

City of Sanford



**From the Desk of
Steven R. Buck
City Manager**



Memorandum

To: City Council
Subject: Manager's Report for July 7th, 2015
Date: July 7th, 2015

Linking Education to our Local Economy:

It is no surprise that our Superintendent, School Board, and Core Building Committee Members have spent a tremendous amount of time towards the future construction of our new fully integrated Academic and Career Technical High School facility and educational programming. But, I did want to bring the latest statistics forward as to why Economic Development Director, James Nimon, and I (City Manager) have also devoted so much time and effort towards our educational system.

Attached to the end of this report is the latest Report available from the Seacoast Shipyard Association on the Economic Impact of the Portsmouth Naval Shipyard. Statistics of note are:

1. Of the 5,585 workers and \$432,262,410 Civilian Payroll, Maine has the highest portion of 3,292 workers and \$245,644,778 payroll
2. Of the 3,292 Maine Workers, Sanford/Springvale has the highest proportion at 436 Workers earning \$30,744,096

Our City has a large number of people employed at the Shipyard and the Shipyard as a continued need for new employees due to both expansion and retirement. Our new High School focuses on this need for future employees and the high degree of training necessary for the various job categories. The Sanford Regional Economic Growth Council also works continuously, as doe our School Department, with York County Community College to both coordinate our combined educational efforts as well as to house the technical trades training programs here in Sanford. We will have more on this topic as this relationship continues to expand.

Linking our Destination Tourism Report to our Local Economy:

Also attached at the end of this Report is the Maine Beaches Associations 2014 Regional Tourism Impact Report. The Report breaks out the economic impact of the over 11.5 million visitors in 2014 to the Maine Beaches area of York County. The Report documents an increase of over 4.4% as compared to 2013 with the 2014 economic impact estimated at over \$1.6 billion. This Report re-affirms the Feasibility Study conducted on behalf of York Pines

indicating that Sanford could easily support a Destination Tourism Attraction based upon the current tourism numbers already visiting our immediate area.

York Pines continues to have meaningful dialogs with various developers as we learn more of the importance of starting small with an anchor tenant that fits the long-range vision of a Maine Themed Eco-Tourist Destination. The York Pines Corporation is preparing to send a delegation to continue these dialogs with known developers to better market our findings and , most importantly, to market Sanford as the right place to construct.

School Construction Updates:

On June 18th, 2015 the City closed on the Land for the future site of the New High School. The City now owns the land and continues to work with Sebago Technics through Lavallee-Brensinger on the permitting and environmental mitigation for the site. Sebago is working through the Army Corps of Engineers and Maine Department of Environmental Protection to define an area of preservation to provide the for environmental impact mitigation in lieu of monetary compensation. The outcome is yet to be determined.

The Final Design is nearing 50% and has gone through value engineering seeking cost savings. A second round of review is forthcoming and will further refine the estimated cost of construction, at or below the adopted Budget.

The CBC II met on June 22nd, 2015 with Harriman Associates to scope the elements of the pending Feasibility Study of all of Sanford's remaining school facilities, absent the New High School. The outcome of the Feasibility Study will be to examine how Sanford's existing school facilities may be rehabilitated to address the student population needs likely for pre-K thru 5 primary schools and a centralized middle school of 6 thru 8. The work with Harriman on Phase II is being timed such that the remodeling of the existing High School will start as soon as the New High School is completed.

Gateway Park:

The City has closed out the CDBG Grant for the Gateway Park and has made the final payment to STS, the General Contractor who performed the construction. Administration has worked with the William Oscar Emery Trust for additional funding for the LED lighting that will illuminate the waterfalls. A Memorandum has been engaged with Great Works Foundation, LLC for the construction of the planters that will outline the park as well as for tree plantings. A Pending Memorandum with the Sanford Kiwanis Club will provide for the construction of restroom and storage facilities within the Park as originally envisioned. The Park is becoming a true Community asset as envisioned as evidenced by the commitment of the Kiwanis and Great Works Foundation.

Broadband:

The Sanford Regional Growth Council's Broadband RFP on behalf of the City closed on the end of May. Since that time the Responses have been reviewed and a secondary interview process has entailed. The results of the two review processes are pending with Tilson and should be reported out to the Growth Council and City Council by the end of July.

The process has been a very steep learning curve and one that has challenged both those involved on behalf of the City as well as the teams of providers within the industry. It is clear

that Sanford has started a new conversation not yet had within our State and one that will lead to an economic partnership in the near future, a partnership that will redefine Sanford's connectivity with the World.

