

Portland, Maine



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Economic Development Department  
Gregory A. Mitchell, Director

## MEMORANDUM

To: Tuck O'Brien, Planning Division Director  
From: Greg Mitchell, Economic Development Director  
Date: April 13, 2018  
**RE: Importance of Retaining Portland's Industrial-Zoned Real Estate**

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### OVERVIEW

The purpose of this memo is to discuss the importance of retaining industrial-zoned property in the City of Portland. This resource is finite as the majority of developable real estate in the City has been built out, and it will be very difficult to rezone property to expand Portland's industrial base.

Over time, Portland has seen its industrial property reduced. Pressure from market forces and societal needs have driven the decrease and rezoning of industrial space primarily to business zones in order to accommodate mixed use neighborhoods. Admittedly, these neighborhoods are filling a vital need, providing increased housing as well as businesses that serve the City's residents and its burgeoning tourism market.

However, in this current environment, retaining Portland's remaining industrial-zoned real estate for industrial uses is crucial to continue to grow and strengthen the City's economy. The vacancy rate of industrial space throughout the Greater Portland area has plummeted from 8% in 2011 to 1.25% in 2017. In Portland it's only 1.1%. Property in industrial zones supports a variety of businesses, many of which are manufacturers that are a vital source of quality jobs that pay livable wages. Their employee base often represents a range of educational levels, providing jobs for those with limited education and/or skills to those with advanced degrees.

### LIMITED INDUSTRIAL SPACE IMPACTS

Over the past few years, the City's Economic Development Department has been receiving increasing requests from companies seeking vacant industrial space or undeveloped industrial acreage for new construction. Some of these requests simply cannot be accommodated given the City's finite industrial property and its extremely low vacancy rate. When the expansion needs of existing Portland-based industrial companies cannot be accommodated locally and/or new industrial opportunities cannot be accommodated, this represents a loss to Portland's tax base and associated employment.

## **TRENDS IN INDUSTRIAL SPACE DEMAND**

Portland's industrial-zoned areas include Riverside Street, Riverside Industrial Parkway, Warren Avenue, Presumpscot Street, Bishop Street, Pine Tree Industrial Parkway, Canco Road, Outer Congress, sections of East Bayside and a few others. It is important to maintain as much acreage as possible in these zones.

Eimskip has established its U.S. port presence in the City of Portland at the International Marine Terminal on Commercial Street. The access to international markets that this is generating is expected to attract cold storage and other investment opportunities.

Portland's food and drink production sector has been in a growth mode, with a range of craft/artisanal companies sprouting up. This trend has the potential to expand food and drink manufacturing in the City and, therefore, contribute further to the demand for industrial space.

## **RECOMMENDATIONS**

To summarize, Portland's industrial space is very limited and should be preserved to the maximum extent possible.

Regarding the request from the owners of 1006 Congress Street to rezone their property from IL to B-2, this seems to represent a unique set of circumstances that will not be displacing industrial uses. However, allowing for this use should be addressed in a site specific fashion.

In conclusion, I would not recommend amendments to permitted uses throughout the City's industrial zones that would reduce the opportunity for industrial business attraction and growth on Portland's remaining industrial real estate.

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**Re: Public Comment for 1006 Congress Rezoning**

1 message

**Barbara Barhydt** <bab@portlandmaine.gov>

Tue, Mar 27, 2018 at 10:42 AM

To: Brett Gabor &lt;brett.gabor@gmail.com&gt;

Cc: Shukria Wiar &lt;shukriaw@portlandmaine.gov&gt;, "Munson, Jennifer" &lt;jmy@portlandmaine.gov&gt;

Thank you for your comments. The applicant asked to postpone this item, so the Planning Board will not discuss it this afternoon. We will include your comments when this comes forward. We don't have a meeting date for this item yet.

Thank you.

Barbara

Barbara Barhydt  
Development Review Services Manager  
Planning Division  
389 Congress Street 4th Floor  
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[bab@portlandmaine.gov](mailto:bab@portlandmaine.gov)

On Tue, Mar 27, 2018 at 9:45 AM, Brett Gabor <[brett.gabor@gmail.com](mailto:brett.gabor@gmail.com)> wrote:

To the Planning Board:

I wish to comment on the rezoning of 1006 Congress. I am in favor of rezoning this lot, which borders Congress but does not border any residential lots, to a more appropriate commercial zone. The current industrial zone is less compatible with a lively streetscape along Congress than a business zone, which could contain a workplace, cafe, restaurant, or other amenity. The developers have been accessible to neighbors and have made good-faith attempts to listen to their concerns and I believe they will continue to be good neighbors.

Best,

Brett Gabor  
[40 Frederic Street](#)

Google Groups

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**1006 Congress**

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**Nikki Anderson** <n.annetteanderson@gmail.com>

Apr 12, 2018 12:15 PM

Posted in group: **Planning Board**

Good afternoon Council, City Manager and Planning Board,

Please find our attached letter in support of the zoning change for 1006 Congress St,

Best Regards,  
Nikki Anderson  
Libbytown Neighborhood Association



**March 20, 2018**

Planning Board  
389 Congress St  
4th Floor  
Portland, ME 04101

Dear Members of the Planning Board,

The Libbytown Neighborhood Association writes in favor of the application to rezone 1006 Congress Street. This particular property presents an opportunity to bring desired amenities to an area that is currently growing beyond its former industrial nature.

Currently, the lot is zoned light industrial. This disallows many uses that would be highly regarded by neighbors, such as a restaurant, cafe, market, office space, or similar businesses that would be valued by those living in the vicinity.

The persons seeking the zoning change own more lots along Westfield Street, but have reasonably requested that only the lot that abuts Congress Street (and does not abut residential uses) be rezoned. Over the last year representatives of the owners have shown a willingness to engage with neighbors and listen to concerns that are brought forward about businesses currently located upon their property. They have expressed a desire for uses of the land that are in accordance with those expressed by many neighborhood residences.

We hope that the Planning Board will consider this particular zoning application as a means to expand the allowed uses beyond merely industrial, which will help provide a lively neighborhood atmosphere where people live, play, and work.

Warm regards,

The Libbytown Neighborhood Association