

ECONOMIC DEVELOPMENT COMMITTEE

WORKSHOP with the TOWN COUNCIL

February 2011

Workshop Outline

- ***PEDC Objectives***
- ***The GAP – The Main Thing***
- ***Revenues vs Budget Requirements***
- ***Development of PEDC's Strategic Planning Principles***
- ***The Near Term Plan***
- ***What is Next?***
 - Multiple Action Approach
 - Target Areas
 - How do we measure our effectiveness/ progress

PEDC Objectives (from By-Laws)

Section 1. Primary Objective

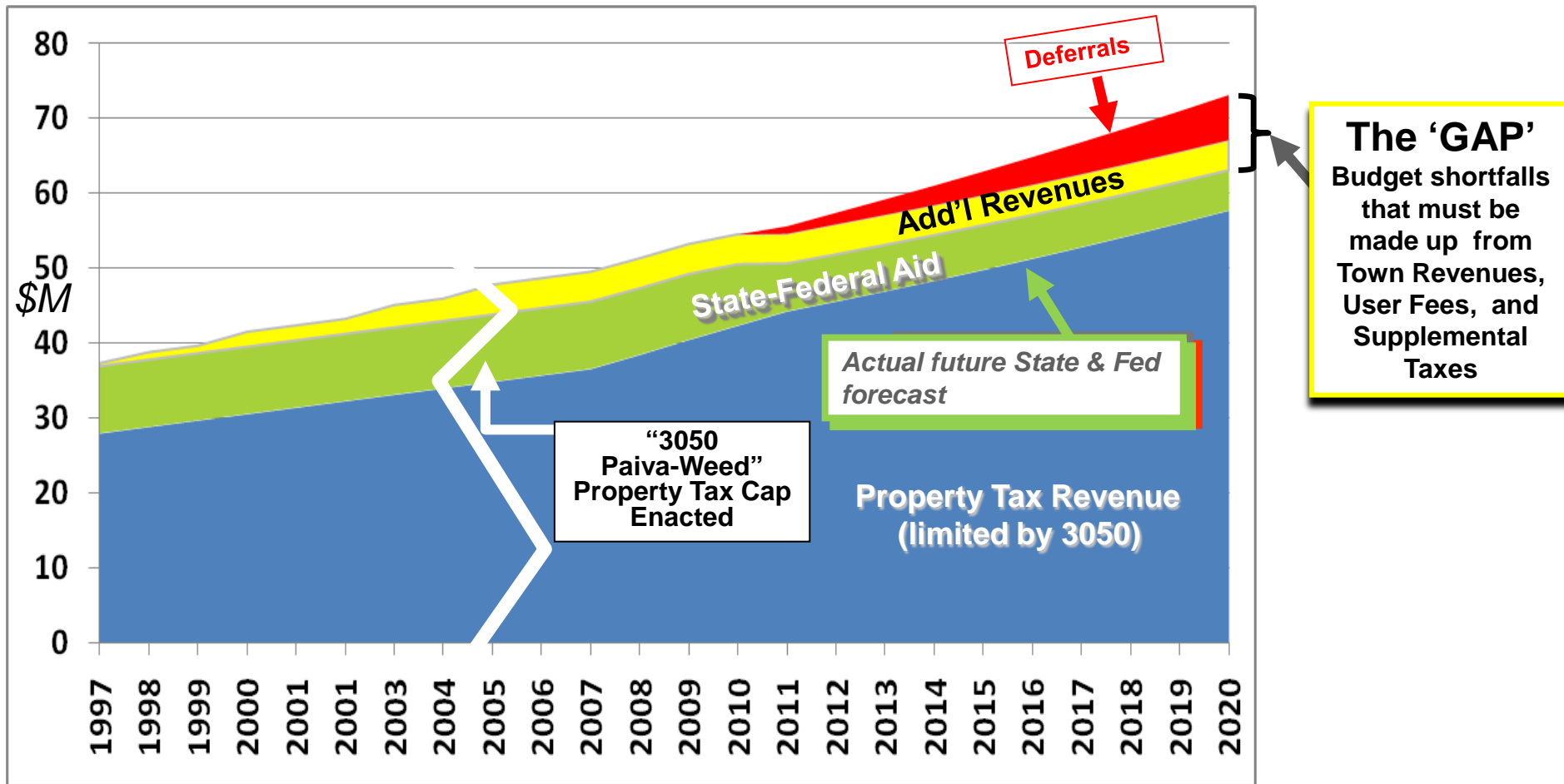
- ***The primary objective of the Committee is to advise the Town Council on economic-related matters. The Town Officials may from time to time, refer to the Committee policy matters of community development and viability, including such issues as land, economic, and infrastructure development. Town Officials shall keep the Town Administrator informed of interaction with the committee.***

