



February 4, 2022

To: Chairman John Cloutier, Town Council
CC: Town Councilors; Tom Hall, Town Manager; Karen Martin, SEDCO Executive Director
From: Dan Bacon, Development Director; M&R Holdings

**Re: Growth Management Ordinance Exemption Application – Supplemental Submission
Crossroads Holdings LLC**

Dear Chairman Cloutier and Town Councilors,

Based on our initial workshop on December 15, 2021 and additional feedback that we have received, Crossroads Holdings LLC has worked extensively to advance a new, exciting Town Center Plan. We are designing this Town Center to be special place with a variety of amenities and benefits for the use and enjoyment by all of Scarborough residents.

We have included a concept site plan and some initial views of this future Town Center. We are preparing additional renderings and are excited to present these plans in more detail at our workshop on February 9th.

We have also provided further information on how the GMO exemption corresponds with the Town Center and how an exemption is necessary to proceed.

This supplemental submission also addresses other items raised by the Town Council at past workshops through a simple Q and A format and is a follow up to the application that has already been provided.

This supplemental submission includes the following:

- Town Center Concept Plan and Initial Renderings (Page 2, 3 and 4)
- Site for Community Center within Town Center (Page 5)
- List of Town-wide Public Benefits provided through the Exemption (Page 6)
- Q and A regarding Town Council Comments/Questions (Pages 7-)

We appreciate the Town Council's scheduling of this Workshop and really look forward to presenting the new and exciting Town Center Plans and reviewing these items in more detail, as we work together on this Section 7.F. application.







Community Center



LIST OF PUBLIC BENEFITS
(SUPPLEMENTING THE INITIAL APPLICATION)

✓ **NEW MIXED-USE TOWN CENTER**

A place for dining, entertainment, shopping, visiting, gathering, events and recreation for all Town residents to visit and enjoy

✓ **COMMUNITY CENTER SITE**

An opportunity for a Town Community Center site with a pool, child-care, senior space and other recreational and civic uses as determined by the Town – for all Town residents to visit and enjoy

✓ **CENTRAL SQUARE/GREEN**

A central square with a common, pavilion, plaza space, commercial space and event space for all Town residents to visit and enjoy

✓ **TRAFFIC IMPROVEMENTS**

Completion of 5-year traffic improvement plan addressing all major traffic hotspots in Town and making improvements to 37 intersections, executed by Downs with no Town taxpayer costs or debt service. These improvements address Route 1, Payne Rd, Gorham Rd all the way to the Maine Mall and South Gorham

✓ **SUBSTANTIAL POSITIVE NET FISCAL BENEFITS**

The net fiscal benefit to the Town of a mixed-use town center will be substantial and will enable the Downs to continue its strong growth in assessed value and new net positive tax revenue. As the Downs annually increases its share of the Town's tax base, it substantially benefits the Town financially and all existing town taxpayers – thru paying debt service and avoiding new debt, financing town services, equipment and infrastructure, and reducing the tax burden of all other taxpayers

✓ **HOUSING AFFORDABILITY**

Town Center design will include a mix of multi-family housing that can address the current housing crisis, especially for young professionals, empty-nesters and seniors – many of whom are from Scarborough or greater Portland but cannot find suitable housing close to work and amenities



EXEMPTION SPECIFICS

TC QUESTION / COMMENT: The Town Council has asked for clarification on the specifics of the proposed exemption (i.e. the area within the project and type of housing units).

RESPONSE: The Exemption is limited as follows:

- Exemption of dwelling units within mixed-use and multi-family buildings in a 90-acre area of project (the Town Center and Immediate Surroundings)
- Dwelling units will be mostly 1 and 2-bedroom units, with a small percentage (20% +/-) being 3-bedroom units. Ownership will be a mix of rental apartment and condominiums
- The 90-acre area will be a mixed-use Town Center, so it will include a lot of other land uses – i.e. commercial space, central square, a community center, stormwater, streets and wetlands
- The pace and number of units will be driven by the needs to finance the infrastructure and mixed-use buildings; attract retailers and commercial users; and will follow best development practices for planned mixed-use communities. Pace and unit count will be regulated by the limits of the approved traffic permit, the CPD zoning, and all the Town’s other land use regulations and impact fee programs





TRAFFIC IMPACTS AND IMPROVEMENTS

TC QUESTION / COMMENT: The Town Council has raised concerns about traffic impacts that may result from the proposed exemption.

