



Town of Portsmouth
Economic Development Committee

Economic Strategic Planning

Phase I

Our Town:

Who are we?

What are we trying to do?

An Interim Report to the Town Council

May 2007



TOWN OF PORTSMOUTH
ECONOMIC DEVELOPMENT COMMITTEE

2200 EAST MAIN RD • PORTSMOUTH, RHODE ISLAND 02871

May 9, 2007

INTERIM REPORT TO THE TOWN COUNCIL ON ECONOMIC STRATEGY

In December 2005, the Town Council charged the Economic Development Committee (PEDC) with the development of an Economic Strategy for the Town that provided for measurable goals and progress to improve the Town's economic well-being.

In response, the PEDC formed an Economic Strategic Planning Subcommittee.

The process for developing a workable, lasting and effective strategy required a significant amount of background research, interviews with economic experts and stakeholders to gain sufficient information with which to start.

This Phase I report represents an interim report to the Town of work to date and provides a framework on which to build a solid strategy that will include recommendations on policies and actions, along with achievable goals to improve the economic well-being of the Town and provide both quantitative and qualitative measures to gage progress along the way.

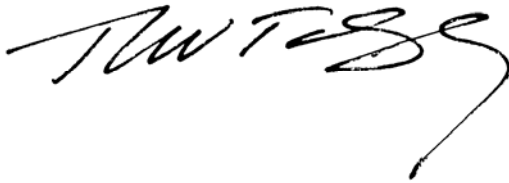
The work of the PEDC and its subcommittee will continue to build a strategy that is both effective and flexible to changing circumstances to ensure continued efficacy.

We would like to acknowledge the hard work and support of the following who have been significant contributors to our effort:

PEDC Economic Strategy Subcommittee Regular Members;
Robert Andrews - Co-Chair (PEDC member)
John Palmieri - Co-Chair (PEDC member)
Gary Gump (PEDC Vice Chair)
Bill Clark (PEDC Ex-officio member)
Bob Hamilton (PEDC Secretary)
Rich Talipsky (PEDC Chair)
Steve Senteio (former PEDC member and subcommittee chair)
Mary Lake (former PEDC member)

Town Councilors for their guidance and encouragement;
Town Administrator for insightful review of our early work products;
Town Planner for background data complete with thoughtful analysis;
The Town Finance Director; and
The Portsmouth business community for their views and comments.

For the Committee,

A handwritten signature in black ink, appearing to read 'RWT-23', with a long, sweeping flourish extending downwards and to the right.

Richard W. Talipsky, Chair

PEDC Economic Strategic Planning Subcommittee

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

Phase I

Developing an economic strategy is a significant and complex undertaking. It should be done in deliberate steps with reports along the way to ensure that the work of the subcommittee is in consonance with the Town's leadership and has the consensus of the citizens. In the first phase of the undertaking, we sought the answers to two basic questions.

Who are we?

What are the things that define the Town and what are the things important to personify and exemplify economic prosperity?

What are we ultimately trying to do?

What are the objectives that we must achieve to gain and maintain economic prosperity? What forces will help or hinder us in achieving those objectives? What framework is needed to both guide and measure our progress toward a better economic future in a Town that grows smartly while keeping its New England character, maintains a business friendly environment, with a high quality of life in a stabilized revenue structure.

Strengths, Weaknesses, Opportunities and Threats (SWOTs)

The SWOT analysis helped us to define who we are in terms of the factors, and issues that define the economic environment in which the Town exists both now and in the foreseeable future. By defining the environment they help point the way to achievable future objectives and the correct paths to accomplish them.

SWOTs are the forces that can either help or hinder effecting things that are necessary to support a positive economic climate for the Town.