Section 2. Other Objectives

- ***The Committee shall not be limited to issues referred to it by the Town Officials and may discuss and make recommendations to the Town Officials and Staff on any matter involving community development and viability within the Town of Portsmouth. Town residents are also encouraged to submit items to the Committee.***

The Ever-Looming "GAP"

Historical and Projected Town Budget Picture



1. Based on constant 2007 dollars
2. Future budgets are based on 1.5% increase in budget per year (inflated at 1.5% per year)
3. State aid projected decrease until at least 2020, Fed aid assumed constant (both figures inflated at 1.5% /yr)
4. Deferred spending of \$500K per year starting in 2011 (figures inflated at 1.5%/yr)

- Property Tax Levy is Limited by Law
- State and Federal Funding is Decreasing per a state advertised schedule.

Our Current Revenues are Not Meeting our Budgetary Requirements

- ***How do we make fill “The Gap”?***
 - **Reduce the cost of doing business** (Make hard decisions on where and what we are spending **(Critical, Essential, Routine, Non-essential)**
 - *Agreements, Entitlements*
 - *Consolidation*
 - *Shared Services, Regionalization*
 - **Encourage more “Revenue Positive” Development**
 - **Develop new “revenue generators” to bring money in from outside**
 - **Enact more user fees or enterprise funds**
 - **Decrease Town services, programs**
 - **Override Paiva-Weed and increase property taxes**
- ***Long-Range Economic Strategic Planning and Budgeting***

We need Innovative Ideas Managed as Enterprises

Manage each Town Entity as an Enterprise

Example of a 3-Pronged Goal Approach to Filling “The Gap”

Increased Net Revenue from Existing Properties and Sources

(\$300K/yr)

School

- Derive maximum return from outside students
 - (e.g., Little Compton students- Cover variable costs; maximize contribution to fixed costs
- Fees for Services/ Use of facilities/ Fees

Town

- Capitalize on Town Owned Properties (Melville Campgrounds, Glen Farms, Glen Manor House, Coggleshall School) (Operate as enterprises to ensure maximum profitability)
- Fees Services/ Use of facilities/ Fees

New Commercial or Rec-Res Properties

(\$400K/yr from \$50M Comm and Rec-Res)

- Be advocates of clean, high tech, unobtrusive commercial entities
- Balance resort/summer communities with town quality of life

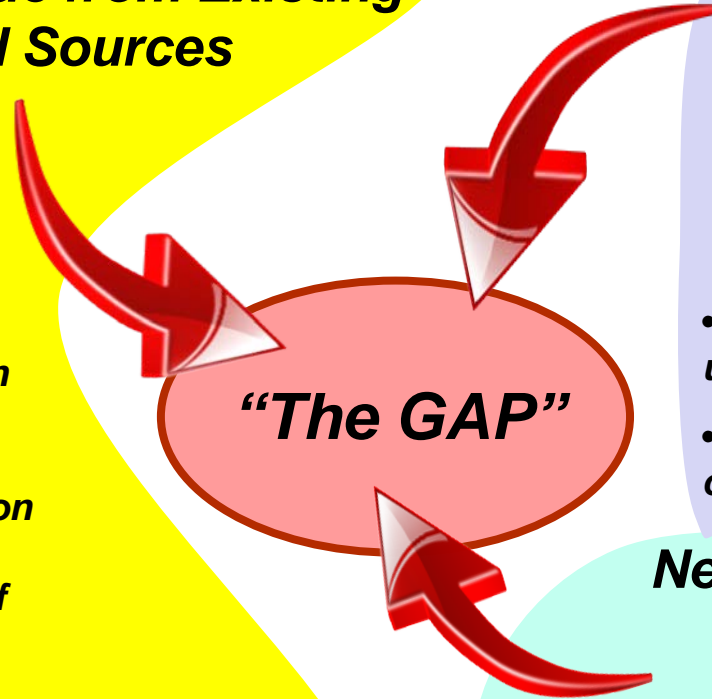
New Revenue Sources

(\$300K/yr)

New Revenue Sources

- East Bay Energy Consortium Returns
- The Elmhurst School
- A Science/Math Academy
- Other new Entrepreneurial initiatives
- Stand Up a Municipal Court

“The GAP”



