



TOWN OF FREEPORT

22 MAIN STREET COMMITTEE MEETING

Monday, August 12, 2024

Beginning at 5:00PM

Council Chamber, 30 Main Street in Freeport, Maine
(In Person)

Agenda

- 1. Welcome**
- 2. Review of Draft Committee Report to the Town Council Regarding the Feasibility of the Town Purchasing 22 Main Street**
*(** Note: This may include acceptance of the report, with or without, revision and referral back to the Town Council for its review and consideration **)*
- 3. Next Steps** *(If Needed)*
- 4. Adjourn**

Requesting Reasonable Accommodation (& ADA Notice)

Please contact the Town Clerk's Office at (207) 865-4743 or email swilson@freeportmaine.com prior to scheduled meetings or events to discuss auxiliary aids or services needed to participate in Town activities.

The Town of Freeport is an equal opportunity employer and service provider that celebrates diversity and is committed to creating an inclusive environment for our employees and those we serve.

Report of the 22 Main Street Ad-Hoc Committee to the Freeport Town Council July 2, 2024

Committee Charge: To report on the future of the 22 Main Street lot, currently owned by Thomas Moser, with consideration of the town purchase and recommended use by the Town.

Committee Membership:

Andrew Arsenault: Chair and Town Resident Representative

Ben Gray: Town Resident Representative

Kathleen Meade: Town Resident Representative

Susan Nourse: Town Resident Representative

Andy Wilbur: Local Business Representative

Chip Lawrence: Council Representative

Matthew Pillsbury: Council Representative

Staff Support: Sophia Wilson, Town Manager

The committee met four times between April 2024 and July 2024 and had vigorous debate and conversation around the issue. The committee was unable to come to consensus on whether or not purchase was a reasonable option and what the best use would be if the town acquired the property. Given the complexity of the issue and the historical and recent activity around the parcel it is not surprising that the committee was unable to reach a clear conclusion on this issue.

The committee took its responsibility seriously and wanted to provide the Town Council with a summary of the key takeaways in order to help move the issue to some resolution. The following represents the prevailing themes, in no particular order, that arose around the

two questions at hand. Each theme generally had support from multiple members of the committee but not enough to form even a simple majority.

1. Should the Town acquire 22 Main Street and under what specific circumstances?
 - No, under no reasonable circumstances
 - Yes, if 100% supported by private or grant funding or through an outright donation to the town
 - Yes, if supported by a majority of private or grant funding (i.e. the town and taxpayers would support a percentage of the cost likely between 0-50%)
2. What is the best use of 22 Main Street if the town were to acquire the property?
 - Public space to extend the campus including an outdoor green space to be used for locals and visitors. Possible elements include seating, playground, tables and seating, art installations, interactive displays to educate about local history. This could also be used to support outdoor public gatherings, like the Freeport Farmers' Market and community events.
 - Extend the campus for municipal services, to be used as a home for the new police department, staff/event parking, or a purpose to be determined later
 - Commercial/residential combination with or without the Town defraying the development cost
 - Affordable housing
Commercial store use with or without the Town defraying the development cost

Other considerations or comments on the above:

- Concern was raised about:
 - The potential cost to remediate or develop the site regardless of the use
 - Ongoing maintenance costs depending on which option is pursued
 - The relative small size of the lot and impact on the scale of any commercial or housing development:
 - The relative small size of the lot and impact of the scale of development for public safety: and
 - Private fundraising or grant funding dictating the terms and use of the lot.

- The group identified the potential need to look to acquire additional adjacent parcels to enhance the campus or allow for development of projects.
- The Committee was also very supportive of the idea of if there is a clear option for the use of this property that it be put to the voters in a referendum given the fiscal impact.

In summation, the final conclusion was that the committee was unable to provide a formal recommendation to the Town Council that had majority support. However, there was majority opinion that the Town should not buy the property at 22 Main Street for the offered price solely using taxpayer funds. The Committee is happy to answer any questions regarding the above summary and appreciates the opportunity to work through this process in an open, inclusive, and transparent manner.