RESPONSE: Traffic has been fully addressed and fully pre-permitted for this exemption.

Permits are in place by both Maine DOT and the Town of Scarborough to accommodate the future “vehicle trips” for the dwelling units under this exemption.

This was done as part of our comprehensive transportation improvement program agreed to with the State and Town. These improvements will address all the major congestion hotspots in town, improving 37 intersections over the next 5 years and totaling approximately \$14 Million worth of upgrades.

These improvements will mitigate project impacts as well as address longstanding congestion created by other growth and development within the community.

The units proposed under this exemption are not big traffic generators and are forecasted to only use 15% of the project’s pre-permitted traffic allocation.

Approved Trips Thru the MaineDOT & the Town	PM Peak Hour Trips	
Total Town and MDOT Approved Trips	3492	100%
Phase 1 Residential Development	106	3%
Town Center Residential Development	210	6%
Innovation End-Users	400	11%
Subtotal of Trips Used/Accounted For	716	20%
Remaining Town and MDOT Approved Trips	2776	80%
<i>Future Units in Exemption Area</i>	<i>550 (Estimate)</i>	<i>15%</i>
<i>Non-Residential in Town Center & Additional Development</i>	2226	63%

COMMUNITY SURVEY AND TOWN-WIDE PUBLIC BENEFIT: The Downs in partnership with the MaineDOT funding and the Town’s unused impact fees, will be making substantial town-wide transportation improvements that will address the long overdue traffic improvements desired in the Community Survey. The exemption is necessary to proceed with this 5-year improvement plan.



TOWN CENTER SPECIFICS

TC QUESTION / COMMENT: The Town Council has requested more detail on the planning for the Town Center and how this exemption corresponds.

RESPONSE: The Downs has spent significant time and expense to advance our Town Center plans be responsive to the Town Council and demonstrate the need and value of this exemption.

Cube 3, our town center architects, and our market analysts have worked with our team to layout an exciting, modern-day town center that include all the critical ingredients to make this town center a reality.

These ingredients include housing density, the presence of people at all hours living in the center (on the sidewalks, public spaces and in establishments), commercial space, mixed-use buildings, a central square and “new grandstand” focal point, plus we’ve added in a community center as requested by the Town Council.

The conceptual Town Center design has closely followed the Downtown Committee’s recommendations and through this exemption, can become that special community hub and gathering place for all Town residents to visit and enjoy.

The exemption is necessary to the proceed with the Town Center, as dense housing is necessary to support new small retailers and restaurants; to create a true mixed-use center; and to phase and finance all the on and off-site improvements that are required.

COMMUNITY SURVEY AND TOWN-WIDE PUBLIC BENEFIT:

This new Town Center can become the heart and hub of Scarborough as a gathering place with a variety of amenities that can be enjoyed by all residents of Scarborough.



COMMUNITY CENTER

TC QUESTION / COMMENT: Will a Community Center be part of the Town Center?

RESPONSE: The Downs has always been eager to help the Town deliver a Community Center, and with this updated Town Center layout a marquee site for a Community Center has been incorporated with a lot size based on direction we’ve gotten from the Town Council.

To that end, we are still working on understanding the costs to deliver this site and will work with the Town Council on funding mechanisms to help enable the Community Center to proceed. This plan shows the location of the site within the planned Town Center and a view across the central square.



COMMUNITY SURVEY AND TOWN-WIDE BENEFIT: The exemption is necessary to proceed with the Town Center and provide the perfect setting for a Town Community Center and help deliver this town-wide public benefit that is called for in the Community Survey.



CENTRAL SQUARE / GREEN

TC QUESTION / COMMENT: The Town Council would like assurance the central square is open and inviting to the entire Town and is well maintained.

RESPONSE: The Downs and Cube 3 have designed a central square with a variety of amenities intended to appeal to and be frequently visited by all of Scarborough's residents. This square is proposed to include:

- a multi-purpose pavilion for open air year-round events and activities
- a restaurant and small event space
- lawn and green space for passive or programmed activities
- hardscaped areas for passive or programmed activities
- future small retail space to serve visitors

Further, it will be located right across the street from the Community Center site. The Downs will work with the Town Council on delivering a central square that is available and inviting for broad public use while also incorporating private businesses that make it the active, multi-use space it needs to be.