Strength - An asset or policy that can be leveraged to help achieve our goals

Weakness - A liability, hindering us in achieving our goals, that can be corrected or mitigated

Opportunity - A situation or an element that can be seized or capitalized on to support our goals

Threat - An element or force that must be countered because it threatens achievement of our goals

Smart Growth Principles

Based on the experience of communities around the nation that have used “smart growth” approaches to create and maintain great neighborhoods, the Smart Growth Network developed a set of ten basic principles:

1. Mix land uses
2. Take advantage of compact building design
3. Create a range of housing opportunities and choices
4. Create “walkable” neighborhoods
5. Foster distinctive, attractive communities with a strong sense of place
6. Preserve open space, farmland, natural beauty, and critical environmental areas
7. Strengthen and direct development towards existing communities
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair and cost effective
10. Encourage community and stakeholder collaboration in development

Ref: http://www.epa.gov/smartgrowth/about_sg.htm

Strengths and Opportunities

Strengths and Opportunities

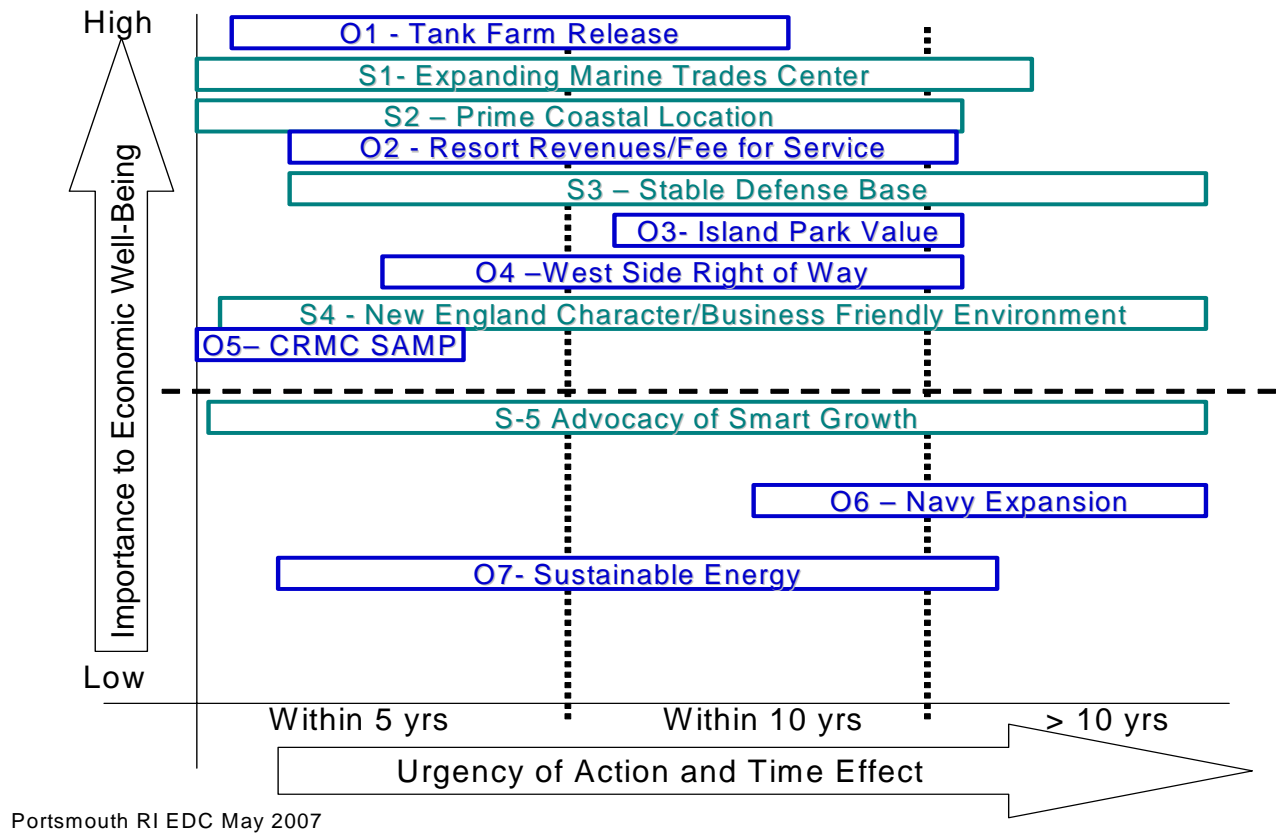


Figure 1 - Strengths and Opportunities

Figure 1 shows the postulated economic strengths and opportunities of the Town. They are depicted in relative importance of the strength or opportunity to the economic well-being of the Town and the urgency of action required and time frame attention is needed to effect (or cause) the desired outcomes.

