

me **spotlight/maine**

One flew under the Cuckoo's nest: Portland city council approves new "Formula Business"

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In the early morning hours of November 21st, 2006, Portland's city council narrowly voted to approve a new "Formula Business" ordinance for several sections of the city's commercial district.

The purpose of the ordinance, as stated by the city council of Portland, was to "regulate the number and location of formula businesses in order to maintain the City's

unique character, the diversity and vitality of the city's commercial districts, and the quality of life of Portland residents". The ordinance defined two areas on Portland's Peninsula, each with varying levels of restrictions. The Old Port District received the most stringent restrictions. The ordinance limited the amount of "formula" businesses to twenty-three, the same amount that were currently occupying the designated zone on November 19th, 2006. A formula business was defined as having over ten locations with substantially similar style. In addition, a formula business was limited to being no more than 2,000 s/f, and they couldn't be within 200 feet of another formula business. The second area (Bayside) carried

less restrictive measures, but they still packed a punch. It defined formula businesses as having thirty or more locations with substantially similar style. They could occupy up to 4,000 s/f of space, and had to be at least 400 feet away from another formula business.

How, you might ask, could such a restrictive ordinance pass under the noses of City Council members and the general public without more media fanfare and opposition? Because it was attached squarely to the back of an even more controversial topic: Hooter's Restaurant (a formula business) coming to Portland.

Well before the city council's decision, a coalition group called "Keep Portland Real" had begun working with city council member

Karen Geraghty, discussing ways to limit "formula" businesses in downtown Portland. A perfect catalyst arrived to set the wheels in motion when they heard about Hooters attempting to lease a location in downtown Portland. Keep Portland Real aggressively organized opposition in an attempt to block Hooters, including help from groups such as Portland NOW, a local chapter of the National Organization for Women. Jennifer Halm-Perazone, coordinator of Portland NOW, concisely expressed her concerns publicly when she described the possibility of a Hooters restaurant in Portland as "just icky". In a knee-jerk reaction to the overwhelming opposition of Hooters, a moratorium was voted on, and approved by Portland city

council 6-3, banning any new chain restaurants in downtown Portland. Not long after the moratorium was passed, Keep Portland Real & Karen Geraghty proposed the Formula Business Ordinance that was ultimately approved on November 21st, 2006.

Property owners, developers, real estate brokers, business owners and, of course, the taxpayers were left to sort out the reality of the situation once the dust had settled. In a form of blind rage that had accompanied the opposition to Hooters, few had noticed the implications the Formula Business ordinance placed on some of our fundamental rights. Would it be so bad to have a Ruth Chris Steakhouse in downtown Portland? What about a Legal Seafood? Would the citizens agree that having a Cheesecake Factory Restaurant would be detrimental to the health of downtown Portland? Due to the formula business ordinance approved by the city council, taxpayers lost the right to make that choice. Nobody would have been forced to frequent a so-called "formula" businesses. The system previously in place was called a free market. If the general public chose not to spend their money at a franchise, it would fail and move out of town. TGI Friday's went through that exact scenario years ago when they made an attempt in the Old Port District of Portland.

Those against formula businesses often noted that locally owned businesses were the ones that stepped up to the plate, took the risk, and revitalized downtown Portland when it needed help. They contended that allowing the formula businesses to come in and reap the rewards of sweat equity from local businesses would be unfair. However, according to Roxanne Cole, president of the Maine Real Estate & Development Association, at the time the ordinance was passed, there was over 83,000 s/f of vacant space in downtown Portland. Since then, even more space opened up. Matthew Curtis, owner of Cadillac Mountain Sports, decided to close the doors on his three stores in downtown Portland. Citing concerns about lack of growth, as highlighted in a recent article by the Portland Press Herald, Curtis called the ordinance a "slap in the face". Vacant space doesn't generate much local foot traffic for any business, local or not.

