

# Economic Development Planning in Practice: Thompson's Point, Portland, ME

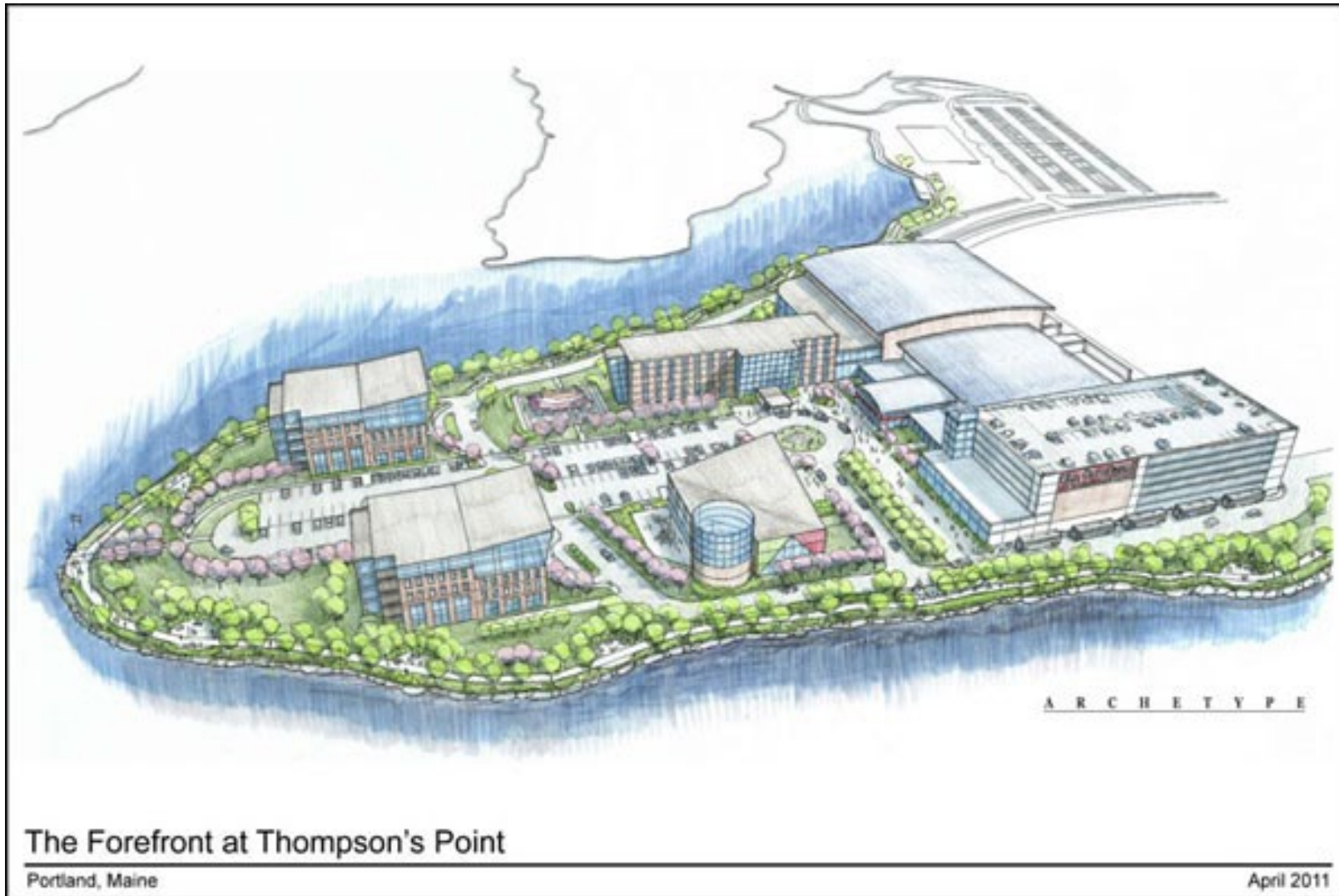
11.438 Economic Development Planning

Jeff Levine, AICP



Photo credit: Maine Imaging © City of Portland, ME. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

# Original Plan



- 28 acres
- \$169 million in total one-time economic activity, including \$49 million in wages, supporting 1,230 jobs (during the construction period).
- \$31.3 million in new sales each year for Maine businesses, including \$11 million in wages, supporting 455 jobs (during the operating period).