Status of PEDC Strategic Planning Process

- **Initial Strategic Planning process (2001-02)**

- ✓ **Phase 1 Report (May 2007) (See 2010 Annual Report Slides 49-52)**
 - Developed the SWOT (Strengths, Weaknesses, Opportunities, and Threats)
 - Outlined the project path ahead

W Phase 2 (See 2010 Annual Slides as noted below)

- ✓ **Public Workshops and Surveys validated Phase 1 (Mar-Apr 09) (slide 47)**
 - Wide Community Stakeholder Participation
 - Town Council, Town administration, Town Committees and Boards, Town citizens, and other subject matter experts

- ✓ **Workshops convinced us there is a willingness & opportunity to achieve results with a near term action plan- Created Action Plan !!A (2010-2012) (Slide 48)**

W Develop and Implement Near term Action Plan (Slides 40-46)

W Determine the “how” and “what” of the Phase 1 issues. (Slides 40-46)

W Develop Long Range Plans of Actions and Milestones that include implementation initiatives. These come from the outcomes of the near term plan

W Develop quantifiable measures of effectiveness. (slides 29-33)

(See slides from PEDC Annual Report to TC of Jan 10, 2011)

✓ = Completed **W** = work in-progress

Strategic Planning Principles and Policies

Basic Principles

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

Overall Economic Development Goals

- Reduce the Traditional Residential Tax Levy to max of 80% of the Total
 - Achieve a balance of town revenues and expenditures

Policies

- Build from **the consensus on the top drivers** of the Town's economy
- **Identify actions** to put the Town on the right path
- Identify and **mitigate obstacles** that may impede success
- **Leverage the principles of "smart growth"** that are embodied in development plans (such as the West Side Master Plan) and leverage regional resources to help achieve our goal.

Backup Slides provide information on Strategic Plan Development

Near-Term Economic Strategic Plan

- ***An action plan to jump-start improvement in Town's economic health by:***
 - **Town Council taking a Strong Leadership Role**
 - *Workshop with PEDC to understand and weigh-in on previous work*
 - *Understanding of Root Causes and Net Benefits*
 - *Setting priorities for resource investment (personnel and \$\$)*
 - **seizing available and emerging opportunities, such as:**
 - *Capitalizing on the success of the WTG as part of a broad energy sustainability plan*
 - *Position the Town for optimum West Side development*
 - *Leverage our Recreational Gems*
 - **attacking critical weaknesses and roadblocks, such as:**
 - *Budgeting and Permitting practices*
 - *High Cost of Doing Business*
 - *Infrastructure shortfalls (water, transportation, sewage disposal)*

•The details are in the backup slides.

•They involve many projects with exciting opportunities.

Portsmouth EDC Economic Strategic Plan

Progress Report Nov. 30, 2010

Phase II-A (2010-2012)-

- **OCT. 2009 NEAR-TERM ECONOMIC STRATEGIC OBJECTIVE**
 - Create a Three-Year Plan of Action to Seize Available or Emerging Opportunities and Attack Critical Weaknesses to Improve the Economic Health of the Town
- ***Plan Elements-***
 - A- Near Term Town-Wide Economic Enhancement Initiatives
 - B- Initiatives to Position the Town to capitalize on West Side Opportunities.
 - C- Showcase the Potential Benefits of Town Fiscal Management Improvements
 - D- Maintain a Strong Town Energy Sustainability Plan

(See 2010 Annual Report slides 40-46)

(See slides from PEDC Annual Report to TC of Jan 10, 2011)

How to Measure Our Economic Health

- ***Develop SMART Metrics***
 - Specific, Measurable, Attainable, Results-Oriented, Time-Determined
- ***Measure Portsmouth Against***
 - Other RI Municipalities
 - Other New England States
 - The Nation
- ***Measure Wealth-Building Enterprises***
- ***Measure the Prosperity of Our Citizens***
- ***Measure Our Quality of Life***
- ***Commit to Measurable Objectives to gauge progress***

RI continues to be at the bottom of nearly every measure of business attractiveness. But that doesn't mean that Portsmouth has to sit down there with the rest of the state

The PEDC Way Ahead

- ***Continue to serve the Town Council, town bodies and citizens as an analytical resource.***
- ***Refine list of potential actionable items to identify to the Town Council “low hanging fruit “ for short-term gain with low investment. (Strengths and Opportunities)***
- ***Refine list of obstacles (Weaknesses and Threats) to economic success and provide the Town Council recommended mitigation plans***
- ***Identify specific “revenue generators” to the Town Council with recommendations for implementation.***
- ***Inform and gain citizen input to establish citizen buy-in to Town Council initiatives to improve economic health***
- ***Establish metrics to measure progress. Track metrics***