



## AGENDA

### Board of Directors Meeting

Tuesday – December 19, 2023

7:45a – 9:15a

Remote Via Zoom

<https://us02web.zoom.us/j/86564630806?pwd=dEhUZm94eVIYR1NuNjQyTW1abUFqdz09>

**1. Welcome and Introductions**

**2. Consent Items**

- a. Financial Report as of November 30, 2023 *(Attachment 1)*
- b. Draft minutes of November 28, 2023, Board Meeting *(Attachment 2)*

**3. Year End Housing Market Trends Update** *(Leanne Barschdorf-Nichols)*

**4. Freeport Housing Trust – Wildewood TIF Request** *(Attachment 3)*

- a. *Action Item:* To consider Freeport Housing Trust’s request relative to Town TIF Policy.

**5. Fiscal Impact Analysis Tool provided by GPCOG Regarding New Development**

- a. *Action Item:* Recommend housing types for comparative analysis of fiscal impacts on municipal finances using a modeling service provided by GPCOG. Proposed:

- i. Downtown Multifamily 1BR*
- ii. Downtown Multifamily 2BR*
- iii. Downtown Multifamily 3BR*
- iv. Single Family – Rural*
- v. Single Family – In-Town*

**6. Executive Session**

- a. For the purpose of discussing personnel matters and an official Board position.

**7. Adjourn**

**January Board Meeting: Tuesday the 30<sup>th</sup> In Person**

**Freeport Economic Development Corporation**

**Profit and Loss**

July - November, 2023

	<u>Total</u>	
<b>Income</b>		
Town Appropriation		35,705.00
<b>Total Income</b>	<b>\$</b>	<b>35,705.00</b>
<b>Gross Profit</b>	<b>\$</b>	<b>35,705.00</b>
<b>Expenses</b>		
Advertising/Marketing		1,379.13
Business Support Expense		2,812.33
Client/Public Meetings		87.78
Conferences/Trade Show/Training		557.57
Dues/Membership		150.00
IT Services		115.00
Payroll Expenses		513.70
Fica/Medicare Exepenses		13,976.51
Gross Wages Ex. Director		27,601.31
Retirement Contribution 403b		4,549.88
<b>Total Payroll Expenses</b>	<b>\$</b>	<b>46,641.40</b>
Payroll Processing Fees		430.15
Professional Services		349.50
<b>Total Expenses</b>	<b>\$</b>	<b>52,522.86</b>
<b>Net Operating Income</b>	<b>-\$</b>	<b>16,817.86</b>
<b>Other Income</b>		
Savings Interest		3.22
<b>Total Other Income</b>	<b>\$</b>	<b>3.22</b>
<b>Net Other Income</b>	<b>\$</b>	<b>3.22</b>
<b>Net Income</b>	<b>-\$</b>	<b>16,814.64</b>



**DRAFT MINUTES**  
**Board of Directors Meeting**

**Tuesday – November 28, 2023**

**7:45a – 9:15a**

**Remote Via Zoom**

**WELCOME AND INTRODUCTIONS.**

Attending Board Members. Mary Davis, Mark Malone, Jason Sulham, Ken Sparta, Stefanie Millette, Becky Doten-Lizzotte, Tawni Whitney, Candy Rinaldi, Leanne Barschdorf-Nichols, Nikki Yanok, Sarah Tracy

Not Attending. Dan Bacon, Caroline Pelletier.

Others Attending. Chalmers Hardenbergh, Dan Piltch, Brett Richardson

**CONSENT ITEMS**

The Financial report as of October 31, 2023, and the meeting minutes for the October 31, 2023, FEDC Board meeting were unanimously approved.

**Central Core Working Group ~ Design Review Updates.**

The Board discussed the proposed Design Review Ordinance updates proposed by the Council-appointed Central Core Working Group that would be discussed by the Planning Board during a public hearing at the December 6<sup>th</sup> Planning Board meeting.

Leanne shared her experience talking with elders in the Freeport community who are frightened by continuous local property tax increases and fear being priced out of Freeport. Leanne observed that tax implications of proposed development projects are not considered

during project review discussions. Without new development to expand the Town's tax base, Freeport property owners will face ongoing increases, with real impacts for the community's most vulnerable residents.

Brett noted Mary's comments during the Council workshop on the potential Town purchase of 22 Main Street: "If we don't want development at 22 Main Street, then where do we want development?" Mary did a great job highlighting the need for targeting areas for development. Brett highlighted the discussion at the Freeport Sustainability Advisory Board around desired trail and pedestrian amenities, and the potential for new growth to fund new amenities.

Leanne emphasized that the Town of Freeport does not have a model for growth, and that new expenditures fall to existing taxpayers. Leanne noted that FEDC could help provide insights for the whole community around financial implications, like the federal Congressional Budget Office, which scores bills by financial impact.

Stef noted recent conversation through the Climate Action Plan process that climate adaptation investments could be vetted with the Town Finance Committee.

