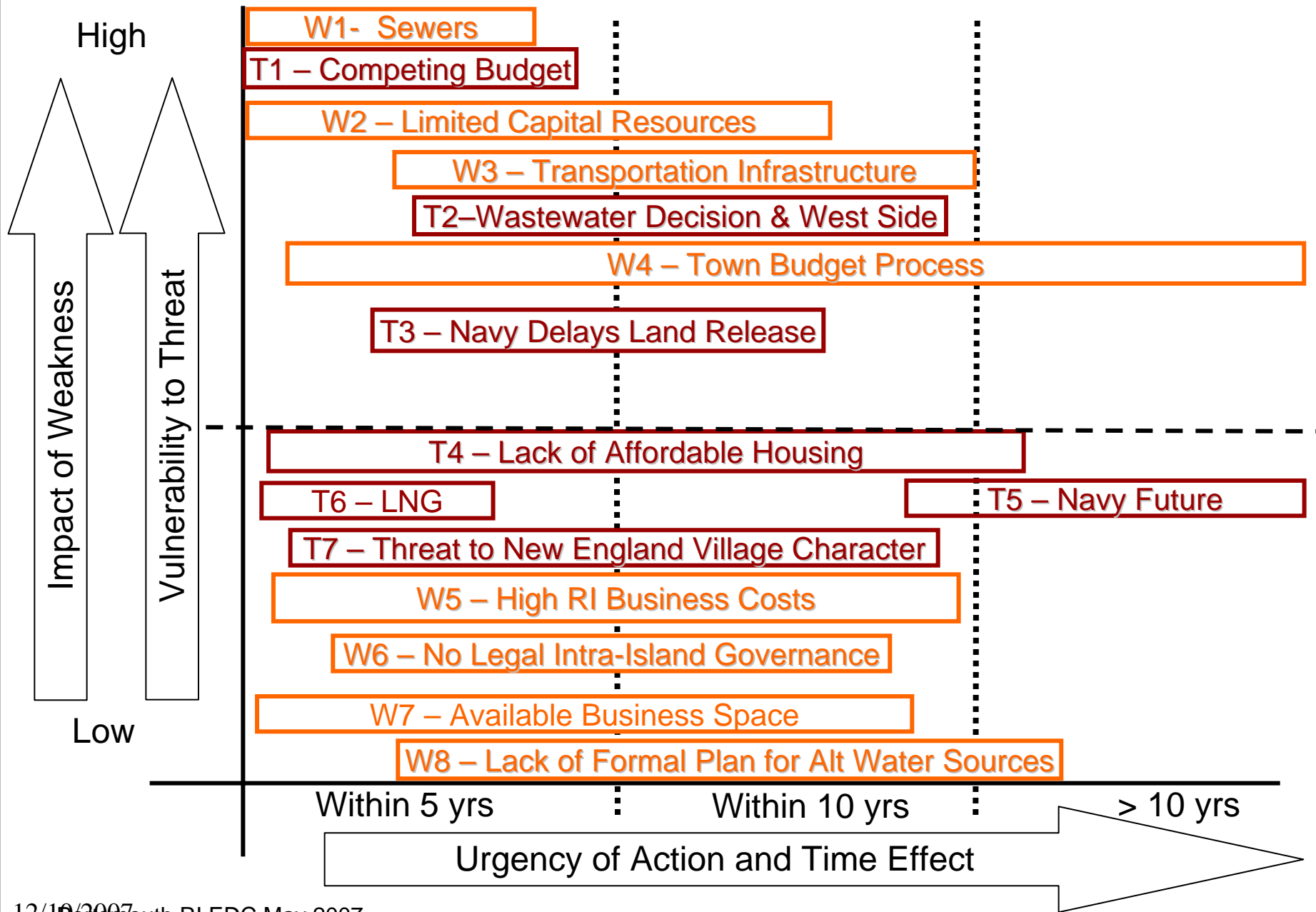
The Economic Strategic Plan will encompass the following:

- A 5-year projection with a 10-year outlook***
- Identification of required policies and initiatives to support "smart growth"***
- Identification of obstacles that may impede progress***
- Recommend principles and metrics against which developments will be measured***

Strengths and Opportunities



Weaknesses and Threats



Recreational/Residential Property Tax Analysis (Continuing Project for 2008)

- ***Analyze the positive and negative impact of development on the west side of Portsmouth with residential properties that do not create a tax burden due to limited use (termed recreational/residential) (e.g., Carnegie Abbey developments)***
- ***Specifically identify and quantify the impact of west side recreational/residential properties on the Portsmouth tax base***
- ***Work closely with the Portsmouth tax assessor to create data that more accurately reflects the tax burden of recreational/residential properties and include the data in the PEDC Annual Reports to the Town Council***

Wastewater

- *Provided economic position paper*
- *Researched similar situations and projects in other U.S. municipalities.*

Business Development Details

***The following provides additional details
on the activities of our
Director of Business Development
(Bill Clark)***

2007 activities

- ***Continued to build relations with key development business partners – average contacts per month***

– Business inquiries	15.3
– Enterprise Zone activity	10.0
– Portsmouth EDC	11.4
– Town Council, Boards & Staff	12.6
– Portsmouth Business Association	6.4
– Brokers/agents	3.7
– RI Econ. Devel. Corp.	6.4
– Newport Chamber/civic groups	2.5
– Marine Industries & O'Neill	4.3
– State offices/DOT/Fed & Legislatures/SBA	3.9
– AIPC/WSMP/PRA	3.6
– Town Center Issues	4.8
– Defense industry & Navy	.6
– Façade program	2.7
– Local news media	1.8
– Tiverton EDC & Tiverton Town Admin.	.5

average hrs. last 12 mos. = 65.1/mo.

30% over contract requirement

Additional 2007 Activity

- *Worked with commercial brokers to identify property for interested businesses*
- *Investigate administrative problems for companies – support appeal to EZ Council*
- *Increased Portsmouth exposure at RIEDC - attended EZ Council meetings in support of business issues – defended special appeals*
- *Consulted with numerous business owners concerning plans for expansion – zoning, permitting, financing issues – intro to other Town staff*
- *Promote the existence of the DBD office as resource & connection to State programs – training, financing, employment, re-location – “Every Company Counts”*
- *Continue support for Tiverton businesses & staff to strengthen viability of Enterprise Zone designation for both towns*
- *Disseminate EZ info – follow inquiries with mail or deliver EDC brochure*

Additional DBD Focus for 2008

- ***Actively represent business interests in Town issues: Town Center Committee; zoning issues; PRA; highway planning; RIEDC.***
- ***Explore availability of grants & matching funds***
- ***Continue business relationship building in Portsmouth & regionally***
- ***Promote Portsmouth Town initiatives and EZ participation at PBA & other business expos***
- ***Promote local business profile articles to Daily News***

Additional Focus for 2008

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