



TOWN OF PORTSMOUTH  
ECONOMIC DEVELOPMENT COMMITTEE

2200 EAST MAIN RD • PORTSMOUTH, RHODE ISLAND 02871

April 3, 2007

**TO: PLANNING BOARD TOWN OF PORTSMOUTH, RI**

**Response to the Request for Information Concerning the Proposed Planned Resort Development (PRD) AP 17, Lots 8 and 9; AP 22, Lots 2, 3, 4 and 10; and AP 23, Lots 18 and 19 (the Weyerhaeuser Resort Development)**

The Portsmouth Economic Development Committee (PEDC) has reviewed the subject development. The review was conducted using a newly-developed PEDC scorecard to help guide assessment of new developments. Details are provided in Attachment (1). The following general comments are provided.

a. Resort development is an alternative business use for industrial lands. The Weyerhaeuser Resort Development, if developed as planned, has a greater potential positive impact to the Town's tax base than other industrial uses that have been proposed, but never materialized. It also will provide further diversification of the tax base that can mitigate a future loss of commercial entities. For these reasons, we support the Weyerhaeuser Resort Development subject to the provisions of paragraph c below.

b. The Weyerhaeuser Resort Development, adjacent Carnegie Development, and adjacent existing residential clusters compromise any remainder of the zone for industrial use. Also, the high value of the land has priced it out of reach of interested industrial and commercial customers, such as boat manufacturers, wishing to expand and build new facilities. Because,

- (1) market forces have priced the land beyond industrial use,
- (2) resort/residential development in the area have compromised industrial use, and
- (3) a resort use can provide a positive impact to the tax base,

we support the Weyerhaeuser Resort Development subject to the provisions in paragraph c below.

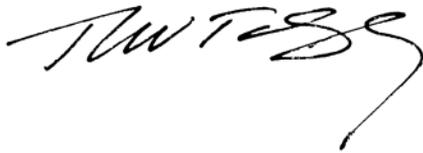
c. The PEDC support of the Weyerhaeuser Resort Development is subject to the following.

- (1) Although the PEDC agrees that the development, as planned, promises to provide a positive impact on the Town's tax base, the projections provided by the O'Neill Properties Group are optimistic on both the total development and phase-in schedule provided by them. With the potential of the development to be within the financial reach of many full-time residents, the projections of non-resort families appear optimistically low. The phase-in schedule appears optimistically short.

(2) With the positive impact on the tax base being so heavily based on significantly high resort use, perpetually-binding provisions that will maintain the integrity of the development as a resort are essential to its viability as a positive revenue generator for the Town.

(3) Modifications of the properties to allow for resort use should not be used as a precedent to allow residential development of other commercial and industrial-zoned land. The potential for piecemeal breakup of commercial and industrial-zoned land for residential use that will compromise potential revenue-positive developments are not consistent with the Comprehensive and West Side Master Plans.

For the Committee

A handwritten signature in black ink, appearing to read 'R. Talipsky', with a long, sweeping underline that extends to the right.

Richard W. Talipsky, Chair

Attachments:

(1) Weyerhaeuser Development Scorecard with Notes

<b>Development</b>	<b>Weyerhaeuser Resort Development</b>		
<b>Attribute</b>	<b>Measure</b>	<b>Data</b>	<b>Remarks</b>
Effect on Tax Base	Net Increase in Tax Base	See Note 1	Note 1
Job Creation	Number of Jobs Created	240 Construction 36 Full Time	Note 2
Job Salaries	Avg Annual Salary of Jobs Created	\$28K	Note 2
Marine Cluster Job Creation	Number of the above jobs that support the marine cluster	30	Note 2
Does it Preserve Prime Development Property?	<u>Arrow</u> Green - Good  Yellow - Caution  Red - Not Good 		Note 3
Does it improved QOL of Portsmouth Residents	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good		Note 4
Does it promote high values tourism of Res-Rec?	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good		Note 5
Does it reuse surplus Navy Property	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good	NA	Note 6
Does it support Military and High Tech R&D type business?	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good		Note 7
Mixed use supports QOL?	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good		Note 8
Mixed Use percentage	% percent mixed use vs private.	Less than 10%	Note 8
Does it promote affordable housing?	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good		Note 9
Does it support inter-town cooperation	<u>Arrow</u> Green - Good Yellow - Caution Red - Not Good		Note 10

**Note 1 Tax Base Effects** - O'Neill Properties projects the overall impact to the tax base to be a net increase of \$2.8M. The basis of this is a current tax rate of \$10.75 per \$1000 valuation. For incremental spending, the value is about \$9000 per school child. Their average number of children in the Weyerhaeuser development is 12.