Each of the Strengths and Opportunities are explained further on the following pages.

Strengths

Assets or policies that can be leveraged to help achieve our goals

- **S1-** Expanding Marine Trades Center spurred by available land, Enterprise Zone incentives and zero state sales tax on boats
 - Healthy Marine Trades Center (540 employees)
 - Recent increase in businesses located at the center
 - Melville "backyard" expansion (32 acres) estimated to add 177 new jobs
 - Good wages - 2004 RI Ship & Boatbuilding average annual wage (\$42,048) is 17% higher than that of the RI private sector
 - The Marine Industry is one of the RI Economic Development Corporation's (RIEDC's) six innovative industry clusters fueling growth in the State
- **S2-** Prime coastal location with regulatory approval for a 1500-slip marina plus other development on "smart growth" developable land for high end recreational use
 - Committed developer with financial resources is proving the viability for profitable, economically enhancing "win- win" development of the waterfront
 - Weaver Cove, Weyerhaeuser, Carnegie
- **S3-** Stable and growing Defense business base
 - Raytheon
 - Naval Station Newport - growth from recent Base Realignment And Closure (BRAC) decisions
 - NUWC supported by local defense contractors
 - The Defense Industry is one of the RIEDC's six innovative industry clusters fueling growth in the State
- **S4-** Desirable residential community committed to maintaining its "New England Village" character with a business friendly environment
 - Enterprise Zone including Town sponsored tax stabilization
 - Dedicated and well-staffed Town Planning Office
 - Town Director of Business Development
 - No property tax rate penalty for business
- **S5-** Advocacy of "smart growth" of other developable lands by Town's decision makers (Town Council, Boards and Committees)
 - Town Center Project
 - Planning Board Initiatives (e.g., Planned Unit Development (PUD)) Ordinances (Resort, Marina)
 - Design Review Board supported by good Design Review Guidelines
 - Portsmouth Redevelopment Agency (PRA)
 - Pro-active PEDC

Opportunities

Situations or elements that can be seized or capitalized on to support our goals

- **O1-** Future release and development of Tank Farm land
 - 270 acres with bay and ocean access
- **O2-** Increased business and resort tax base can reduce the tax rate and provide opportunities for instituting fee for service measures
- **O3-** Island Park development can increase tax valuations and benefit the entire town
 - Tax valuation potential is achievable with sewer infrastructure
- **O4-** West Side railroad right of way & Burma Road potential for public transportation and infrastructure development
 - Provides both transportation & utilities corridor
- **O5-** Ability to influence the Coastal Resource Management Council (CRMC) Special Area Management Plan (SAMP) for the Westside
- **O6-** Potential Navy expansion due to future BRACs and other consolidations
- **O7-** Availability of potential sustainable energy sites
 - Wind
 - Tidal

