

ECONOMIC DEVELOPMENT COMMITTEE

REPORT TO THE TOWN COUNCIL
January 10, 2005

EDC Membership

Bob Hamilton - Chairman

- ***Bob Andrews***
- ***Frank Bruno***
- ***Steve Grant***
- ***Gary Gump***
- ***Keith Humphreys***
- ***Rene Ims***
- ***Harry McCarthy***
- ***Roger Moriarty***
- ***Steve Senteio***
- ***Rich Talipsky***

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

Outline for This Report

- ***Status of Tax Base,***
- ***PEDC Project Update,***
- ***Business Development Director Report***
- ***Recommendations***

Status of the Tax Base

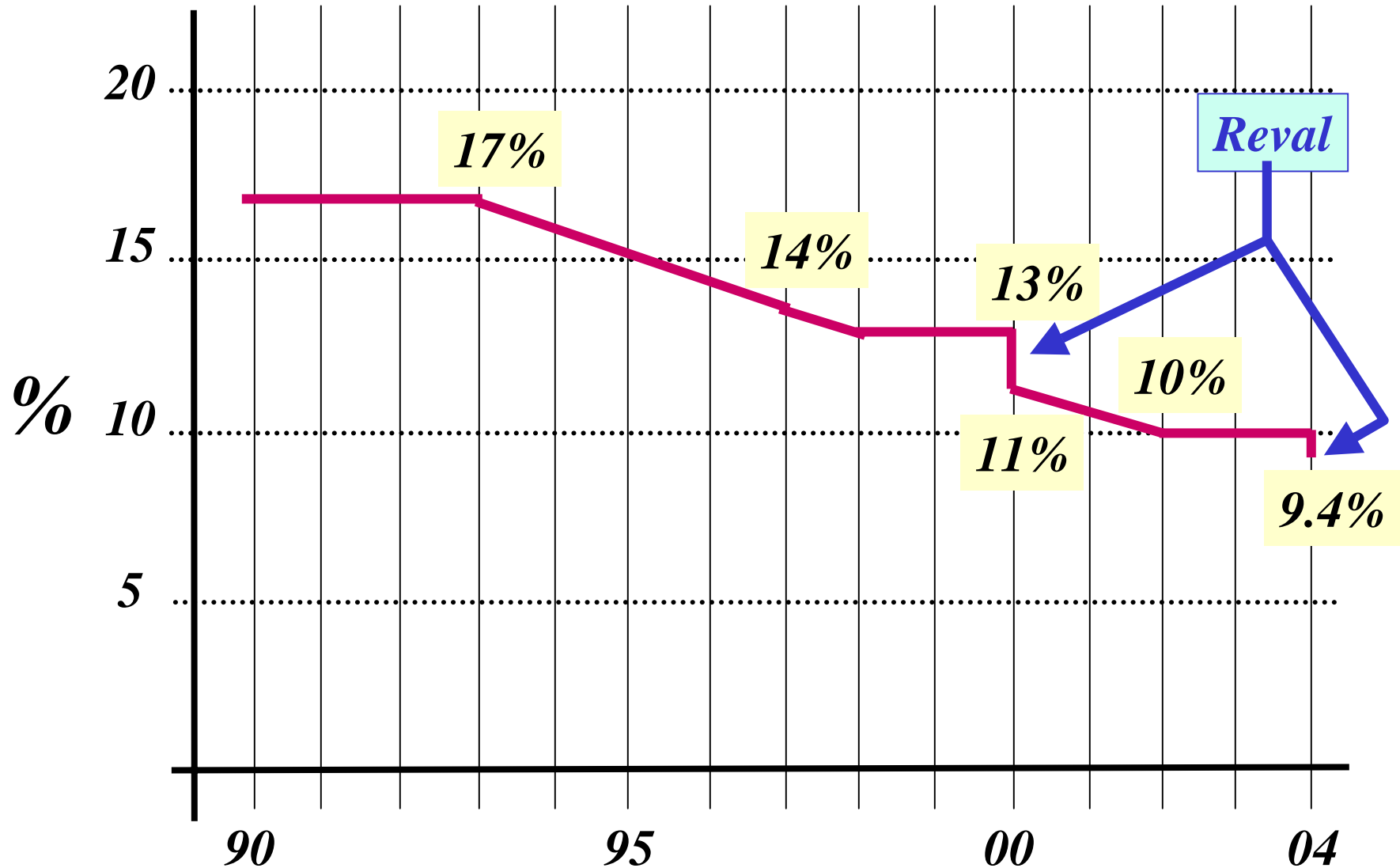
- *Net Assessed Value Base for 2004 Tax Year*
- *Revenue Summary 1990 - 2004*

