

**Village Parcel Master Plan
Committee Meeting
North Street Fire Station
October 30, 2019; 4:00 PM**

Attendees: Laurie Smith, Town Manager; Werner Gilliam. Director of Planning and Code

Parcel Master Plan Steering Committee: Sheila Mathews-Bull (Chair), Tim Pattison, Mike Weston, Connie Dykstra, Jamie Houtz, Rebecca Young, and John Hardcourt.

Consultants: Bob Metcalf, Mitchell Associates (Lead Consultant); Tom Dworetsky, Camoin Associates; Chris DiMatteo, Gorrill Palmer

Open meeting at 4:00 PM

Sheila Mathews-Bull called the meeting to order.

Review minutes of previous meetings

Meeting minutes for September 17, 2019 approved.

1. Review Steering Committee comments regarding the concept master plan bubble diagram reviewed during the September 17, 2019 committee meeting and discuss direction for finalizing the master plan.

Committee reviewed a handout of a summary of the comments received from the Committee members regarding the information presented at the last meeting.

Bob Metcalf: led the committee through the comments for discussion.

The following are the five main topics the comments fell in and specific highlights:

Visioning Session (Take-away on Highest and Best Uses):

- Affordable/workforce housing
- Housing that is a different type, size, and affordability from current market
- Reserve open space for recreation/public use
- Future Town uses, including Town Hall
- Preserve some land – future use yet to be identified

Affordable Housing:

- Should engage in discussions with knowledgeable developers in affordable housing market.
- Engage with Kennebunkport Heritage Trust to develop outline of plans to facilitate affordable housing.
- Feasibility depends upon mix of smaller lots that will require zoning changes and a mix of higher rate housing to help with infrastructure and land cost.

Open Space/Recreation:

- Walking trails between North Street and School Street – potential 2.5+/- mile in-town walking loop
- Trail should hug northerly perimeter and limit impact to potential development areas
- Trail should be initiated as soon as possible to provide use. Explore potential for state funding, grants, donations and volunteers
- Other trails, bike paths, open space feature / parks, etc. for future development
- Potential for areas reserved for future use to be used for temporary recreational uses 5-10+ years depending upon direction and demand for development
- Preserve sensitive environmental areas and upland buffers for visual enhancement and educational opportunities

Potential Development Areas:

<p>Area A – Town Hall location and parking</p>	<p>Area D – Mixed housing types, lot sizes and market value</p> <ul style="list-style-type: none"> • Higher end 20k lot • Market affordable 10k lot • Affordable range workforce and downsizing for senior housing
<p>Area B – Allow for higher end housing – 20k lot sizes</p> <ul style="list-style-type: none"> • Zoning change required • Help to defray cost of infrastructure and land cost for smaller lot • Affordable market rate is \$270k to \$360k • Potential 20% units 	<p>Area E – Mix of housing type and price point should be informed by prior development</p>
<p>Area C – Opportunity for mixed housing – lot size price range</p> <ul style="list-style-type: none"> • Zoning change required • Potential 28 units @ 20k lot size, 56 units with mix lot size 5k, 10k and 20k 	<p>Area F – Uses similar to Area C or informed uses from prior development</p>
<p>G – Housing opportunity or other community uses; community gardens, small recreational uses</p> <ul style="list-style-type: none"> • Potential senior housing community • Potential residential on smaller lots • Require zoning change for smaller lots • Potential lots 14-27 	

Potential Areas to Consider Holding for Future Development:

These areas include Potential Development Areas D, E and F. (areas are depicted on the Concept Plan)

Reviewed with the Committee what type of development and density was proposed by the previously approved site and subdivision plan. This was followed by a presentation of what a first phase of development might look like.

