



SEDCO

Board of Directors Meeting
Thursday – February 17, 2022

7:30am – 9:30am

This Meeting is in Person

3rd Floor at SEDCO Office Building

Meeting Agenda

- I. Call to Order
- II. Approvals: Meeting Summary, Financial Report
- III. 2022 Budget Discussion
- IV. MEREDA Highlights
- V. Presentation from The Downs Team
- VI. Public Comment/ Board Member Roundtable/Town Update
- VII. Adjourn

ONLINE Meeting Location:

For Board Members/Liaisons – Board Members that indicated they would attend via zoom were resent the link to be a panelist.

For Guests: please go to:

https://us02web.zoom.us/webinar/register/WN_KQhbXFmJSCuxiHi2LtkyZA



Meeting Summary

SEDCO Board of Directors Meeting

December 16, 2021

Call to Order

Chair Andrea Killiard called the December 16, 2021, meeting of the SEDCO Board of Directors to order at 8:05am in person with the following members in attendance: Andrea Killiard, Kevin Freeman, Travis Kennedy, Jim Hartley, Jonathan Crasnick and Allen Paul. Dave Martin and Rick Shinay were present via Zoom. 8 out of 8 members were in attendance and a quorum of the board was declared. Also, in attendance were: Town Hall Manager Tom Hall (via Zoom), Councilor Paul Johnson (via Zoom), Executive Director Karen Martin and Economic Development Coordinator Magdalena Slawiec. The meeting was held at 360 US Route One, Third Floor Conference Room.

Public Comment

Chair Andrea Killiard opened the floor to public comment. No comments were offered at this meeting.

Approvals - Minutes & Budget

The September 2021 Meeting Summary and budget were approved unanimously. All were in favor. Voting – Kevin moved, and Jim seconded.

Downtown Plan Discussion

- Travis Kennedy and Karen Martin led the discussion on the Downtown Committee's Report and work – a brief presentation was included.
- SEDCO's role: SEDCO needs to reach out to the local businesses (starting with Oak Hill) and help them understand what is going on in the Downs and Oak Hill. We need to make sure local businesses feel connected to the Downtown and understand how it could support them. Local businesses need to be informed, engaged and excited.
- The Council would benefit from knowing how much energy is behind downtown area from the local businesses.
- Workshop: SEDCO will need to coordinate with the downs on marketing and branding.

Strategic Plan Proposal

- The Board discussed the potential of creating a Strategic Plan Subcommittee led by Kevin Freeman and Andrea Killiard.
- The committee would focus on:
 - Organization activities and roles
 - Goals and Key Performance indicators
- Motion to develop the strategic plan – Jon moved, Travis seconded. All were in favor.
- February board meeting – focus on what we would like to see in the strategic plan. It should take us around 6 months.

Board Members

We need to appoint 2 new board members as Kevin and Andrea's terms are ending this year.

Adjourn

The meeting adjourned at 9:30AM. Motion to adjourn was made by Jon and Travis seconded.