© Thompson's Point Development Company. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

# Strategic Repositioning: From “The Forefront at Thompson’s Point” to “Thompson’s Point”



- Moved away from “clean, scrape and build”
- More organic approach with smaller tenants
- Arts and artisan focus (Circus Conservancy of America; Bissell Bros.)
- Housing repositioned from condos to workforce rentals
- Commitment to Transportation Demand Management
- Slow implementation & several changes in direction
- Added 2 acre Suburban Propane Site

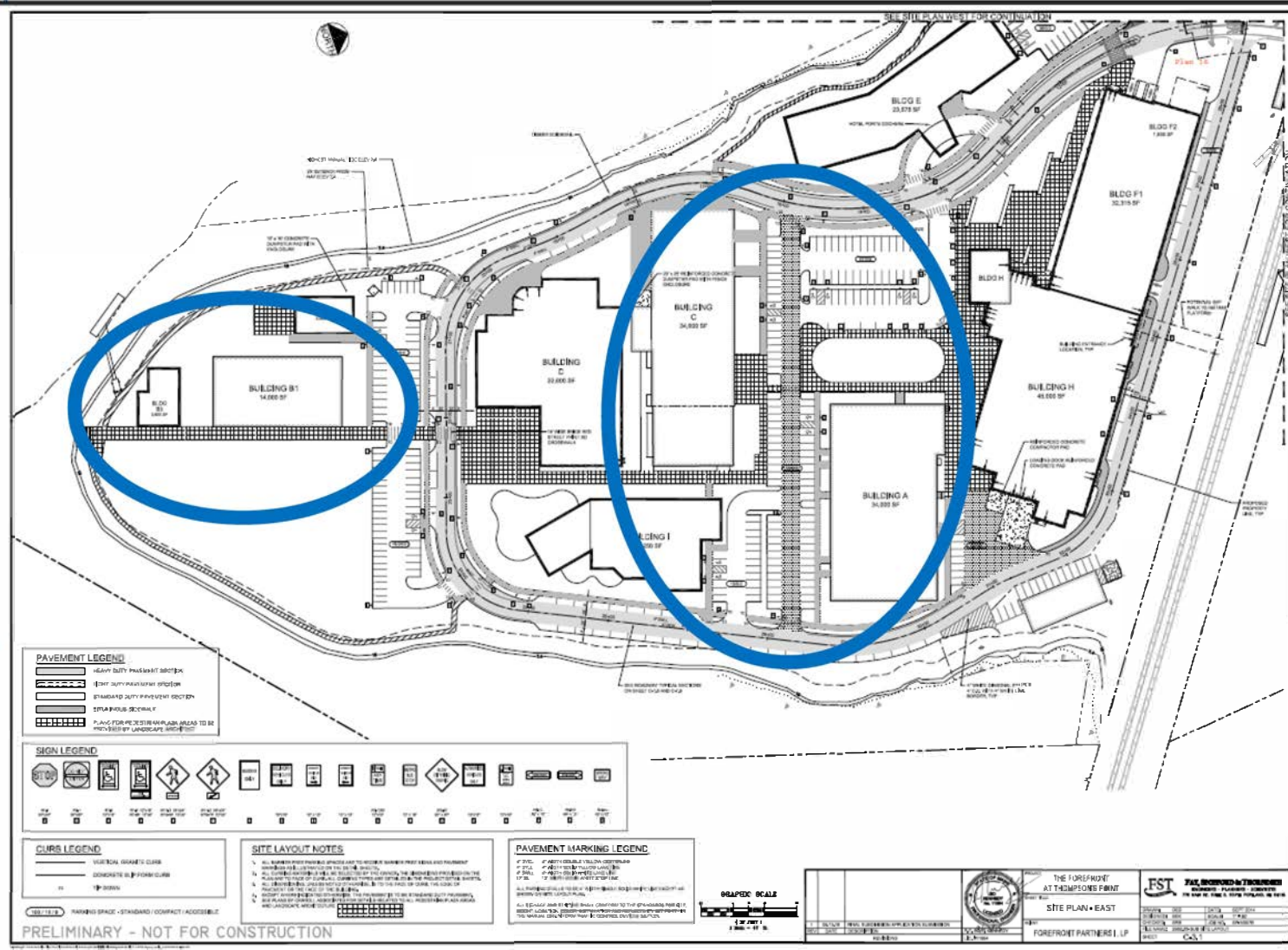
© Thompson's Point Development Company. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.