Portsmouth Net Assessed Value Base

Date	Certified 12/31/03		Estimated 12/31/04 (w/ reval)	Est Change (w/reval) \$/%
Total Net Assessed Value	\$1943M		\$2680M	+737M/+37.9%
Residential Net Value	\$1699M		\$2378M	+\$680M/ 40.0%
Coml, Ind, Util	\$140M		\$196M	+\$56M/ +40.0%
Tangibles	\$54M		\$56M	+2M/ +3.0%
Motor Vehicles	\$51M		\$51M	\$0/ 0%
C,I,U as % of Total	10.0%		9.4%	-0.6%

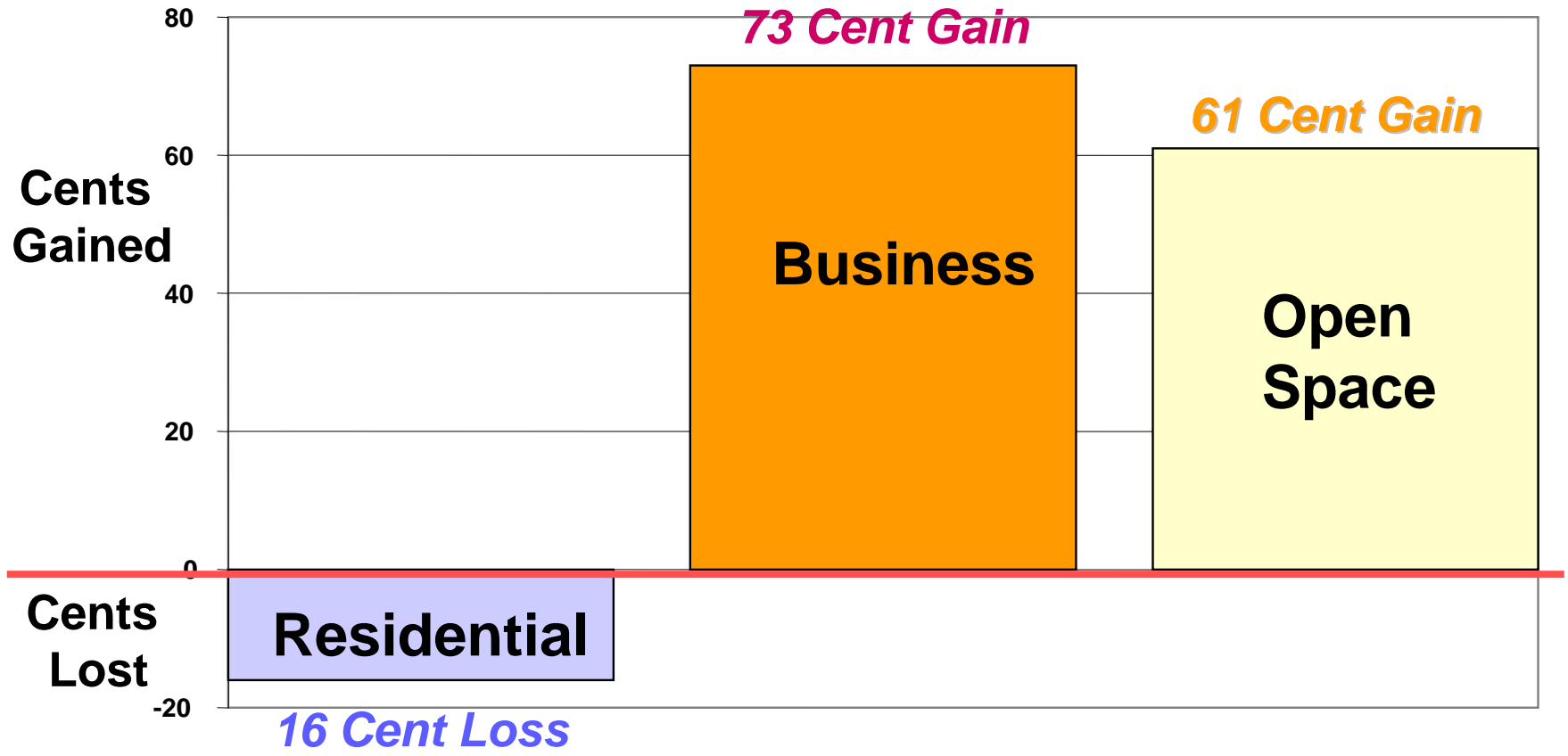
Source: EDC estimate based on Portsmouth Tax Assessor data through 1/7/05. Taxable base after all exemptions.