Sarah shared the importance of applying a financial lens to all projects, from large to small, regardless of how FEDC feels about the project.

Mark raised his concern that the CCWG recommendations will do more harm than good. Mark noted that the Design Review Ordinance overrides all other ordinances, and that compatibility requirements around scale and height will dampen new infill Downtown.

Brett asked how FEDC would like to engage in the PB public hearing on 12/6 and offered that one option could be to further reduce the Design Review overlay districts entirely to Main Street.

Mary highlighted the need for education and elevated FEDC's role as a provider of data on trends and economic trade-offs. She reiterated the point that it would be helpful for the community to target areas of Town for development and some areas for public amenities.

Dan Pitch noted that data is important. Financials and tax implications are complex and data is important. Dan offered that local taxes have remained relatively flat, but state implications have had an impact on the local tax burden.

Leanne reiterated the need for establishing development goals as a community and looking at development and resulting new tax revenues as a core function of a healthy community.

Brett inquired as to whether the Town Council could invite FEDC to play the role of a data provider. An important role that FEDC plays is as an implementation arm for town

priorities, but that in conversations over various projects where differences of opinion exist around the relative merits of development, FEDC input can be perceived/written off as the advocacy of partisan pro-development player.

Dan Piltch offered to work on a path forward to balance community perspectives and embrace diverse viewpoints while adding important data to Town discussions.

Stef highlighted the upcoming Town budgeting process as an opportunity for FEDC to present FEDC data points.

Brett observed that many local economic development corporations around Southern Maine have two or more Councilors as voting members of their Boards. Brett wondered if adding two Town Councilors as voting FEDC Board members would build bridges and ensure alignment between Town policymakers and FEDC. Mark shared his support for adding two voting Councilors to the Board.

Sarah noted that the Town Finance Director is the most trusted finance person in the community and could partner in the role of CBO analyst, to continue Leanne's analogy.

Leanne liked the idea of deferring to the Finance Department and for FEDC to help push out the information into the community for shared understandings across the stakeholders.

Brett elevated land use within the Comp Plan as a big opportunity to help engage with the community around economic development potential and resulting new tax revenues.

Mary asked Dan how to bring community education to the Council regarding the connection between development, land use, and Town finances.

Dan shared that there is a lot of support to adjust land use where needed to move the community forward.

Sarah highlighted the need for consistent methodology.

#### Action Items.

1. Brett will circulate a draft FEDC letter to the Planning Board regarding the CCWG Design Review updates with two options for the call to action: 1) support and encourage adoption, and 2) support and encourage adoption with one small adjustment; to further reduce the design review district to only buildings on Main Street.
2. Brett offered to do some legwork on a financial modeling tool in collaboration with and vetted by the Town Assessor and Finance Director.

### **Entrepreneurship Initiative.**

Brett shared good progress on the Fit-Up grant program and noted that discussions have bubbled up around FEDC working with community partners on an intentional entrepreneurship initiative.

Action. The Board unanimously supported devoting staff time to working with community partners on a local entrepreneurship initiative focused on programming, mentoring and technical assistance.

### **A Brief Remembrance for Leland Arris of the Freeport Sewer District.**

Mary noted the recent passing of Leland Arris and celebrated his success in raising funds to update the District's infrastructure.

### **Transportation Pilot.**

Mary highlighted the development of a local shuttle trial with funding from local businesses that will run around Town on a dedicated route each weekend day from 11am to 8pm during December. Mary noted that there are two transportation needs: 1) moving people around Town; and 2) moving people from Downtown to recreational areas on the periphery of Town.

### **Mountain Bike Skill Track.**

Tawni provided an update on a working group developing a skill track in the Hunter Roads Fields vicinity that will be a great community project. The anticipated budget is \$120,000 and will be a gift to the Town. Tawni looks forward to Town approval for the project and to see residents out enjoying the trails.

Dan inquired about engagement with the Conservation and Hunter Road Committees.

Tawni confirmed that the trail group is engaging those committees and other stakeholders and sharing early visions for the trail network that is not fully baked so that there is opportunities to adjust the design based on input.

Mary noted a recent study that outdoor recreation increased in Maine by 18%. Brett noted that the December Board meeting will be on 12/19.