SEDCO Budget Statement: FY 2022

INCOME/REVENUES (Based on Invoices)	2022 Budget	Transactions to Date	% of Budget	Remainder	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Other Revenues (ads, partnerships, sublease, sponsorship)	\$ 9,000	\$ 7,361	82%	\$ 1,639	\$ 500	\$ 3,688	\$ 1,949	\$ 1,224	\$ -	\$ -	\$ -					
Town of Scarborough (TOS) - Staffing	\$ 217,834	\$ 127,071	58%	\$ 90,763	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153					
TOS - Marketing	\$ 13,500	\$ -	0%	\$ 13,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
TOS - Contracted Services	\$ 28,620	\$ 14,310	50%	\$ 14,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,310	\$ -					
INCOME TOTAL	\$ 268,954	\$ 148,742	55%	\$ 120,212	\$ 18,653	\$ 21,841	\$ 20,102	\$ 19,377	\$ 18,153	\$ 32,463	\$ 18,153					\$ -
EXPENSES																
Staffing	\$ 163,343	\$ 95,284	58%	\$ 68,059	\$ 13,612	\$ 13,612	\$ 13,612	\$ 13,612	\$ 13,612	\$ 13,612	\$ 13,612					
FICA	\$ 9,938	\$ 5,796	58%	\$ 4,142	\$ 828	\$ 828	\$ 828	\$ 828	\$ 828	\$ 828	\$ 828					
Medicare	\$ 2,325	\$ 1,358	58%	\$ 967	\$ 194	\$ 194	\$ 194	\$ 194	\$ 194	\$ 194	\$ 194					
Dental Ins	\$ 265	\$ 154	58%	\$ 111	\$ 22	\$ 22	\$ 22	\$ 22	\$ 22	\$ 22	\$ 22					
Long Term Disability	\$ 818	\$ 476	58%	\$ 342	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68					
Health Ins	\$ 24,008	\$ 14,007	58%	\$ 10,001	\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001					
Pension	\$ 16,337	\$ 9,527	58%	\$ 6,810	\$ 1,361	\$ 1,361	\$ 1,361	\$ 1,361	\$ 1,361	\$ 1,361	\$ 1,361					
Unemployment Comp	\$ 200	\$ 119	60%	\$ 81	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17					
Workers Comp	\$ 600	\$ 350	58%	\$ 250	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50					
Staffing Subtotal	\$ 217,834	\$ 127,071	58%	\$ 90,763	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153	\$ 18,153					
Marketing/Attraction of Scarborough - SEDCO	\$ 13,500	\$ 3,473	26%	\$ 10,027	\$ -	\$ -	\$ 962	\$ 80	\$ 649	\$ 950	\$ 832					
Marketing/Attraction of region	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Marketing/Attraction Subtotal	\$ 13,500	\$ 3,473	26%	\$ 10,027	\$ -	\$ -	\$ 962	\$ 80	\$ 649	\$ 950	\$ 832					
Rent & Cleaning	\$ 8,100	\$ 4,725	58%	\$ 3,375	\$ 675	\$ 675	\$ 675	\$ 675	\$ 675	\$ 675	\$ 675					
Utilities (Phone, Cell, Internet)	\$ 4,220	\$ 3,034	72%	\$ 1,186	\$ 316	\$ 323	\$ 323	\$ 323	\$ 323	\$ 323	\$ 1,103					
Conference/Education/Meetings/Travel	\$ 1,900	\$ 731	38%	\$ 1,169	\$ -	\$ -	\$ 10	\$ 109	\$ 588	\$ -	\$ 24					
Office Supplies + Technology	\$ 8,000	\$ 3,160	40%	\$ 4,840	\$ -	\$ 210	\$ 474	\$ 886	\$ 954	\$ 181	\$ 455					
Organization Dues/Subscriptions	\$ 2,500	\$ 1,111	44%	\$ 1,389	\$ -	\$ 466	\$ 466	\$ 103	\$ -	\$ 76	\$ -					
Events	\$ 8,000	\$ 7,481	93%	\$ 519	\$ -	\$ 4,072	\$ 3,409	\$ -	\$ -	\$ -	\$ -					
Professional Expenses	\$ 1,900	\$ 1,925	101%	\$ (25)	\$ -	\$ -	\$ -	\$ -	\$ 1,925	\$ -	\$ -					
MMA (insurance)	\$ 3,000	\$ 2,582	86%	\$ 418	\$ -	\$ -	\$ 2,582	\$ -	\$ -	\$ -	\$ -					
Reserve																
Contracted Services/Operating Budget	\$ 37,620	\$ 24,749	66%	\$ 12,871	\$ 991	\$ 1,674	\$ 8,602	\$ 5,505	\$ 4,465	\$ 1,255	\$ 2,257	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSE TOTAL	\$ 268,954	\$ 155,293	58%	\$ 113,661	\$ 19,144	\$ 19,827	\$ 27,717	\$ 23,738	\$ 23,267	\$ 20,358	\$ 21,242	\$ -	\$ -	\$ -	\$ -	\$ -