Union Negotiations:

City Administration remains in negotiations with two AFSCME Units, General Services as well as Public Works. The schedule of negotiations remains as aggressive as all parties can meet.

Hay Brook Bridge:

Administration from both Sanford and Alfred met with MDOT Bridge Representative Ben Foster at the Hay Brook Bridge that crosses Hay Brook on the Alfred/Sanford town line connecting the Stone Road and Bernier Road. The purpose of the meeting was to perform a site inspection and to gain the insight of a State engineer on the Bridges current condition and weight restrictions. No changes to the former assessment were made this morning by Mr. Foster, but discussions were refreshed between the two town's administrators.

Director Hill and Engineer Casserly will begin work to obtain construction estimates from qualified firms for assessment, design, and constructions costs. The outcomes of their work will then be forwarded to the respective Board/Council for consideration as to future actions for replacement. This is a continuation of the work and assessment last engaged in 2011 and 2012.

Bergkamp Pavement Preservation Unit:

I received information from Public Works today that the anticipated Bergkamp patch unit has been completed at the factory and is awaiting delivery. Director Hill indicates that the unit should be delivered to the Department by the end of next week, July 17th. The Unit has been purchased to allow for year round maintenance of pavement patching and allow the Department to discontinue using cold patch. The Unit maintains the heated temperature of the asphalt, has a pavement cutting tool, binder applicator, compaction unit, delivery shoot, and will allow the Department to make permanent patches. The City worked with the State MDOT to demo a unit and has followed their successful implementation. The unit will be a significant addition to the Department and for the repair and maintenance of our roadways.



PAUL O'CONNOR
 Chairman
www.saveourshipyard.org
info@saveourshipyard.org



SEACOAST SHIPYARD ASSOCIATION

Post Office Box 1123
 Portsmouth, NH 03802-1123

MARCH 2015

PORTSMOUTH NAVAL SHIPYARD – ECONOMIC IMPACT – CY 2014

CIVILIAN PAYROLL: \$432,262,410

<u>STATE</u>	<u>PAYROLL</u>	<u>*ACTUAL NUMBER OF EMPLOYEES</u>	<u>NUMBER OF EMPLOYEES PAID</u>
Maine	\$245,644,778	3,174	3,292
New Hampshire	157,122,238	2,030	2,208
Massachusetts	12,056,058	156	176
Other States	17,439,336	225	235
Totals	\$432,262,410	** 5,585	5,911

*The employment level for 2014 was 5,585. The number of employees paid (5,911) is greater since in many cases more than one person occupied the same job during 2014

**5,585 includes: Shipyard – 4,752; SUBMEPP - 204; Naval Medical Clinic - 57; NSLC – 42; SERE School - 21; and Army Recruiting Battalion – 12; NAVFAC – 176; Defense Logistics Agency – 119; Base Support – 134; HRO – 24; Commissary – 18

MILITARY PAYROLL: \$42,203,911

Navy: \$26,414,146

Coast Guard: \$15,789,765

PURCHASED GOODS & SERVICES – (SUPPLY DEPARTMENT): \$53,134,900

CONTRACTED FACILITY SERVICES – (PUBLIC WORKS DEPT): \$156,963,912

Includes:

Maintenance/Alterations/Support: \$ 134,544,321

Utilities (natural gas/fuel oil/water/sewer/electricity/communications): \$ 22,419,591

PAST YEARS' COMPARISON:

	<u>Employment Level</u>	<u>Civilian Payroll</u>	<u>Military Payroll</u>	<u>Purchases (Supply)</u>	<u>Contracts (Public Works)</u>
CY 2014	5,585	432,262,410	42,203,911	53,134,900	156,963,912
CY 2013	5,474	414,320,690	41,786,051	38,164,938	129,137,108
CY 2012	5,313	421,805,454	41,146,559	40,145,086	158,648,624
CY 1998	3,648	192,008,527	12,705,138	39,620,496	25,618,115
CY 1989	8,700	268,409,364	28,600,000	60,000,000	---