Attachments:

Exhibit A: Planning and analysis documents prepared by Brett Richardson

Exhibit B: Working documents to focus committee discussions prepared by Andy Wilbur

22 Main Street

Economic Impacts of 4 Conceptual Scenarios

May 13, 2024

Goal

Do the Math on 4 Potential Alternatives for the Site

Provide Planning level estimates of financial impacts

- Calculate projected tax implications
- Estimate potential secondary benefits/costs
 - consumer expenditures
 - Likely excise tax revenues
 - job creation
 - Management costs

***The 4 potential scenarios will work on the site, but this analysis makes no assumptions about current market demand for each scenario*

4 Alternatives for Consideration

- High Density: 30-Unit Market Rate Multifamily
- Mid Density: 10,000 sf retail
- Low Density: 4-unit Market Rate
- Town purchase of property for public use

High Density 30 Unit Multifamily

ESTIMATED NEW DISCRETIONARY SPENDING	\$ PER HOUSEHOLD (2023)
Apparel	3341
Entertainment	5421
Food and Beverages	13389
Gifts	2535
Household Furnishings	3350
Household Operations	3751
Personal Care	1246
Reading	206
Vehicle Gas & Maintenance	5,310
Health Care Service/Supply	2,541
Miscellaneous Expenses	1776
Total Discretionary /HH	42,866
New Households	30
Total Estimated Expenditures	1,285,980
Local Capture	67%
New Local Spend	\$861,607

Source: selectmainesites.com
Freeport Community Profile

PRIMARY TAX REVENUE & PROJECTED IMPACTS	High End 30 Units
Original Assessed Value	\$522,700
Est Increase In Valuation	\$4,500,000
Impact on Revenue	
New Tax Revenue	\$61,875
Change In Municipal Revenue Sharing	\$6,648
<u>New Excise Tax Collections</u>	<u>\$12,163</u>
Revenue Total	\$80,686
Impact on Expenses	
Freeport Ttl Contribution to RSU 5 Educational Cost (Less State Aid)	\$16,106
Freeport Share of County Tax	\$2,478
Change in Municipal Operating Costs	\$29,394
Impact on Capital Projects and Other	\$0
Expense Total	\$47,978
Annual Fiscal Gain/(Loss) Due to Project	\$32,708
% Fiscal Gain/(Loss) Due to Project	40.54%
Mil Impact	-0.01

Source: Town of Freeport Assessor

Middle Density

10,000 SF Commercial

Projected Job Creation		
	Low	High
SF per Employee	700	350
Total SF	10,000	10,000
Active SF	8,500	8,500
Employees	12	24

Business Property Taxes for equipment, furniture and fixtures will vary by business type and are not included in this analysis.

Parking Requirements are 3 spaces per 1,000 sf of actively used space, or in this scenario, 25 spaces.

	Mid Range
	10,000 S.F.
Original Assessed Value	\$522,700
Est Increase In Valuation	\$1,500,000
Impact on Revenue	
New Tax Revenue	\$20,625
Change In Municipal Revenue Sharing	\$6,648
New Excise Tax Collections	\$0
Revenue Total	\$27,273
Impact on Expenses	
Freeport Ttl Contribution to RSU 5	
Educational Cost (Less State Aid)	\$3,554
Freeport Share of County Tax	\$826
Change in Municipal Operating Costs	\$8,797
Impact on Capital Projects and Other	\$0
Expense Total	\$13,177
Annual Fiscal Gain/(Loss) Due to Project	\$14,096
% Fiscal Gain/(Loss) Due to Project	51.68%
Mil Impact	-0.03

Source: Town of Freeport Assessor

Low Density 4 Unit Multifamily

	\$ PER HOUSEHOLD (2023)
Apparel	3341
Entertainment	5421
Food and Beverages	13389
Gifts	2535
Household Furnishings	3350
Household Operations	3751
Personal Care	1246
Reading	206
Vehicle Gasoline and Maintenance	5,310
Health Care Services and Supplies	2,541
Miscellaneous Expenses	1776
Total Discretionary Spend per HH	42,866
New Households	4
Total Estimated Expenditures	171,464
Local Capture	67%
New Local Spend	\$114,881