Weakness and Threats

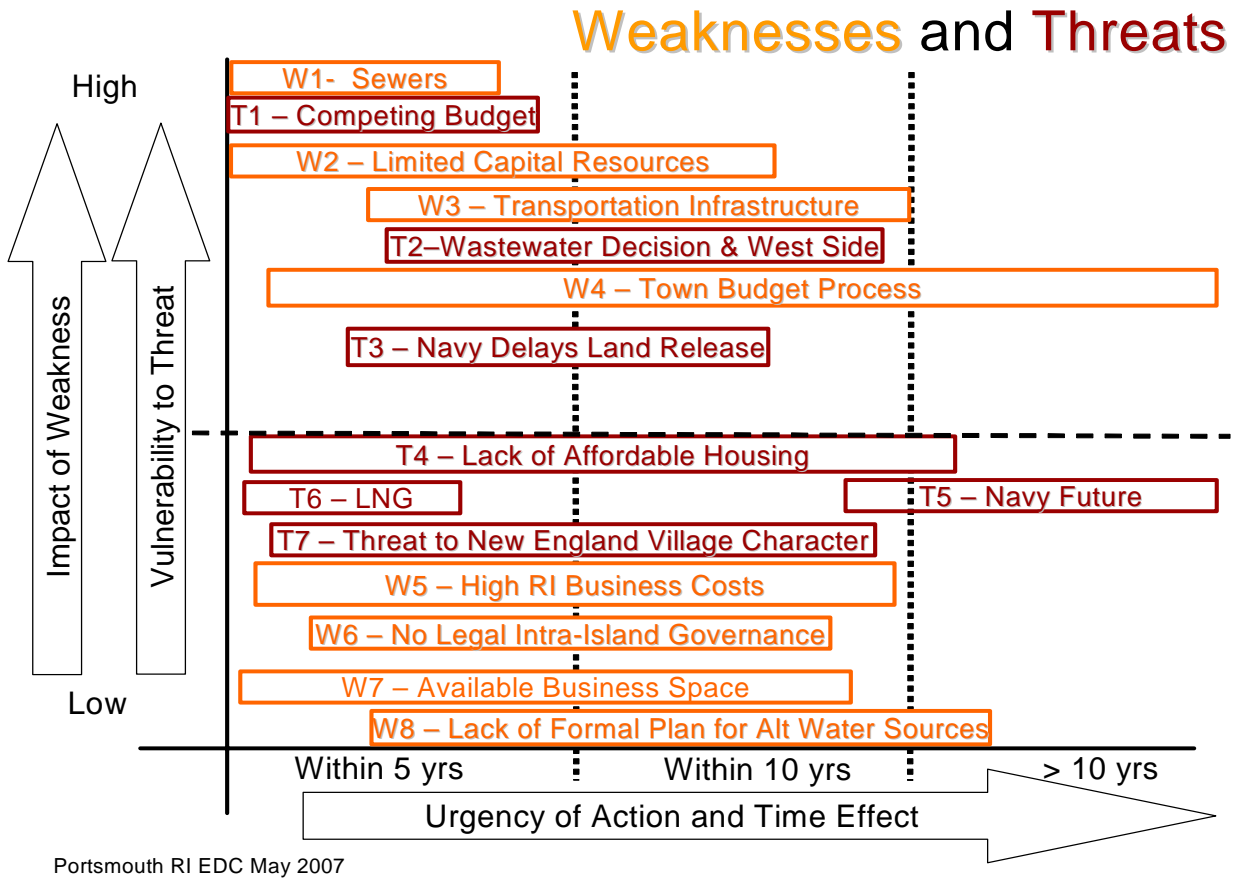


Figure 2 - Weaknesses and Threats

Figure 2 shows the postulated economic weaknesses and threats that may undermine the Town’s economic well-being. They are depicted in relative degrees of impact of each weakness and the vulnerability of each threat to the economic well-being of the Town and the urgency of action required and time frame attention is needed to improve the weakness or counter the threat that impedes effecting (or causing) the desired outcomes.

Each of the Threats and Weaknesses are explained further on the following pages.

Weaknesses

Liabilities hindering us in achieving our goals that can be corrected or mitigated

- **W1-** Lack of sewers
 - Any solution to the sewer problem is complicated
 - Lack of state or federal funds for sewer infrastructure development
- **W2-** Limited capital resources (public and private)
 - Must bring in \$ from out of state
 - Slower economic growth of the New England region
- **W3-** Lack of an effective transportation infrastructure
 - The two north/south arteries are stressed
 - No rail access to the island
 - No effective tourist/commuter/shopper transportation on the island (bus, cab, rail)
 - No marine transportation service
- **W4-** The current Town budget and economic planning process does not foster effective long range planning
 - One and two year time horizon of the Town Council and School Board
 - Long range capital improvement plans and liabilities are not widely distributed nor debated
- **W5-** High cost of doing business in Rhode Island
 - Real estate tax
 - Workers Compensation
 - Energy
- **W6-** There is no legal governance mechanism on Aquidneck Island to implement, across the three towns, comprehensive development plans and visions such as the West Side Master Plan
 - Many organizations attempt to "bridge the gap", but there is no legally binding mechanism to assure the interests of one town are respected by the others
 - Newport north end developments such as "02Newport" have serious implications for demands on north-south arteries and Portsmouth plans for developments along Burma Road
- **W7-** Lack of immediately available "Class A" business and commercial space
 - The business park is near capacity; only two lots remaining
- **W8-** No long range formal plans to tap alternate water sources