COMMUNITY SURVEY AND TOWN-WIDE BENEFIT: The exemption is necessary to the proceed with the Town Center and project as planned and deliver this town-wide public benefit and amenities called for in the Community Survey.





NET POSITIVE FISCAL IMPACTS AND BENEFITS TO EXISTING RESIDENTS

TC QUESTION / COMMENT: The Town Council has asked about how substantial new tax revenue benefits the existing residents of Scarborough.

RESPONSE: The Downs mixed-use community is being executed exactly as planned (by the Town under its Comprehensive Plan, the CPD Zoning and through our CEA Agreement). As a balanced mixed-use development, net positive revenue will continue to increase significantly due to the mix of compact housing that is cost effective to serve and the tremendous success of all the light industrial development in the Innovation District.

This exemption is necessary for the Downs to continue as planned and to execute the Town Center, commercial development and housing types that will continue substantial growth of the Town's tax base and increasingly shoulder more and more of the Town's tax burden.

With sustained increases in net positive tax revenue, the Town will increasingly have the substantial resources that can lower the tax burden of existing town residents; invest in new town services or amenities identified in the Community Survey; service debt; shelter additional TIF revenue for Town benefit; and/or a combination of all four – as decided by the Town Council.

Camoin Associates is our Fiscal Analysts and are available to review and present the details of the fiscal analysis with the Town's consultants as well as the Town Council and/or Finance Committee should this be desired as part of next steps.

COMMUNITY SURVEY AND TOWN-WIDE BENEFIT: The exemption is necessary to the proceed with the project as planned with a Town Center and deliver the substantial new tax revenue to the Town that can benefit the entire community's taxpayers and residents.



APPENDIX A FACTORS

TC QUESTION / COMMENT: The Town Council has commented that and questioned that some of the Appendix A factors are outcomes and public benefits that the Downs has already planned or committed to.

RESPONSE: The Downs was master planned, designed and then permitted through MaineDEP, MaineDOT and the Town of Scarborough in accordance with the Town's zoning and the Town's prior Growth Management Ordinance (GMO).

Further, the Downs has focused on making the project the best it can be for Town and its residents, and within our master plan we've included a variety of public benefits way beyond what typical developments deliver.

In the Spring of '21 the Council substantially amended the GMO and reduced the number units and the type of housing possible in the CPD under the annual allocation (by adding the common scheme of development limitation and eliminating the residential density factors).

These substantive changes now require the project to receive exemption approval under Section 7.F. in order for the project to continue as planned and permitted, and in order to follow thru on the majority of the public benefits outlined under Appendix A.

All of the factors associated with economic development in the planned Town Center, continued net fiscal benefits, continued housing variety and demographic diversity, delivery of the transportation improvements, and additional community and recreational facilities require this exemption to still be achieved as originally planned and permitted.



HOUSING AFFORDABILITY

TC QUESTION / COMMENT: How does the exemption enable housing affordability?

RESPONSE: There are a number of reasons this exemption is needed to deliver housing that is affordable, both under the Town's affordable housing definition as well as generally affordable to the local "workforce". Through the Town's CPD Zone and in working with the Planning Board through master planning, the Downs has been able to:

- Meet and exceed the zoning's requirement for 10% affordable housing in the project, with 90 affordable units built or under construction (77 senior affordable and 13 single-family/condo/apartments)
- Deliver other housing in line with "workforce housing" prices (generally affordable to households with incomes between 80%-120% of the area median)

These housing types and price points are critically in need in Scarborough, Greater Portland and State-wide, in large part due to both the hottest real estate market in history coupled with lack of housing inventory and in-migration to the region.

Without an exemption, it becomes impractical and uneconomical to build units in multi-family or mixed-use buildings. This would cause the project to have to focus only on single-family home development.

The Downs is meeting a critical housing need for the Town and the region, and building housing choices that are desirable to young professionals, empty nesters and seniors, especially in and around a mixed-use Town Center.