Commercial Revenue as a Percent of Total



Source: EDC estimate based on Portsmouth Tax Assessor data through 1/07/05. Taxable base after all exemptions.

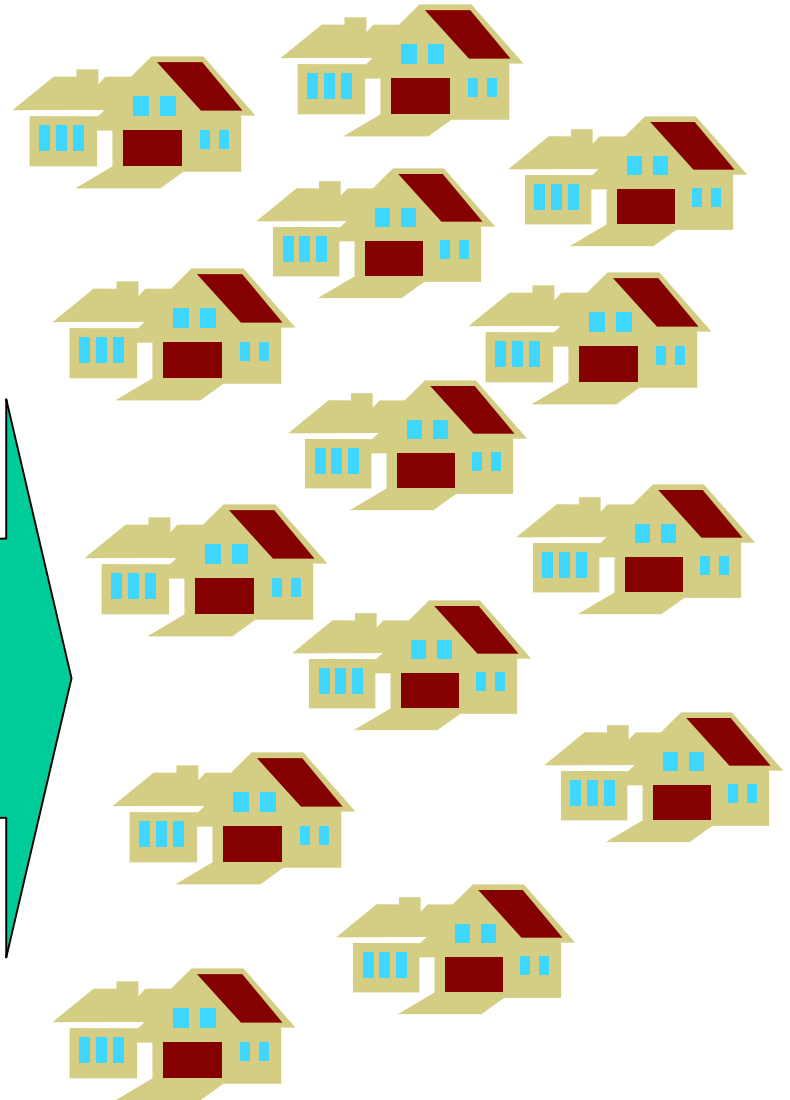
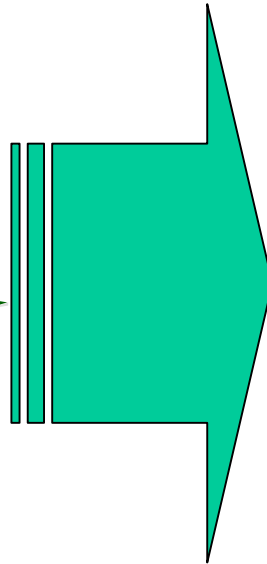
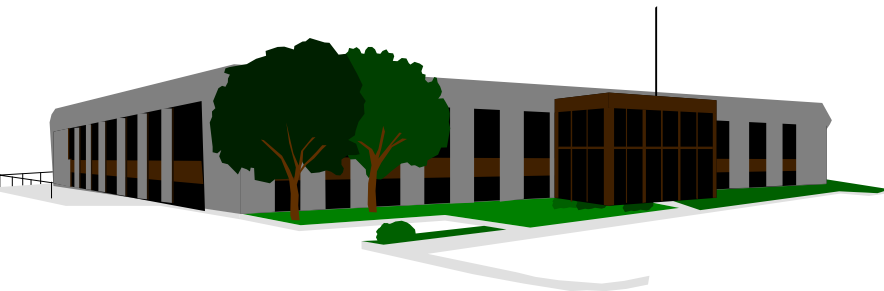
Gain/Loss per Dollar Revenue