Threats

*Elements or forces that must be countered
because they threaten achievement of our goals*

- **T1-** Competing needs for the Town budget
 - Property tax levy cap limits town's ability to fund community growth
 - There is no state regulatory structure or funding sources in place to deal with the cap limit legislation
 - Minimum reserves and long term liability issues need to be addressed
- **T2-** Upcoming decisions on the current waste water issues may foreclose future West Side development by loss of potential capital investors.
- **T3-** Navy unduly delays or never releases Tank Farms 1, 2 and 3 to the Town
 - Tank Farm 3 is potential commercial sewage treatment plant for Weaver's Cove development
- **T4-** Lack of affordable workforce housing on Aquidneck Island
 - Decline of young adult professional workforce
 - Newport County lost 41% of the 25-34 age residents between 1994 and 2000.
- **T5-** Uncertain Navy long-term future on Aquidneck Island
 - Budget pressures will force continuing demand to reduce Navy land based infrastructure costs
- **T6-** Allowing LNG transit of Narragansett Bay may discourage high-end recreational development
- **T7-** Influx of development threatens to degrade the "New England Village" character of the town
 - High traffic volume
 - Commercial sprawl with low improvement valuations

These “Pluses and Minuses” of Portsmouth as detailed in the SWOTs is summarized in Figure 3.

<p style="text-align: center;"><u>Strengths</u></p> <ul style="list-style-type: none"> • Expanding Marine Trades Center • Prime Coastal Locations <ul style="list-style-type: none"> • Smart Growth Plan • Stable Defense Business Base • Commitment to “New England” Character <ul style="list-style-type: none"> • Business Friendly • Advocacy of Smart Growth 	<p style="text-align: center;"><u>Opportunities</u></p> <ul style="list-style-type: none"> • Future Release of Navy Tank Farm Land • Increased Business and Resort Tax Base • Island Park Development Can Increase Tax Valuations and Benefit Entire Town • West Side Railroad Right of Way and Burma Road Transportation Corridor • Ability to Influence CRMC Special Area Management Plan (SAMP) • Potential Navy Expansion • Potential Sustainable Energy Sites
<p style="text-align: center;"><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Lack of Sewers • Limited Capital Resources (Public and Private) • Lack of Effective Transportation Infrastructure • Town Budget and Economic Planning Process (lack of long-term planning) • High Cost of Doing Business in RI • Lack of Intra-Island Development Governances • Lack of Available Business Space • Lack of Formal Plan for Alternate Water Sources 	<p style="text-align: center;"><u>Threats</u></p> <ul style="list-style-type: none"> • Competing Needs for Town Budget • Wastewater Issues & West Side • Navy Unduly Delays Release of Land that May Foreclose Future West Side Development • Lack of Affordable Workforce Housing on Aquidneck Island • Uncertain Navy Long-Term Future on Island • LNG Transit Plan Discourages Coastal Development • Influx of Development Threatens “New England” Character

Figure 3 - The Pluses and Minuses of Portsmouth

What’s Next?

The subcommittee will continue our work, along with the participation of the Town Council, Committees and Boards, our citizens and other subject matter experts. We will develop ways to effect the elements required to ensure the continued economic well-being of the Town in the next five years, ten years, and beyond. We will endeavor to answer the following two basic questions.

How will we do it?

What policies and actions are required to achieve what we are “trying to do”?

What will we need to do it?

What resources and means will we have to bring to bear to make it happen?

Expected Future Products

Building on our work in Phase I, we intend to develop out-year projections from the data we have compiled and develop Plans of Action and Milestones that include implementation initiatives that are underpinned by policies that will build on our strengths, seize on opportunities, bolster our weaknesses and counter the things that threaten our achievement of economic prosperity in the Town. We will develop “**SMART**” metrics that are **S**pecific, **M**easurable, **A**chievable, **R**esults-Oriented and **T**ime-Determined to measure where we are compared to where we want to be.

We intend to provide additional interim reports, as appropriate, to show our progress along the way.