**TABLE I  
MASTER PLAN PROGRAM**

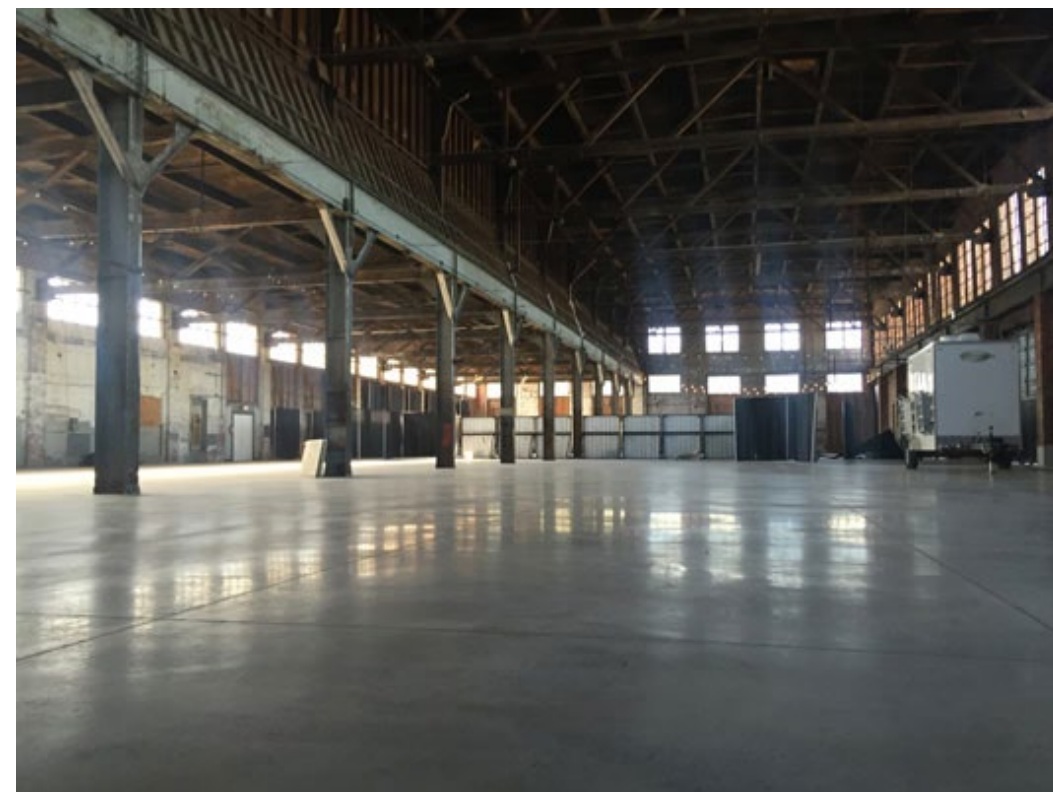
Building Master Plan	Master Plan - August 2015 Gross Size
<b>Building A:</b> Mixed Use: Cellar Door Winery (5,840 SF) Circus Program (6,799 SF; 400 People) Big Room Studios (3,461 SF) Café (1377 SF) Brewery (10,068 SF) Distillery (5,284 SF) Color Me Mine (2,136 SF) Common (741 SF)	34,800 SF +/-
Building B1: Multi-Purpose (Assume Live Theater)	4,800 Seats
Building B2: Ancillary to B1 and Seasonal Dock	3,600 SF
Building B3: Restaurant	3,600 SF
Building C: Event/Assembly Space (2,500 People)	34,600 SF
Building D: Educational/Gym/Sports Medicine	41,600 SF
Building E: Hotel & Restaurant Condominiums	125 Rooms 24 Units
Buildings F1/F2: Parking Garage <sup>a(see next page)</sup>	730 Spaces
Building G: Office	180,000 SF
Building H: Event Center	63,000 SF
Building I: Cultural Center	40,000 SF
Building J1: Condominiums (Assumed)	160,000 SF/160 Units
Building J2: Condominiums (Assumed)	196,500 SF/160 Units
<b>Total Non-Garage</b>	<b>814,300 SF</b>