Note: These data from 1997 Portsmouth analysis are consistent with similar surveys in other RI & MA towns (The Costs of Suburban Sprawl & Urban Decay in RI Dec 1999 Grow Smart RI)

Business-Residential Comparison

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



Conclusions

- ***The Dec. 2004 net assessed tax base will increase by 38% over Dec. 2003.***
 - That increase is largely due to a revaluation for 2004.
 - Without the reval the increase would be at the rate of inflation.
- ***The Portsmouth Business Development Initiative Continues to Improve the Business Base.***
 - If not for the up coming reval, the business tax base (Coml., Ind, Util, & Tangibles) would have remained constant at about 10% of the total. The recent trend of stabilizing the commercial base would have continued.
- ***Revaluation continues to have a negative effect on the residential tax burden.***
 - Although the Commercial base appears to have increased at about same rate as residential this reval cycle, this may be an anomaly. % value of C,I,U continues to erode slightly.

PEDC 2004 PROJECTS

- ***Town Center and Creation of Town Center Dedicated Committee***
- ***Wind Energy Initiative***
- ***Ex-Pennfield School Bldg Alternatives Analysis***
- ***Participated Portsmouth Business Expo***

2005 Planned Projects

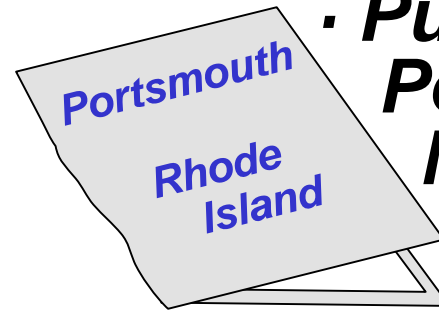
- **Continue liaison with
Town Center Committee**



- **Explore potential
resolutions to the
tax base/reval issue**



- **Publish revised
Portsmouth
Marketing
Brochure**



- **Continue to
Pursue
Wind Energy
Initiative**



- **Continue
Business
Improvement
Initiative**



Director of Business Development

- ***2004 Activities and accomplishments***
- ***Plan for 2005***

Enterprise Zone

- *Developed extensive material & prepared proposal for re-designating Portsmouth/Tiverton EZ for five years – received unanimous approval*
- *Signed eleven new participants for EZ benefits*
- *Assisted Tiverton EDC in explaining EZ program at local business meeting - need partnership for future*
- *Conducted EZ presentations and one-on-ones – followed inquiries with mail or deliver info packet*
- *Promoted EZ participation at PBA and Chamber events*