A summary of what was presented includes:

Existing Parcel:	86.97 acres
15% Deduction for Roads:	13 acres
Phase 1 Area:	31.83 acres
Remaining Land	42.14 acres

Total Land/lots for Phase 1 Areas per current zoning:

Area A:	5.63 ac/4 lots
Area B:	10.85 ac/9 lots
Area C:	8.26 ac/7 lots
Municipal Use 1:	2.43 ac (closest to North St.)
Municipal Use 2:	4.66 ac

Bob Metcalf discussed the sizes of the proposed phase 1 parcels and the calculations that were done to depict areas within each potential parcel that would be developed versus open space. Potential yield in lots and density, at the current zoning, was discussed. A question regarding nearby Wallace Woods was raised, if it was developed at a greater density than the current 40k square foot allowed. Werner Gilliam replied that though the lots themselves are small, 15 to 20 thousand square feet, the remainder of the required 40k is preserved in the development's open space.

Committee feedback included:

- An increase to the density presented, greater than the current zoning at 40k sf lot size, would be better in developing a mix of housing and affordability types resulting in mixed-income or multi-generational neighborhood. An increase in density can be achieved through a zoning change.
- May be more appropriate to target a total number of units closer to the previously approved CDMK development plan rather than the 200 units that was discussed earlier or during the visioning effort.
- How do we make the objective of multi-generational development attractive to a developer, where the Town may be able to see some return on their investment or not have to invest more on utilities, etc.

- Area C (depicted on the Concept Plan) seems to be well suited to attract a developer and create an opportunity to absorb some of the infrastructure costs and the Town seeing some return of the acquisition costs. This would require a creative and appropriate developer that can execute the right style of housing that would incorporate large New England style farm house and extended barn that is actually divided up internally to support multiple dwelling units. This type of design, supporting a level of density along the lines that Principle had initially recommended, could really make a viable project.
- The first phase of development presented seems to be yielding few actual lots and units. (Bob Metcalf explained that the exercise is based on current zoning, and Werner Gilliam elaborated that the current 40k sf lot size zoning is based on original land use zoning in the state that is predicated on shoreland zoning. And that this level of density does not really lend itself to the village style character and neighborhood that is appreciated today).
- It is appropriate that the Concept Plan breaks down potential development in many areas (A through G). This is important to provide opportunity to implement potential phases in the near-term or long-term. It's also important to continue to discuss densities to determine what is appropriate to get a developer to the table.
- Appreciate the data that was provided; the market analysis is illuminating and interesting and supports the idea 'that if you build it, they will come'. Interested in understanding how the project time line is informed by the inevitable changes to the job and housing markets? Bob Metcalf responded with emphasizing that the time-frame is more effected by the location and access to utilities and infrastructure and a willing and appropriate developer, that understands the mix and type of affordable and market-rate housing the town is interested in, rather than the ups and downs of the markets.
- The results of the development phasing beginning and ending points should look like the start of different neighborhoods rather than incomplete phases.
- It appears from what has been presented the development will require a zone change in order to realize the most appropriate level of housing density.
- To achieve affordable housing that is 80% of the median home value, the target home price needs to be below \$300k, around \$270k, not the prices that were referenced in the presentation (270k to 360k). With this in mind, we should review the strategy of recoupment of costs.
- The phased options and the Concept Plan are secondary to the primary opportunity the Village Parcel provides the Town, which is the ability to have land for future needs and activities.

Town Manager Laurie Smith reviewed with the Committee the range of the proposed strategies in utilizing the Parcel. On one end there is the option to develop the entire property and implement a variety of different uses and activities identified during the process; on the other end there is the option to do nothing and reserve the property for future and possibly undetermined needs; and there is a middle-ground option which is the phased approach. The Committee had the following feedback:

- At the beginning of the process preserving the property was important and paramount, though as the process continued it is clearer that providing for opportunities for people to work in Town and live here is very important. We need to be cautious as to balancing this need with preserving land while also ensuring the housing is for whom it is intended and not summer housing.
- The planning process for this effort is very important to determine how viable a plan this is, its cost effectiveness, what the additional costs might be, and if we can find a developer to work with. A plan is needed to present to the developer(s) and there may be an instance where the Town waits a number of years before doing anything because it becomes evident the time is not right. It is important to have a developer to work with so that you can understand the potential home costs that will inform future tax revenue and not to get into the position where the Town is in the real estate business.
- It is good to hear from the conversation and it is important for the public to understand that the planning effort so far is a discovery process, unearthing a great deal of important information to use moving forward. It is not what most people think when they hear the term 'master plan' that it is a plan that directly results in the construction of a development. Hopefully people will take comfort in that this is still at the conceptual phase, not concrete, and that anything of real substance will not happen until there is a developer on board.