*\* Depending on the timing of garage construction which will follow the relocation of Suburban Propane and the commencement of the phase two buildings, it is conceivable that by the time the garage is ready to begin construction we may actually elect to add floors taking advantage of the 120' height limit to increase structured parking capacity. It may also be desirable to build the garage structure to provide for the possibility of adding floors in the future after the initial 730 spaces are built. We are continuing to assess these options now, but would suggest that the Master Plan retains the ability to plan for a dynamic future outcome without compromising the needs of the first phase of development.*



© Thompson's Point Development Company. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

# Role of Preservation



Left: base imagery © Google; right: © The Bollard / Chris Busby. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

# Role of Diverse and Strategic Tenanting



Logos: upper left © Halo at the Point; upper right © Circus Conservatory of America; lower left © International Cryptozoology Museum; lower right © Bissell Brothers Brewing Company. Photo © The Bollard / Chris Busby. All images on this page are all rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

# Public Actions to Plan for Redevelopment

- Transit Oriented Development TIF District
- EDA Grant
- City Relocation Effort for Industrial Tenant
- FAME Funding
- Brownfield Cleanup
- Flexible Permitting



# Tax Increment Financing

- Credit Enhancement at 75% of capture for Years 1 to 10, declining through to 40% at Years 31 to 40
- Transit operations capture at 25% for Years 1 to 40
- Capture doesn't begin until new tax revenue exceeds \$5 million per year
- Estimated Tax Shift Benefits averaging an estimated savings to the City of \$567,610 annually.

*MRS Title 30A §5225: “Eligible transit-oriented development district capital costs include but are not limited to: transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; benches, signs and other transit-related infrastructure; bicycle lane construction and other bicycle-related improvements; pedestrian improvements such as crosswalks, crosswalk signals and warning systems and crosswalk curb treatments; and the nonresidential commercial portions of transit-oriented development projects.”*

**THOMPSON'S POINT TOD TIF PROJECT/PHASE ONE**

30 years - Yrs 1 to 10: 75%/Dev & 25% TOD; Yrs 11 to 15: 60%/Dev & 25% TOD; Yrs 16 to 20: 50%/Dev & 25% TOD; Yrs 21 to 30: 40% /Dev-25% TOD

TIF Year	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	\$25,000,000	100.00%	\$25,000,000	19.80	\$495,000	\$371,250	\$123,750	\$0
2	\$50,000,000	100.00%	\$50,000,000	20.20	\$1,009,800	\$757,350	\$252,450	\$0
3	\$78,000,000	100.00%	\$78,000,000	20.60	\$1,606,794	\$1,205,095	\$401,698	\$0
4	\$78,000,000	100.00%	\$78,000,000	21.01	\$1,638,930	\$1,229,197	\$409,732	\$0
5	\$78,000,000	100.00%	\$78,000,000	21.43	\$1,671,708	\$1,253,781	\$417,927	\$0
6	\$78,000,000	100.00%	\$78,000,000	21.86	\$1,705,142	\$1,278,857	\$426,286	\$0
7	\$78,000,000	100.00%	\$78,000,000	22.30	\$1,739,245	\$1,304,434	\$434,811	\$0
8	\$78,000,000	100.00%	\$78,000,000	22.74	\$1,774,030	\$1,330,523	\$443,508	\$0
9	\$78,000,000	100.00%	\$78,000,000	23.20	\$1,809,511	\$1,357,133	\$452,378	\$0
10	\$78,000,000	100.00%	\$78,000,000	23.66	\$1,845,701	\$1,384,276	\$461,425	\$0
11	\$78,000,000	85.00%	\$66,300,000	24.14	\$1,600,223	\$1,129,597	\$470,626	\$282,392
12	\$78,000,000	85.00%	\$66,300,000	24.62	\$1,632,227	\$1,152,189	\$480,038	\$288,040
13	\$78,000,000	85.00%	\$66,300,000	25.11	\$1,664,872	\$1,175,233	\$489,639	\$293,801
14	\$78,000,000	85.00%	\$66,300,000	25.61	\$1,698,169	\$1,198,738	\$499,432	\$299,677
15	\$78,000,000	85.00%	\$66,300,000	26.13	\$1,732,133	\$1,222,712	\$509,420	\$305,670
16	\$78,000,000	75.00%	\$58,500,000	26.65	\$1,558,919	\$1,038,240	\$520,679	\$519,640
17	\$78,000,000	75.00%	\$58,500,000	27.18	\$1,590,098	\$1,059,005	\$531,093	\$530,033
18	\$78,000,000	75.00%	\$58,500,000	27.72	\$1,621,900	\$1,080,185	\$541,714	\$540,633
19	\$78,000,000	75.00%	\$58,500,000	28.28	\$1,654,338	\$1,101,789	\$552,549	\$551,446
20	\$78,000,000	75.00%	\$58,500,000	28.84	\$1,687,424	\$1,123,825	\$563,600	\$562,475
21	\$78,000,000	65.00%	\$50,700,000	29.42	\$1,491,683	\$918,131	\$573,552	\$803,214
22	\$78,000,000	65.00%	\$50,700,000	30.01	\$1,521,517	\$936,494	\$585,023	\$819,278
23	\$78,000,000	65.00%	\$50,700,000	30.61	\$1,551,947	\$955,223	\$596,724	\$835,664
24	\$78,000,000	65.00%	\$50,700,000	31.22	\$1,582,986	\$974,328	\$608,658	\$852,377
25	\$78,000,000	65.00%	\$50,700,000	31.85	\$1,614,646	\$993,815	\$620,831	\$869,425
26	\$78,000,000	65.00%	\$50,700,000	32.48	\$1,646,939	\$1,013,691	\$633,248	\$886,813
27	\$78,000,000	65.00%	\$50,700,000	33.13	\$1,679,878	\$1,033,965	\$645,913	\$904,549
28	\$78,000,000	65.00%	\$50,700,000	33.80	\$1,713,475	\$1,054,644	\$658,831	\$922,640
29	\$78,000,000	65.00%	\$50,700,000	34.47	\$1,747,745	\$1,075,737	\$672,008	\$941,093
30	\$78,000,000	65.00%	\$50,700,000	35.16	\$1,782,699	\$1,097,252	\$685,448	\$959,915
<b>30 Year</b>	<b>\$2,259,000,000</b>		<b>\$1,830,000,000</b>		<b>\$48,069,677</b>	<b>\$32,806,687</b>	<b>\$15,262,990</b>	<b>\$12,968,776</b>
<b>NPV @ 5.75%</b>						<b>\$16,374,528</b>		