Enterprise Zone

- ***Initiated information chain via mailings, e-mail & phone to alert businesses & legislature of threats to EZ budget funding – actions and responses alerted Legislative Budget Committee of needs and benefits of retaining EZ funding – program continued with reduced benefits***
- ***Investigate administrative glitches for companies -documented company compliance – present case to EZ Council***

Marketing Portsmouth

- ***Conducted tours of available zoned properties for RIEDC staff & investors – two tours focused on future tank farm potentials***
- ***Worked with commercial brokers to identify property for interested businesses***
- ***Provide suggestions to Newport Daily News for business profile articles***

Marketing Portsmouth

- *Met with young tech company looking to expand into defense work – arranged meeting with NUWC small business development office – arranged meeting with president of established defense contractor*
- *Facilitated meeting space for SBA rep to meet locally for free business planning and consulting*
- *Investigated approval process for business remodeling building – cleared up misunderstanding – eliminated need for Board of Review hearing*

Marketing Portsmouth

- ***Consulted with landowner planning for proposed office building – suggested space sizes, possible tenants – considering moving forward***
- ***More people know the office exists & can be resource for connection to State programs – training, financing, employment, re-location***

2004 activities

- **Continued to build relations with key development business partners – average contacts per month**
- **Business inquiries** 19.4
- **Portsmouth EDC** 6.2
- **Town Council, Boards & Staff** 8.6
- **Portsmouth Business Association** 5.1
- **RIEDC** 7.1
- **Statewide Planning/DOT/Fed & RI Reps** 2.8
- **Newport Chamber of commerce** 2.8
- **Town Center Issues** 6.8
- **Marine Industries** 2.7
- **AIPC/Westside Master Plan** 0.7
- **Naval Station Newport** 0.3
- **Raytheon & other defense industry** 1.3
- **SBA/Banks** 1.2
- **Tiverton EDC & Town Admin.** 1.2

Town & regional issues

- ***Produced Town nomination for Statewide Planning Comprehensive Economic Development Strategy – gain added exposure for Town Center initiative***
- ***Conducted assessment of re-use of Coggleshall School – identified physical problems, financing, safety issues needed to convert to leasing for business incubator***
- ***At request of EDC worked with newly created Design Review Committee to keep business community aware and involved in new design standards – new ordinance passed with minimal objections***

Town & regional issues

- ***Actively represented business interests in Town issues: Town Center Study; zoning issues; Design Review; DOT highway planning; increased interface with RIEDC staff; West Side Master Plan; Navy land***
- ***Wrote and received grant for Town Center infrastructure assessment – study nearing completion***

Focus for 2005

- ***Represent Town support for Portsmouth Marine Partners in “Melville Backyard” expansion***
- ***Enroll 15 new EZ participants***
- ***Solicit Island Park business participation in Facade Improvement program***

Focus for 2005

- ***Pursue initiative to create school/training for boat building trades – joint effort with Mt. Hope EZ – Marine industries actively support, have critical need for formal skills training***
- ***Continue as key participant in Town Center next steps – explore availability of additional grants & matching funds***
- ***Assist in expanding membership in PBA***
- ***Continue business relationship building in Portsmouth & regionally***

Recommend continuation of Bill Clark as Director of Business Development

- ***The Director continues to be very effective as an initiative to promote business development and support community business interests***
- ***Mr. Clark has exceeded all his objectives established by the PEDC and Town Administrator***
- ***Request the position be renewed for seventeen months for contract to coincide with Town budgeting cycle (at current rate of \$2,000/mo)***
 - **Mr. Clark is funded from PEDC annual budget currently approved through June 05.**