Net Budget

Reviewed by: _____

SEDCO Budgets: DRAFT FY 2023 as of Feb 11, 2022

INCOME/REVENUES	FY 2023 Budget	FY 2022 Budget	Change FY22 to FY23	% Change FY 22 to FY 23
Other Revenues (ads, partnerships, sublease, sponsors)	\$ 9,500	\$ 9,000	\$ 500	5.6%
Town of Scarborough - Staffing	\$ 225,128	\$ 216,206	\$ 8,922	4.1%
TOS - Marketing	\$ 13,500	\$ 13,500	\$ -	0.0%
Town of Scarborough - Contracted Services	\$ 29,460	\$ 28,620	\$ 840	2.9%
INCOME TOTAL	\$ 277,588	\$ 267,326	\$ 10,262	3.8%
EXPENSES				
Staffing	\$ 168,312	\$ 161,970	\$ 6,342	3.9%
FICA	\$ 10,300	\$ 9,849	\$ 451	4.6%
Medicare	\$ 2,410	\$ 2,304	\$ 106	4.6%
Dental Ins	\$ 265	\$ 265	\$ -	0.0%
Long Term Disability	\$ 850	\$ 811	\$ 39	4.8%
Health Ins	\$ 25,208	\$ 24,008	\$ 1,200	5.0%
Pension	\$ 16,983	\$ 16,199	\$ 784	4.8%
Unemployment Comp	\$ 200	\$ 200	\$ -	0.0%
Workers Comp	\$ 600	\$ 600	\$ -	0.0%
Staffing Subtotal	\$ 225,128	\$ 216,206	\$ 8,922	4.1%
Marketing/Attraction Subtotal	\$ 13,500	\$ 13,500	\$ -	0.0%
Events Subtotal	\$ 8,500	\$ 8,000	\$ 500	6.3%
Rent & Cleaning	\$ 8,910	\$ 8,100	\$ 810	10.0%
Utilities (Phone, Cell, Internet)	\$ 3,500	\$ 4,220	\$ (720)	-17.1%
Meetings/Education/Conferences	\$ 2,500	\$ 1,900	\$ 600	31.6%
Office Supplies + Technology	\$ 8,000	\$ 8,000	\$ -	0.0%
Organization Dues/Subscriptions	\$ 2,250	\$ 2,500	\$ (250)	-10.0%
Professional Expenses (Audit review)	\$ 2,000	\$ 1,900	\$ 100	5.3%
MMA	\$ 3,300	\$ 3,000	\$ 300	10.0%
Operating Expenses	\$ 30,460	\$ 29,620	\$ 840	2.8%
EXPENSE TOTAL	\$ 277,588	\$ 267,326	\$ 10,262	3.8%
Income Total - Expense Total	\$ -	\$ -	\$ -	
Revenues from Town (Income Total - Other Revenues)	\$ 268,088	\$ 258,326	\$ 9,762	3.8%

Town Budget Summary

Expenditures	FY 2023 Budget	FY 2022	FY 2021	FY22 - FY23 Change	FY22 FY23 % Change
Wages & benefits	\$ 225,128	\$ 216,206	\$ 208,606	\$ 8,922	4.1%
Operating and Marketing	\$ 42,960	\$ 42,120	\$ 31,294	\$ 840	2.0%
<i>Marketing & Communication</i>	\$ 13,500	\$ 13,500	\$ 7,544	\$ -	0.0%
<i>Contractual Services (Operating Budget)</i>	\$ 29,460	\$ 28,620	\$ 23,750	\$ 840	2.9%
Services & Charges					
Supplies					
Property					
Other Costs					
Total SEDCO from Municipality	\$ 268,088	\$ 258,326	\$ 239,900	\$ 9,762	3.8%

Prepared for SEDCO Board Review - February 17, 2022

Summary of MEREDA Trends January 2022

Industrial Market Inventory:

Pleasant Hill - Scarborough	43 buildings	935,196 SF	0%	Vacancy
Scarborough Industrial Park	34 buildings	722,419 SF	1.04%	Vacancy
Walter Nielsen- Scarborough	6 buildings	463,330 SF	0%	Vacancy
Other	21 buildings	366,838 SF	3.78%	Vacancy
Total in Scarborough	104 buildings	2,487,783 SF	.9%	Vacancy
Total Region	670 buildings	20,679,032 SF	1.69%	Vacancy