The following next steps were presented to the Committee by Bob Metcalf:

1. Seek informal input now from developers, land developers and builders on how they would approach the site. This is separate from issuing a formal RFP (or RFPs) at some future point.
2. Discuss various options with a property developer(s). This discussion should be pointed towards various options and from this; the committee determines how to recommend the land use ordinance be amended if necessary.
3. Reach master plan consensus among committee members and present recommendations to Selectman.
4. Refine vision and plan for those portions of the site to be privately developed and launch re-zoning process, including ratification by voters.
5. Explore feasibility and funding for perimeter walking trail that connects North Street to School Street.
6. Finalize KPT facilities assessment plan re: need for new town hall and its suitability on Village Parcel.
7. Presentation to the public.

Bob Metcalf continued with what considerations are to follow:

1. Who will be responsible for checks and balances once development is underway?
2. Cost analysis on various items in question.
3. Continue the planning process and discuss and develop preliminary plan recommendations for discussion with the Board of Selectman.

2. Review of Sewer data and Traffic assumptions

The Town's Sewer Department engineer, Wright-Pierce, completed an assessment of the capacity of the Town's sewer treatment facility and found that it can accommodate an additional 600 residential units.

With regard to traffic, making some assumptions from the traffic survey prepared for the previously approved Old Port Village project, it is reasonable to assume a traffic signal would likely not be warranted for the potential development for the Village Parcel. The MDOT has a rigorous process to approve a traffic signal that includes some eleven criteria that have to be met. That being said, when the details are more developed and the Town is ready to move forward, a traffic impact study would be prudent to determine what improvements for safety and operation in and out of the site and along North Street are necessary. With the potential municipal use close to North Street, a left-turn lane is likely to be required.

3. Overview of summary documentation from Stakeholder meetings and visioning sessions

Bob Metcalf described the information submitted to the Committee which is essentially a distillation of the questions and comments that came from the interviews of the various stakeholder groups. What was found was feedback that for the most part corroborates the direction the planning effort has been going in with the exception of a few outliers. Also included was a summary of the initial comments from the public kick-off meeting, the visual assessment, with the different colored dots, and responses from the questionnaire that was done during the weekend-long public visioning session. Many of the same topics we have discussed today were distilled from the responses that include; creating housing and open space, reserving land for the future; ensuring home costs were affordable while not becoming more seasonal rentals and seasonal properties.

A committee member commented that the key findings in the summary information from the stakeholder's interviews were primarily about affordable housing or mixed-housing and some on individual housing. Housing is an important topic consistent across all the groups.

4. Review Village Parcel Market Analysis

Tom Dworetzky with Camoin Associates presented a review of the financial feasibility analysis they prepared and submitted to the Committee. The presentation covered the purpose of the analysis; town proceeds under various scenarios; affordable housing. Highlights include:

1) Purpose of a Financial Feasibility Analysis: Determines the financial return to the Town of undertaking different development scenarios and shows the fiscal implications of planning decisions.

2) Town Proceeds under various options:

a. Developer’s investment decisions are likely based on comparing development costs against revenue potential and that the project generates a competitive return.

b. Maximum costs per square foot of development may include:

Home Sale Price per s.f,	\$300
Typical Developer Margin	20%
Developer Margin per s.f.	\$60
Construction Cost per s.f.	\$175
Max Site Costs per s.f.	\$65

c. Development Options are likely informed by: Developers’ want to build the most that can be absorbed in the market; higher development potential means higher land value, and higher proceeds for the Town; and Market potential is limited by Town zoning and residential growth cap.

d. Phase 1 likely proceeds under Current Zoning: Based on 20 one-acre lots with an average of 3,000 s.f. homes, with a selling price of \$900k, the proceeds are estimated between \$500,000 to \$1,000,000.

e. Phase 1 likely proceeds under Higher Density Zoning: Based on 45 1/4-acre lots with an average of 1,800 s.f. homes, with a selling price of \$540k, the proceeds are estimated between \$1,000,000 to \$2,000,000.

f. Comparing the two scenarios there is \$750k more in town proceeds under a higher density scenario. Higher Density equals Higher Town Proceeds.