Source: selectmainesites.com
Freeport Community Profile

	Low End
	4 Unit Residential
Original Assessed Value	\$522,700
Est Increase In Valuation	\$400,000
Impact on Revenue	
New Tax Revenue	\$5,500
Change In Municipal Revenue Sharing	\$6,648
New Excise Tax Collections	\$2,279
Revenue Total	\$14,427
Impact on Expenses	
Freeport Ttl Contribution to RSU 5	
Educational Cost (Less State Aid)	\$4,587
Freeport Share of County Tax	\$220
Change in Municipal Operating Costs	\$7,471
Impact on Capital Projects and Other	\$0
Expense Total	\$12,278
Annual Fiscal Gain/(Loss) Due to Project	\$2,149
% Fiscal Gain/(Loss) Due to Project	14.90%
Mil Impact	+0.01

Source: Town of Freeport Assessor

Town Owned Public Green Space

This fiscal impact snapshot does not attempt to calculate the potential public benefits of public ownership of the parcel, such as use as a gathering space or potential future development as a Town development of municipal facilities connected to the current Town Hall.

	Green Space Open Space
Original Assessed Value	\$522,700
Est Increase In Valuation	\$0
Impact on Revenue	
New Tax Revenue	-\$7,187
Change In Municipal Revenue Sharing	\$0
New Excise Tax Collections	\$0
Revenue Total	-\$7,187
Impact on Expenses	
Freeport Ttl Contribution to RSU 5 Educational Cost (Less State Aid)	\$0
Freeport Share of County Tax	\$0
Change in Municipal Operating Costs	\$5,000
Impact on Capital Projects and Other	\$0
Expense Total	\$5,000
Annual Fiscal Gain/(Loss) Due to Project	-\$12,187
% Fiscal Gain/(Loss) Due to Project	-169.57%
Mil Impact	0.00

Source: Town of Freeport Assessor

Summary Fiscal Impacts

	High End	Mid Range	Low End	Green Space
	30 Units	10,000 S.F. - 8 Units Retail	4 Unit Residential	Open Space
Original Assessed Value	\$522,700	\$522,700	\$522,700	\$522,700
Est Increase In Valuation	\$4,500,000	\$1,500,000	\$400,000	\$0
Impact on Revenue				
New Tax Revenue	\$61,875	\$20,625	\$5,500	-\$7,187
Change In Municipal Revenue Sharing	\$6,648	\$6,648	\$6,648	\$0
New Excise Tax Collections	\$12,163	\$0	\$2,279	\$0
Revenue Total	\$80,686	\$27,273	\$14,427	-\$7,187
Impact on Expenses				
Freeport Ttl Contribution to RSU 5 Educational Cost (Less State Aid)	\$16,106	\$3,554	\$4,587	\$0
Freeport Share of County Tax	\$2,478	\$826	\$220	\$0
Change in Municipal Operating Costs	\$29,394	\$8,797	\$7,471	\$5,000
Impact on Capital Projects and Other	\$0	\$0	\$0	\$0
Expense Total	\$47,978	\$13,177	\$12,278	\$5,000
Annual Fiscal Gain/(Loss) Due to Project	\$32,708	\$14,096	\$2,149	-\$12,187
% Fiscal Gain/(Loss) Due to Project	40.54%	51.68%	14.90%	-169.57%
Mil Impact	-0.01	-0.03	+0.01	0.00

Decision Making Part 1:

Under what circumstances would we consider purchasing 22 Main St?

- a.) Never under any circumstances
- b.) Yes, if 100% is paid for by private donations, with the knowledge that there is still cost involved in the loss of tax revenue and maintenance and build out.
- c.) Yes, if 50% is paid for by private donations, with the knowledge that there is still cost involved in the loss of tax revenue and maintenance and build out.
- d.) Yes, not matter what the cost.
- e.) Others

Decision Making Part 2:

If we do decide to make the purchase, what is the best use?

- a.) Extend the Campus for the Town Hall, with a purpose to be determined later.
- b.) Public Safety increase in Campus Size: Police Department Focused
- c.) Purchase to build for commercial store use/housing combination with/without the town defraying the cost of the build.
- d.) Purchase to build for commercial store use combination with/without the town defraying the cost of the build.
- e.) Public Space to extend the campus including an outdoor green space to be used for locals and visitors to utilize. Possible elements include seating, playground, picnic tables, interactive displays to educate about local history and activities.
- f.) Others