Year 1 is when the increased value exceeds \$5,000,000 above baseline of \$4,9470,450

As of 2020:  
\$10,545,070 in total value  
\$245,805.59 in annual taxes

# Hub Link Study

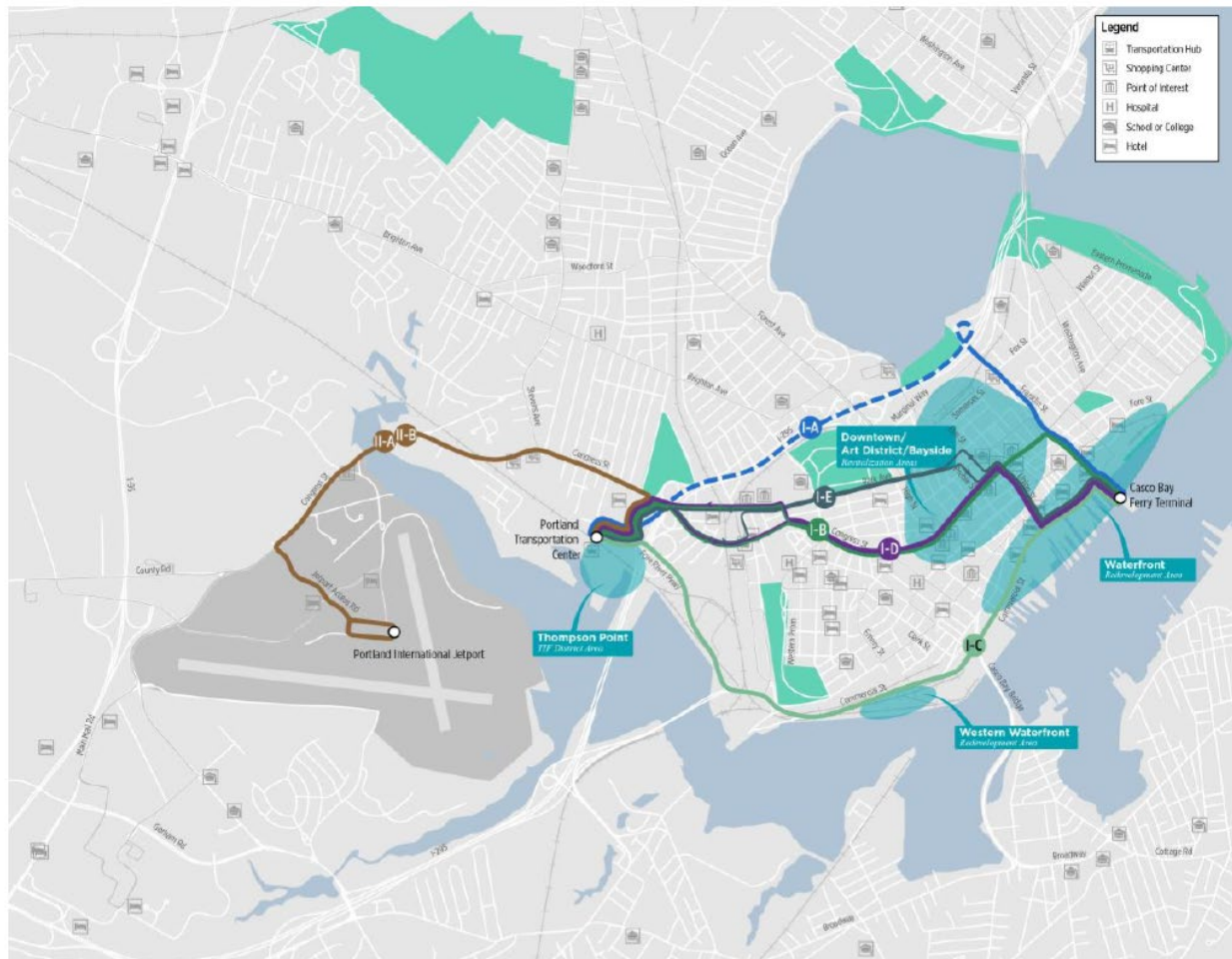


Figure 61 Top-Rated Alternatives by Objective

ALTERNATIVE	Connectivity	Mobility	Economic Development	Cost Effectiveness
<b>PHASE I</b>				
No Build (Existing METRO Service)				
I-A (PTC to Ferry Terminal via I-295)	✓			
I-B (PTC to Ferry Terminal via Congress Street)	✓	✓		
I-C (PTC to Ferry Terminal via Commercial Street)				✓
I-D (PTC to Ferry Terminal via Congress and Commercial Street)			✓	
I-E (PTC to Ferry Terminal via Park Avenue)	✓			
<b>PHASE II</b>				
No Build (Existing METRO Service)				
II-A (PTC to Jetport with no Corridor Treatments)	✓			✓
II-B (PTC to Jetport with Transit Priority Treatments)	✓	✓	✓	



# EDA Grant

- \$1,522,234 to the City of Portland, ME to support the construction of infrastructure necessary to support the re-development of Thompson's Point, a blighted former industrial site in Portland, into a mixed-use center for performing arts, professional sports, offices and regional transportation. The new development will be a catalyst for further business development, improve the city's multi-modal transportation center, and serve as an attractive gateway to the city, creating a foundation for future economic growth. This EDA investment is part of a \$3,044,468 project that creates 455 new jobs and leverages \$105 million in private investment.