- 3) Affordable Housing: Factors and considerations are:
- a. Affordable Housing price points are between \$175K and \$360K
 - b. Cannot be delivered by the market under current zoning
 - c. \$100,000 per unit cost under higher density scenario
 - d. More density = lower per-unit infrastructure cost

	MARKET-RATE	AFFORDABLE
Sale Price per s.f.	\$300	\$200
Construction Cost per s.f.	\$175	\$150
Site Costs per s.f.	\$65	\$65
Margin per s.f.	\$60	(\$15)
Developer's Margin	20%	-8%

When looking at the economics it comes down to is a tradeoff between the various community goals that have been identified during the process; some of which include: maintaining community character; maximizing town proceeds, providing affordable housing; preserving open space; reserving land for the future; and providing for community facilities on the parcel. Some of these objectives are at odds, for example, if you want to maximize town proceeds you would want to allow a developer to build everything at market-rate. Proceeds go down as you provide for affordable housing.

The question is how should the Town's \$10M investment be leveraged? To answer that the community needs to determine how they value each of the goals.

Tom Dworetsky concluded the presentation and opened it up for questions from the Committee.

Question: What do you recommend on how to go about figuring out the values to the community objectives you outlined?

Response: Tom suggests that is what the planning effort to date has been about. Through the public process the answers to these questions would be addressed.

Question: It seems that adjusting the percent of market-rate vs. affordable might get you closer to a more amenable outcome.

Response: Tom agrees you can have more higher-end homes to balance out the lower-end homes but in the end you will need to have a greater density.

Question: The town proceeds calculations appear to be a function of average home size. Increasing the square footage of home size (increase by 100, 200 or 300 s.f.) will increase the total town revenue, perhaps around \$1,500,000.

Response: Tom agrees that can be true and points out the market-rate homes would be at a considerably high home cost, and it will depend ultimately what the market can bear.

Question: There is an affordable housing target the town has, with the understanding that the Heritage Housing Group is working on 25 homes by 2025. What do we need to change the mix of more young families in town?

Response: Laurie Smith stated that the town's Comprehensive Plan has a goal of 10% of housing being affordable, which is a typical target. It would be challenging to determine the amount of housing that is currently affordable since it is likely many homes were bought at a lower price making it affordable to live in the home, but certainly anything on the market today is not affordable housing.

Question: In the report there are figures describing where Kennebunkport residents live and work is there a breakdown of what the incomes are? How is the demand for affordable housing calculated?

Response: Tom reviewed what the calculations are based on. This assumes that the Town, having a proportional share of the eight income groups, has a 3-1/2% share of the region's affordable age groups. At the price-points for housing that was discussed there is no doubt the housing would get filled by those age groups.

Question: The report identifies percentages and breakdowns of people who work here but live outside of here, is this market we are trying to target?

Response: Tom agreed, that yes, policy wide that is the market you want to target. Some Towns as a matter of policy, and through deed restrictions, limit the ownership to only people who work in town.

Question: A possibility is to determine your density first before going to a developer and determine the value that the town wants to recoup. And if rezoning is the direction that is followed, this can help making it clear for a developer what the expectations from the Town are regarding developing the parcel up-front. Determining targets for affordable housing is important.

Tom Dworetzky closes by emphasizing the hope is that the report will provide the Committee and Town the numbers it needs to determine the targets.

5. Review draft report outline of Kennebunkport Village Tomorrow Master Plan Document

Bob Metcalf reviewed the master plan report outline submitted to the Committee, summarizing how it will be organized and what the different headings would entail: Executive Summary; Introduction; Public Process Summary; Assessment Summary; Recommendations; Implementation Strategy; Appendices and Maps.

