



Shukria Wiar <shukriaw@portlandmaine.gov>

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## 1006 Congress Street- Rezone from IL to B2

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**Greg Mitchell** <gmitchell@portlandmaine.gov>  
To: Shukria Wiar <shukriaw@portlandmaine.gov>  
Cc: Nelle Hanig <nrh@portlandmaine.gov>

Thu, Jun 7, 2018 at 12:45 PM

Shukria,

Please forgive the delayed response. Nelle is on vacation this week.

The Economic Development Department is supportive of the proposed expanded zone change, in this location, from IL to B-2 for all properties which front Congress Street.

Let me know if you have any questions or require additional input.

Greg A. Mitchell, Director  
Economic Development Department  
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Portland, Maine | Yes. Life's good here.  
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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.