DEDICATED TO THE WELFARE AND DEVELOPMENT OF PORTSMOUTH NAVAL SHIPYARD



MAINE - 3,292 Civilian Employees were paid \$245,644,777.75

<u>CITY/TOWN</u>	<u>ANNUAL PAYROLL</u>	<u>EMPLOYEES</u>
Sanford/Springvale	\$30,744,096	436
Kittery/Kittery Point	27,719,962	369
South Berwick	24,677,621	315
Berwick	23,244,216	297
Eliot	18,893,774	247
Lebanon	15,905,379	205
Yorks/Cape Neddick	13,276,555	167
Wells	12,744,836	169
Biddeford	12,313,661	167
North Berwick	11,595,227	151
Saco	7,048,838	99
Kennebunk	5,700,249	75
Lyman	4,465,059	59
Alfred	3,184,828	46
Acton	2,775,887	38
Arundel	2,627,204	34
Shapleigh	2,116,101	32
North Waterboro	1,881,683	25
Old Orchard Beach	1,752,437	24
Portland	1,619,774	21
Scarborough	1,537,947	20
South Portland	1,430,218	20
Waterboro	1,227,073	16
East Waterboro	1,225,074	19
Limerick	1,094,445	16
Kennebunkport	829,379	12
Buxton	828,641	12
Brunswick	745,702	10
Westbrook	655,457	11
Hollis Center	635,379	9
West Newfield	622,158	11
Gorham	469,909	8
Dayton	444,552	8
Topsham	375,257	5
Cape Elizabeth	363,336	4
Lewiston	315,272	3
Poland	303,741	6
Gray	297,581	4
Windham	292,448	3
Parsonsfield	288,613	4
Moody	282,068	6
Lisbon Falls	278,118	5
Limington	259,393	4
Falmouth	249,836	3
Bowdoinham	240,657	3
West Kennebunk	226,292	2
Bangor	221,847	3
Ogunquit	220,927	6
Gouldsboro	207,089	2
New Gloucester	194,944	3
Gardiner	187,665	2
Sabattus	182,308	2
Bath	179,539	3
Steep Falls	160,232	3
Cumberland	159,981	2
Oxford	158,682	3
Raymond	156,100	2
Naples	154,544	1
All Others	3,654,991	60



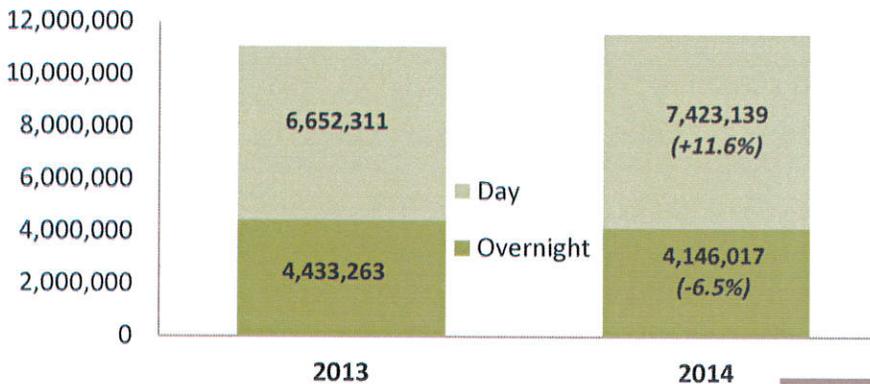
NEW HAMPSHIRE - 2,208 Civilian Employees were paid \$157,122,238

<u>CITY/TOWN</u>	<u>ANNUAL PAYROLL</u>	<u>EMPLOYEES</u>
Rochester	24,383,703	340
Dover	19,968,768	293
Portsmouth	17,363,065	250
Somersworth	11,334,034	169
Barrington	9,053,261	118
Farmington	6,720,579	97
Newmarket	6,084,387	83
Milton/Milton Mills	5,817,680	82
Rollinsford	4,407,870	54
Greenland	3,617,022	43
Hampton	3,291,695	44
Exeter	3,151,375	43
Stratham	2,910,916	37
Strafford/Center Strafford	2,844,066	40
Epping	2,432,016	38
Northwood	2,379,434	30
New Durham	2,107,773	30
Raymond	2,001,308	26
Sanbornville	1,732,634	25
Nottingham	1,666,966	24
North Hampton	1,642,694	20
Rye/Rye Beach	1,574,878	22
Seabrook	1,115,163	15
Kingston/East Kingston	1,100,920	14
Middleton	1,076,715	15
Durham	1,064,639	15
Lee	1,021,050	17
Manchester	999,530	17
Madbury	880,770	10
Brentwood	879,478	13
Derry	640,724	8
Wolfeboro	616,349	7
Hampton Falls	615,245	6
Fremont	584,405	9
Alton/Alton Bay	533,540	10
East Wakefield	519,924	8
Newfields	513,443	7
Kensington	479,768	5
Newington	457,047	6
Nashua	451,142	9
Chester	435,280	5
Pittsfield	381,330	5
Newton	369,865	7
Atkinson	369,207	4
Deerfield	354,111	6
Center Barnstead/Barnstead	339,062	4
Londonderry	278,531	4
Plaistow	277,125	3
Hampstead	275,121	3
Brookfield	259,813	4
Candia	239,906	3
Hopkinton	234,895	2
Ossipee/Center Ossipee	218,461	3
West Nottingham	193,914	3
Merrimack	190,099	3
Tamworth	157,159	1
Amherst	145,749	2
South Hampton	144,575	2
Bedford	131,296	1
Hudson	126,465	1
Center Tuffonboro	124,150	2
Union	119,891	3
All Others	1,720,258	38