At the time the Formula Business Ordinance passed, it was decided by the City Council to create a task force to examine the long term benefits and ramifications of the ordinance, and to make sure that businesses within the specified zones adhered to the requirements

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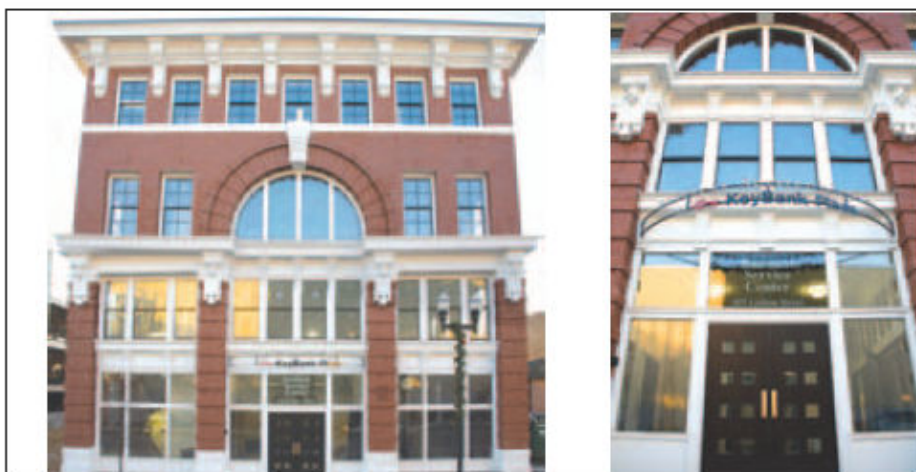
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415 LISBON ST. SITE PROVIDE ONE-STOP SHOP FOR ENTREPRENEURS AND BUSINESSES

Lewiston-Auburn E.G.C. and Androscoggin County Chamber cut ribbon for new business service center

LEWISTON, ME The Lewiston-Auburn Economic Growth Council and the Androscoggin County Chamber of Commerce, along with their partner agencies, opened the doors to their new business service center for an official ribbon-cutting and grand opening celebration in late January. Partnering organizations also housed at the Business Service Center at Keybank Plaza also include the Lewiston Development Corporation, Auburn Business Development Corporation, Lewiston-Auburn Railroad Company, and satellite offices for Coastal Enterprises, Inc., the Maine International Trade Center, and the Maine Procurement Technical Assistance Center.

Located at 415 Lisbon St. in the Southern Gateway, the building is



on the National Register of Historic Places and was originally the Maine Supply Company Building. The building was designed more than 100 years ago by renowned Lewiston architect William Miller, who also designed the Auburn Public Library and other local buildings of prominence.

Years in the making, the concept of having a downtown business center is meant to provide a one-stop shop for entrepreneurs and businesses looking for a wide range of business services, from financing needs and site location assistance to help with international trade and securing government contracts.

Written by Marie Ressler, Sun Journal freelance writer and Paul Badeau, marketing director, Lewiston-Auburn Economic Growth Council, Lewiston.

DEVELOP IN SCARBOROUGH, MAINE

A Great Place for Business

Economy

- ▶ The best telecommunications infrastructure in the nation
- ▶ A top 20 best performing metro area
(*Milken Institute's "Best Performing Cities 2004" index*)
- ▶ A top 25 nationwide metro area for doing business
(*Inc. Magazine*)
- ▶ Maine 10th in the nation for business retention
(*Economic Development Magazine*)
- ▶ #1 in the nation for small business vitality
(*American City Business Journal*)
- ▶ One of the Best Places to Live in America
(*Money Magazine*)

Scarborough Statistics

- ▶ 7 miles from Portland, ME
- ▶ 90 miles from Boston, MA
- ▶ 150 miles from Providence, RI
- ▶ 230 miles from New Haven, CT
- ▶ 300 miles from New York City

Site Details

- ▶ 333.44 acres
- ▶ 28 parcels ranging in size from .5 acre to 60 acres
- ▶ Immediate proximity to I-95 (the Maine Turnpike) and US Route 1

No Hooters wanted in Portland - by Perry

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outlined in the ordinance. It struck many as a clear example of the "cart before the horse" approach. Wouldn't it have made sense to study the potential ramifications first? Apparently not with a Hooters Restaurant knocking on Portland's door.

Portland city councilor Edward Sluslovic felt that the council had made a mistake in enacting the formula business ordinance without further research, and put together an amendment known as the Sunset Provision. The Sunset Provision would have caused the formula business restrictions to expire on June 30th, 2007, unless the city council chose to extend them. The Sunset Provision was deferred by city council to the Community Development Committee, and it was voted down, 3-0. Some argued that it would take more time than seven months to research the benefits and drawbacks of the Formula Business Ordinance, and that a couple of years would be more logical window of time for a thorough study.

Did anybody ever ask the tax paying public if they wanted their right to choose taken away from them for a couple of years? Did they know they were giving up their right to bite into a perfect filet mignon from a Ruth Chris Steakhouse? Probably not, but it can be guaranteed that somewhere throughout the process outlined they were thrilled to hear there wouldn't be one of those "icky" Hooters coming to town.

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