Question: Is there school data on current populations and projected future populations with regard to capacities?

Response: Laurie Smith stated that there is some data that is likely 5 to 6 years old. The Enrollment Task Force is involved in doing some projections, and we will plan to ask them for any data they may have.

Question: Can we have the proposed phase 1 areas revised to show what the yield may be if the zoning is changed to X?

Response: Bob Metcalf stated he can provide that information.

Bob Metcalf In closing, reminded Committee members to email him and Laurie if they thought of any comments or questions after the meeting.

6. Public comments

The meeting is opened up to public comments.

Wayne Burbank Goose Rocks Beach:

Question: Why is the meeting held at 4PM? It would be better at 6 to 8.

Response: Sheila Mathews-Bull stated that it was agreed by the Committee.

Question: When will the minutes be available?

Response: Laurie Smith stated they will be posted on the website.

Question: Is the meeting regularly scheduled, like the first Tuesday of the month?

Response: Sheila Mathews-Bull stated no the Committee schedules the meetings.

Question: Can the Town specify no summer housing or Airbnb for these units and would that be legal?

Response: Bob Metcalf stated that would be part of the zoning that could be amended. The legal question would be part of the Town's review of the zoning amendments legal vetting.

Question: Am I right in assuming that the zoning can only be changed at a regular town meeting and not a special town meeting?

Response: Bob Metcalf confirmed that is true and clarified the master plan will be providing recommendations on zoning but not including actual language. That would be part of next steps after the master plan.

Question: What is the definition of "upland area"?

Response: Bob Metcalf clarified that it is gray area map.

Question: They built a new hundred-million-dollar school in Sanford right near where I used to live that included lot of wetland and vernal pools. Somehow they took some wetlands from one location and put them in with wetlands in another location so they had more space to build the school. So this parcel is so cut up with wetlands and few lots in between. Is there any way that you can do the same thing without an act of God? That you could change some of those wetland areas?

Response: Bob Metcalf explained that mitigation projects like that can be done but it is very challenging, including the regulatory process involved. Creating wetlands is not any easy endeavor and can be costly. Bob reviewed the locations of wetlands on the Concept Plan.

Question: Can the wetlands shown on the municipal building area be filled so you wouldn't have to have the new building out in the middle of the parcel?

Response: Bob clarified that we are waiting for the assessment to be completed that will provide information on what space is actually needed.

Question: With all the wetland on the parcel, the former owner was approved to put 80 units in?

Response: Correct.

- Don't think that any developer would be interested in this without changing the zoning, a lot less than 20k square feet.
- 10 million is referenced as the purchase price for the parcel; it is actually 14 million when you figure interest.

Steve Jordon, Port Farm Road

Question: for Tom, the total demand in the executive summary, where do the figures come from for that?

Response: Tom stated that that is explained in the report and is based on data from the Census and other sources that looks at projected household growth in the region and so forth.

Question: So it doesn't come from like Zillow Multiple Listing, actual transactions of people moving, this is just you making a projection.

Response: Tom clarified that the data is based on state and other sources of population growth.

Kat Georges, Port Farm Road

Question: Will voters and taxpayers get to vote on the final outcome if there are any zone?

Response: Laurie Smith stated that if there were any zone changes or to dispose or sell any of the land there would be a vote by the townspeople.

Question: And what about any significant expenditures?

Response: Laurie and Sheila stated that would go through the budget process, so it would get approved by the Town. Part of the budget process that is voted on at the town meeting.

Linda

Question: Why would you want to build high-end and affordable housing together? How can you sell those?

Response: Tom Dworetsky stated that those types of mixed-income developments have become more and more popular as people are realizing that it may be a good thing to live near people that have different lifestyles than you. We're not talking about section 8 housing we're talking about people making fifty thousand to a hundred thousand a year. So they absolutely do have those types of developments.

Bob Metcalf followed up with a comment he made earlier that the term 'affordable housing' is interpreted differently by people.

Adjourn 6:00 PM

Motion made and seconded to adjourn.