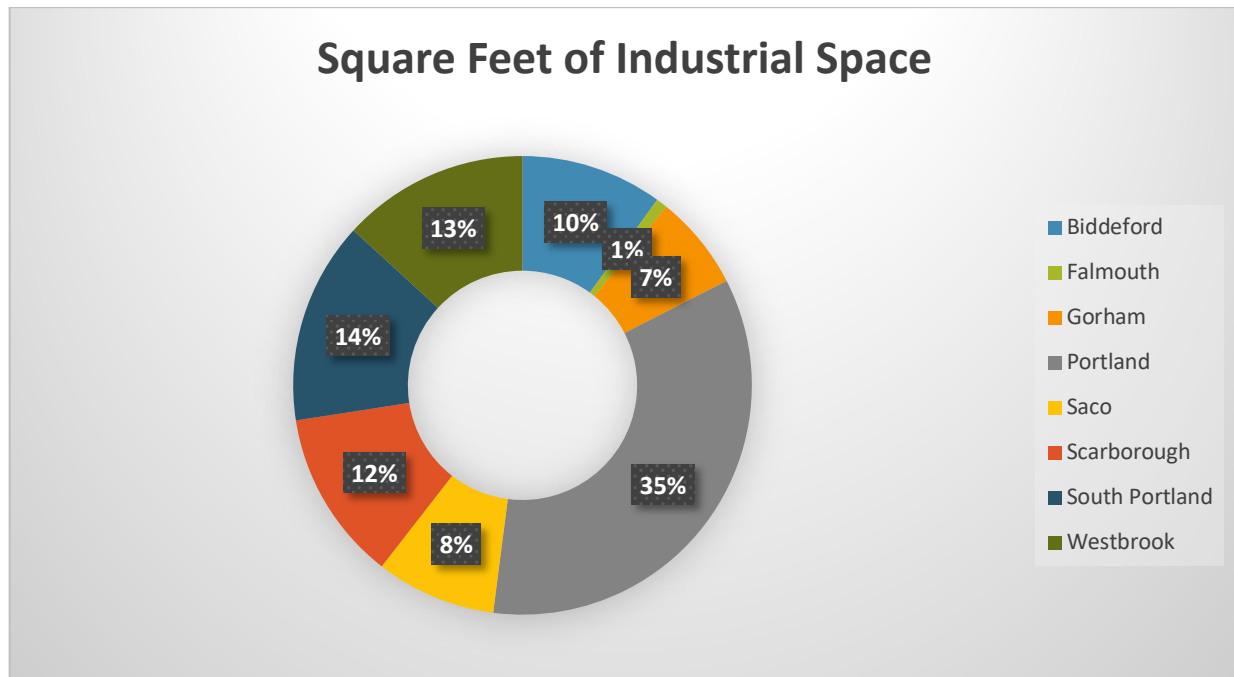
Total Available Space: 21,375 SF < 1% Vacancy

Average Asking Price in Scarborough: \$11.50 NNN

Average Asking Price in Region: \$ 8.92 NNN

% of Regional Industrial Space in Scarborough: 12%

Innovation District: 53 Lots sold (61.62 Acres) \$16.7 Million (\$271,016/acre)



Other Trends:

Web Economy kick started the warehousing and shipping, last-mile demand

Life Sciences continued to grow (Abbott, IDEXX, Puritan, Jackson Labs, MMC

Total Transactional Volume set a record in 2021

Large end-users have limited to no-options

Nearly 500,000 SF of new inventory on 2021.

Office Trends: MEREDA 2022

Portland Downtown	4,304,819
Suburban Portland	1,926,058
Maine Mall Area	2,037,972
Falmouth, Cumberland & Yarmouth	1,089,189
Scarborough & S. Portland	963,179
Westbrook	757,584
Medical	1,368,229
Total	12,447,030

Vacancy Rate: 6.73%

Vacancy Rate in 2010" 10.07%

Scarborough/South Portland – Vacancy Rate: just above 4%

Vacancy Rates in Scarborough will go up in 2022 as Sun Life vacates all of their space in Scarborough to move to Downtown Portland. This space is high end and recently renovated by Sun Life. Before Sun Life, the building was occupied by Cole Hahn Corporate.