- a. The \$2.8M tax benefit is based on full development if achieved as a resort. It appears optimistic, and there is no guarantee, that the entire Weyerhaeuser development will be or remain mainly "tourist" in character. If no guarantee can be gained to maintain the development as a strictly resort population, the prediction of tax benefit for the development of Weyerhaeuser should use the same methodology for other similarly-priced residential developments as a worst case analysis.
- b. The PEDC supports resort development as a positive impact on the tax base. Since the developer offers no enforceable guarantee that the Weyerhaeuser development will not become residential in nature, we question its characterization as resort for estimating the tax benefit.
- c. O'Neill Properties predicts the Weyerhaeuser development to be fully built out and populated in nine years. This appears optimistic.
- d. If the "resort" evolves into a "residential" development, the school population impact could be up to 100 children.

**Note 2 Job Creation** - O'Neill Properties projects the creation of 240 construction jobs, 36 direct employees and 120 marine trades jobs. O'Neill Properties projects that the 36 permanent jobs will phase in 2009 and 2010 as they predict Weyerhaeuser amenities to be to be complete by 2010. Their hope is also that the marina will be in operation by 2009, although they acknowledge that the marina permitting process has not yet begun and will be extensive. They predict reaching a capacity of 60 boats in by mid-2010. They project the average new job salary to be \$40K and \$60K. O'Neill states that the RI Marine Trades Association estimates on direct and one indirect job created per boat.

- a. The types of the 36 permanent jobs is not specific. The number of jobs, if strictly generated by Weyerhaeuser, seems to be significantly higher than would be expected. If the majority of those jobs are service, non supervisory, the average salary would be less than \$30K per year. Very few jobs would command a \$60K per year salary. A high estimate of the average salary of the new permanent jobs is more on the order of \$28K average per year. The prediction to have all 36 permanent jobs in place by mid 2010 is also considered optimistic.
- b. With the permitting process for the marina not yet started, it appears very optimistic to have the marina in operation in 2009. Also, the projection of creating two marine-related jobs per boat appears optimistic and not generally accepted by some other sources familiar with the marine industry and is considered suspect.

**Note 3 Preservation of Prime Development Property** - A resort development is probably the next best thing for development of this property in lieu of a high technology business cluster employing a large number of highly-paid employees. The Weyerhaeuser development, if ultimately maintained as strictly a resort community, is an excellent use of this prime development property. It is unlikely that a better development, that would exceed the tax benefit to the community, could be projected for the property in any near-term scenario.

**Note 4 Effect of Portsmouth Citizen Quality of Life (QOL)** - Although the main benefit of QOL will be for the residents of the Weyerhaeuser gated community, the plans for the development offer several items that will improve the QOL of all Portsmouth residents.

- a. It will clean up a previous industrial site and transform it into an environmentally clean piece of land.
- b. It will transform an industrial pier area into a beautiful marina. If public access to the coastline area is provided as part of the development, this will improve public access along the coastline and provide a beautiful vista along the planned water "blue route" along the coast.
- c. It will restore the previous vegetation and wetland area of the former Weyerhaeuser area as is being done at the former Kaiser Aluminum site.

**Note 5 Promotion of Recreational-Residential Development** - As currently envisioned, the Weyerhaeuser resort development can be considered Recreational-Residential. However, there is a potential for this development to become less of a part-time tourist development with the home and condominium projected prices being within the reach of New England high-end professionals that would occupy the development full time. Although this development, even if significantly populated with full time residents, is expected that it would still be a positive contributor to the Town's tax base.

**Note 6 Use of Surplus Navy Property** - Not applicable

**Note 7 Support of Military and High Tech R&D type business** - There is a potential for the marina development, if it attracts large vessels, to support some high tech marine business.

**Note 8 Support of Mixed-Use QOL** - This is primarily a gated, private community and does not support much mixed use. There is a railroad right of way that will be preserved as public use and the residents of Pheasant Hill have been promised access to the coastline. There is no indication how much, if any, of the marina complex would be mixed use.

**Note 9 Promotion of Affordable Housing** - In and of itself the Weyerhaeuser development does not promote any affordable housing for low or moderate income residents. In the greater context of the entire Weaver Cove, Carnegie and Weyerhaeuser complex taken as a whole, affordable housing has been promised as a tenet of the developments.

**Note 10 Promotion of Inter-town Cooperation** - This proposed development preserves the railroad transportation right of way. However, this plan offers no added inter-town cooperation benefits.