**The meeting adjourned at 9:12am.**

## Appendix 1 - TIF/Credit Enhancement Agreement Application

(requested by developer)

Name of Applicant:	FHT Wildewood LP
Applicant's Address:	c/o Freeport Housing Trust, Inc. 24 South Street, Ofc A Freeport, ME 04032
Applicant's Phone:	(207) 865-1652
Applicant's e-mail:	matt@freeporthousingtrust.org
Location of Project: (map/lot)	12/23/B
Brief Project Description: (new building, square footage, use)	Multifamily with 12 one-bedroom, 16 two-bedroom, and 8 three-bedroom apartments. 21 apartments limited to households at 50% or less of area median income (AMI), and 13 limited to households at 60% or less of AMI.
Reason for the TIF and Credit Enhancement Request:	To assist in reducing operating expenses, so that development can afford more debt.
Estimated project cost:	\$8,313,838
Current taxable value of land and existing development:	\$2,501,400.00
Public benefit anticipated:	Providing 36 income and rent restricted apartments with 34 having rental assistance. Quality of the apartments will be improved and will make two apartments fully accessible
Preferred duration of credit enhancement benefit:	30 years
Preferred amount of credit enhancement benefit:	100% of incremental value between original taxable assessed value and future value.
Projected project completion date:	3/1/2025
Estimated completion percentage for next two years:	100%
Anticipated additional development within the next 5 years:	None
Waivers requested if any:	Application is for an affordable housing TIF. Amount to be limited at 100% of incremental value.

## **Wildewood Affordable Housing Tax Increment Financing**

### **Development Program**

The Freeport Housing Trust (FHT) is seeking an Affordable Housing Tax Increment Financing District (TIF) for its proposed acquisition and preservation of affordable housing at 12 Elm Street, known as Wildewood 1 and 2 Apartments. There are three primary benefits of designating a TIF. First, it will provide funds to offset operating expenses so the property can provide below market rents. Secondly, the TIF allows the property to take on additional debt that will pay for capital improvements, such as the creation of two fully accessible apartments and other apartment improvements, such as new kitchens, bathrooms, and windows. Additionally, the TIF will buffer the property from any significant property tax revaluations or changes from year to year. These variations over time can jeopardize the financial stability of these types of properties due to the restricted rents and other regulatory restrictions.

### **District Summary**

The district is roughly 4 acres large and contains 3 multifamily buildings and a community building near downtown Freeport, Maine. The tax map and lot are 12/23/B. All of the acreage is suitable for residential use. The district is located in the Village 1 zoning. Attached is a list of allowable uses. The area of the proposed TIF is 4.16 acres. Total area of Freeport is \_\_\_\_\_. The district is \_\_\_% of Freeport. The total acreage of all existing and proposed development districts (affordable housing and DECD districts) is \_\_\_\_\_ acres. The total development district acreage as a percent of Freeport's acreage is \_\_\_\_\_%.

The Original Assessed Value (OAV) of the district is \$2,501,400.00 as evidenced by the attached letter from the municipal assessor. The OAV of all existing and proposed affordable housing development districts is \$\_\_\_\_\_. The aggregate taxable property value as of April 1<sup>st</sup>, 2020 is \$\_\_\_\_\_. The aggregate OAV is \_\_\_% of total taxable value.

### **Development Program**

The development program begins the tax year 2024 and ends the tax year 2053. The municipal fiscal year is July 1<sup>st</sup> – June 30<sup>th</sup>.

There is a significant need for affordable housing options in Freeport, Maine. The current waitlist at non-age restricted properties Freeport Housing Trust owns exceeds 124 households. The waitlist at the rental assisted properties is over 102 households, which is a wait time of several years. Thirty-four apartments will have rental assistance. These apartments will be high demand as evidenced by the long waitlists at Freeport Housing Trust's other rental assisted properties. The other two will be restricted to low-income individuals.

Thirty-six multifamily apartments will be rehabilitated; there will be no new apartments constructed and no single-family homes or apartments will be constructed or rehabilitated.

All of the district will be for residential uses. All thirty-six of the housing units in the district will be for affordable housing. The property will be encumbered by an Extended Low-Income Housing Commitment



Agreement that will ensure the affordability restrictions of 36 units restricted to 60% AMI will be in force for 45 years.

### **Property Operations**

Wildewood Apartments will be professionally managed by Preservation Management Inc. (PMI). In addition to the daily management provided by PMI, Freeport Housing Trust will provide ongoing asset management to ensure the long-term financial, capital, and regulatory viability of the development. Operating expenses will be paid through rents collected from residents and agencies providing rental assistance. Tax Increment Revenues from the district will be used to pay operating expenses for the development.

### **Relocation plan**

No households will be permanently displaced by the development activities. Residents that currently occupy apartments will have the choice move into a different renovated apartment or temporarily move and then move back into their prior apartment. A full relocation plan will be developed and managed by Preservation Management.

### **Environmental Controls**

An Environmental Site Assessment Phase I and a Hazardous Materials Survey were completed as part of the due diligence process. The only items of note to be aware of and will be accommodated during the construction process are light bulbs that contain hazardous materials and possibly asbestos materials in ceilings of two apartments. Several apartments were identified as having radon levels exceeding 2.0 ppm and will mitigation measures.

### **Comprehensive Plan and Municipal Charter**

The Town of Freeport's most recent comprehensive plan was approved on February 8, 2011. The rehabilitations proposed are in line with the plan's goal of creating and preserving affordable housing in the community. There is no conflict with the comprehensive plan, and the development program complies with Maine law limiting growth-related capital investments. Additionally, the district is not in conflict with the municipal charter.