49% of office market is back in Portland (Based on Boulos Survey). Much higher rate of being back in office than other areas of country, largely due to small and medium sized offices bringing workers back

NOTE:

The Scarborough Office market was not isolated in this presentation, so I could not give you a specific accounting for Scarborough. The number is split between Scarborough & South Portland and the Medical Office category.

Our Accessing Database shows that we have 5,586,659 SF in Retail and Office Space (Not counting exempt office space like Maine Health). If we subtract the retail space identified by Malone Commercial Brokers data, we would have a 4,195,393 SF of Office. Considerably more than is in this reporting. I suspect that difference is leasable space. If you own your facility, it may not be in the data set. I will try to sort that out and report back to you.

Retail Trends - MEREDA 2022

Community	Total SF	Vacancy	%Vacant	% of Region
Cape Elizabeth	34,735	0	0%	.53%
Falmouth	544,682	3,676	.7%	8.25%
Portland	1,326,110	79,423	6.0%	20.08%
Scarborough	1,391,266	13,700	1.0%	21.06%
South Portland	2,872,007	238,990	8.3%	43.48%
Westbrook	435,906	15,292	3.5%	6.60%
Total	6,604,706	289,081	4.38%	100.00%

Retail/Office SF from Assessing database: 5,586,659 as 4/1/2021

Lease Rates:

Primary Market: \$16-\$40 NNN \$23.3 Average
 Secondary Market \$10.50 - \$20.25 \$17.20 Average
 Overall Averages \$10.50 to \$37.00 \$20.19 Average

Retail Driven by:

- Recovering economy
- Government Stimulus
- Pent-up Demand from people being stuck at home
- Home Equity Wealth Effect
- Home Gym and Athleisure wear

Pressure on large spaces like Sears to be repurposed – maybe pressure on zoning to allow more flexible uses
 15 retail marijuana stores opened, Restaurants rebounded, Travel to Portland off the charts high, cruise ships not missed.

Tenants at Former Public Safety Building:

Harbor Fish, Rosemont Market, Bruno’s Wood Fired Pizza, Maniac Fitness, Stretch Lab, and Raise Playspace

Maine Hotel Trends: MEREDA 2022

Occupancy

	National	Maine
2018:	66.2%	58.5%
2019:	67.2%	60.6%
2020:	44.7%	39.7%
2021:	58.1%	61.5%

Revenue per Available Room

	National	Maine
2018:	\$85.96	\$78.77
2019:	\$88.42	\$87.90
2020:	\$46.57	\$51.37
2021:	\$72.00	\$108.86

Portland

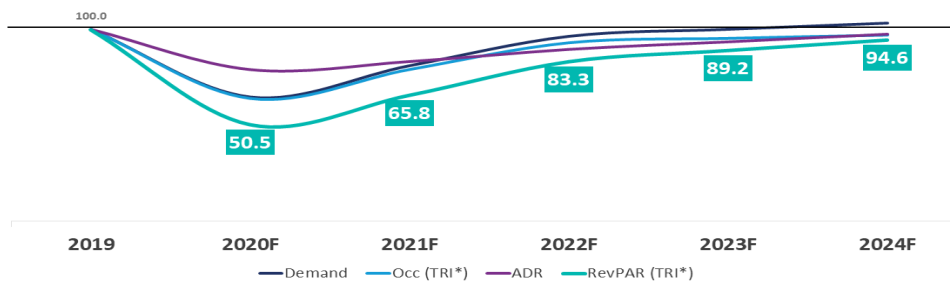
Occupancy:	67.8%
Average Daily Rate:	\$178.87
Revenue per Room:	\$121.23

Smith Travel Research Projects that Nationally, Revenue per Available Room will be fully recovered by 2023.

U.S. Forecast: COVID-19 Recovery Scenario

Indexed to end of 2019
2019 – 2024F

TOURISM
ECONOMICS
AN OXFORD ECONOMICS COMPANY



*Reflects Total-Room-Inventory (TRI) methodology, which assumes no temporary hotel closures.

Source: STR, 2020 © CoStar Realty Information, Inc.