



PORTLAND MAINE

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Finance Department
Duane G. Kline, Director

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Senator Damon,
Representative Percy,
Members of Marine Resources Committee;

During the lengthy LD170 hearing on Monday, there were a number of questions about the level of support and commitment to the Portland Fish Exchange, and the groundfish industry, from the City of Portland. These questions, along with past challenges from DMR on the same subject, prompt this letter.

I would first remind the Committee that State gave the Portland Fish Pier to the City of Portland, to “upgrade and improve the inadequate fish pier facilities along the coast of Maine.” The State invested capital money, about \$14 million, to build the pier. In addition, founding tenants, including Vessel Services and the Marine Trade Center, made significant investments in the pier, and the groundfish industry. You have heard and read testimony describing this. The City, in response to a need in the industry, created the non-profit Portland Fish Exchange, the first of its kind. It has successfully served the industry, and the State, for 20 years, and has been proudly financially self-sustaining until last year. An important distinction here is that the State put the Fish Pier in Portland—not in Rockland, or Cundy’s Harbor, or Machias, or even Kittery. However, regardless of its location, this discussion would still be taking place, because the health of the PFE, and the Fish Pier, is really dependent on the future of the groundfish industry in this state.

You have heard that Portland supports its working waterfront in various ways, including zoning for marine use and support for the Fish Pier. As a service center community, Portland understands its role in assisting the region, and also recognizes itself as an important economic center for the State. It has taken on the stewardship of the Fish Pier and the Exchange, with no state assistance.

The City provides the following support directly to the Portland Fish Exchange:

1. City Council representation on the PFE Board of Directors.
2. City Manager’s representation on the PFE Board of Directors, currently held by the Assistant Finance Director of the City.
3. Free access to City’s legal counsel on various issues.
4. Subsidy for the operating deficit of the PFE, \$135,000 last year.
5. Plowing/snow removal.

6. Capital improvements; most recently paving, pile and chock repair, and repairs to the sorting shed walls; about \$80,000.
7. Capital borrowing backed by the City, allowing for access to favorable bond interest rates, which are about 2.5% less than the PFE could obtain independently.
8. Inclusion in the City's electricity contract.
9. Inclusion in the City's natural gas contract.
10. Free access to the City's engineering and technical support staff.
11. Access to the City's maintenance staff, including electricians, welders, plumbers, and other trades; either free or charged for actual hours of staff time worked.
12. Favorable lease arrangements.

All of these items directly affect Maine fishermen, as every savings to the PFE translates to less cost the members have to bear through their fees to the Exchange. Also, imagine the cost for real estate taxes that the PFE would pay if it were privately owned, and what that would do to its financial viability.

The City provides the following additional support to the State's groundfish industry:

1. Maintains the Fish Pier, including repair of pilings, chocking, ladders, grounds maintenance, and site utilities. Annual cost of \$230,000.
2. Maintains an area for net repair.
3. Capital repairs. Most recently anode replacement, paving of net yard area, \$140,000.
4. Offers berthing for commercial vessels.

I hope this eliminates any doubt about the level of Portland's support for the Portland Fish Exchange, or its commitment to the groundfish industry. I would even suggest that it is unsurpassed by any other Maine community.



Ellen Sanborn, Assistant Finance Director, PFE Board Member
City of Portland