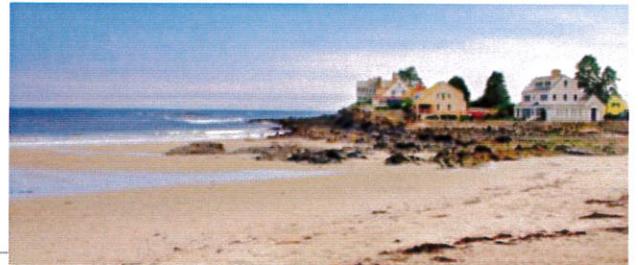
The Maine Beaches

2014 Regional Tourism Impact Estimate

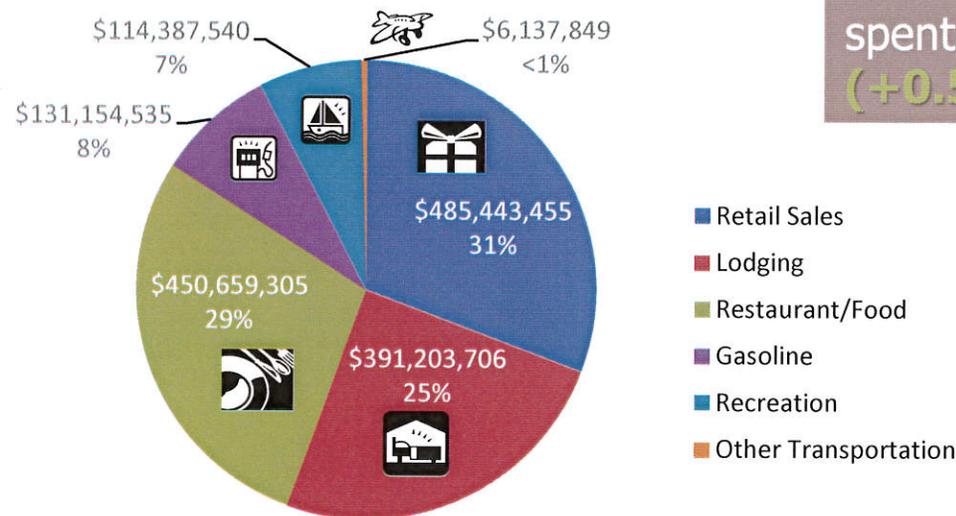
Estimated visitation to the Maine Beaches region in 2014 exceeds 11.5 million visitors, a 4.4% increase over 2013 estimates.



Total visitation: 11,569,156



In 2014, Maine Beaches visitors spent nearly **\$1.6 billion** (+0.5% over 2013).



NOTE: Due to refinements in the model used to estimate expenditures for each region, 2014 expenditures by *category* within each region are not directly comparable to prior year estimates. Any large changes seen in category expenditure estimates are driven by changes in expenditure modeling and not by dramatic shifts in visitor spending patterns.

The money spent by visitors in the Maine Beaches supported...

Economic Impact begins when a visitor spends money in an area. The benefits to the local economy go beyond the basic impact of these dollars spent – these dollars create a chain effect. The effects of these expenditures are evident as the direct recipients of these expenditures in turn pay wages, earn income, and pay taxes. Further these direct recipients spend *their* income and thereby create more impact.

26,234 jobs

\$ 479,228,170 in total earnings

\$ 150,360,229 in total taxes

- For the purposes of visitation and visitor expenditure estimates, only visitors on tourism related trips are included. *Tourism related trips include: All leisure trips, VFR trips that are a general visit to see friends or relatives, a wedding, or a holiday visit, and business trips that are for a convention/conference/trade show or training/professional development.*
- For the purposes of expenditure estimates, visitors are defined as all overnight visitors and all out of state day visitors on tourism related trips.
- Economic Impact is estimated using DPA visitor expenditure estimates, and the RIMS II Economic Impact model.