# City Assistance for Industrial Relocation

- Suburban Propane on key site in historic building
- City agreed to work with developer to find new location for Suburban Propane
- City-owned site at 636 Riverside Street used to relocation sold to developer for \$285,000

# Finance Authority of Maine Funding

- 2018: \$495,000 direct loan
- To be used to restore a historic building, known as the “Brick Burb,” that is now used as offices for Suburban Propane
- 12 jobs to be created or retained

© The Portland Press Herald. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.



# Brownfields Funds- Childrens' Museum

- \$500,000 Brownfields Grant from U.S EPA to clean up hazardous materials from a 1.12-acre parcel at Thompson's Point for a three-story, 30,000-square-foot structure with an overall budget of about \$15 million
- Site was originally used as a rail yard for the Maine Central Railroad in the late 1800s and later housed a variety of industrial and commercial buildings.
- Contaminated with polycyclic aromatic hydrocarbons, PCBs, arsenic and metals commingled with residual petroleum



© Children's Museum of Maine. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

# Flexible Permitting

- Administrative discretion in zoning interpretation
- Staff time assignments based on public policy goals
- “Rolling with it”



MIT OpenCourseWare

<https://ocw.mit.edu/>

11.438 Economic Development Planning

Spring 2020

For information about citing these materials or our Terms of Use, visit: <https://ocw.mit.edu/terms>.