

**AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – NOVEMBER 8, 2023
WORKSHOP RE: OPTION AGREEMENT OBLIGATIONS – 5:30 P.M.
HYBRID MEETING**

TO VIEW TOWN COUNCIL MEETING & OFFER PUBLIC COMMENT:

<https://scarboroughmaine.zoom.us/j/86293913391>

TO VIEW TOWN COUNCIL MEETING ONLY:

<https://www.youtube.com/channel/UCD5Y8CFy5HpXMftV3xX73aw>

- Item 1.** Call to Order.
- Item 2.** Those Present.
- Item 3.** Reflection on Election Results
- Item 4.** Zoning Changes
 - a) HP to CPD
 - b) VR4 to CPD
- Item 5.** Buffer Reduction
- Item 6.** TIF/CEA Expansion
- Item 7.** Adjournment.

11.08.23 Workshop:

Land Option Agreement Ordinance & TIF/CEA Changes

Objective:

Reflect on the outcome of the election and align on key amendments, actions and next steps to take on items associated with the Land Option Agreement in the Downs

Agenda

- 1) General Reflection on School Election Results and Next Steps
- 2) General Discussion on Zoning and Buffer Changes and Potential Amendments
- 3) General Discussion on TIF/CEA adjustments and Potential Amendments

Part 1: School Referendum Results Discussion (~30 minutes)

Based on the outcome of the election:

1. Does the Council still support the Option Agreement to reserve land for up to 25 acres for a school, community center or recreational use through December 2024?
2. Are there any particular recommendations or actions the Council would like to better understand before taking action on the items related to the Option Agreement on the Agenda tonight?
3. What guidance in terms of next steps or recommendations does the Council wish to relay to the School Board and Building Committee on the school?
 - a. For example, if the school does not pass, would the Council recommend a community survey be conducted to get feedback and help guide choices going forward

Council Next Steps and Recommendations:

(TO BE RECORDED LIVE)

Part 2: Zoning and Buffering Changes (~30 minutes)

1. Considering the 3 actions separately, are there any concerns or considerations to be addressed as a potential amendment during 2nd reading:
 - HP Zone Change
 - VR4 Zone Change
 - CPD Buffer Change

2.1 HP Zone Change - No Amendments Proposed as of 11/3

- Requires tabling to November 15th due to clerical error in public notice

2.2 VR4 Zone Change - No Amendments proposed as of 11/3

- Requires tabling to November 15th due to clerical error in public notice

2.3: Buffer Zone Change

- Requires tabling to November 15th due to clerical error in public notice
- Questions to answer:
 - What is the appropriate buffer to adjacent zones for specific land use - 100, 25 or 15? See Appendix A for Current Buffer in VR4.

Land Use	Single Family Residential	Multi-Family Residential	Non-Residential	Municipal / School
Current VR4	15	15 or 25	15	15
RF				
R2				
VR4				

Proposed Amendments for Consideration

Option 1: Planning Board Recommendations + 25' setback (Caterina)

- RF & R2: 100 ft setback
- VR4: 25 ft setback for municipal/school and residential; 15 ft for emergency access; all other uses 100 ft

Option 2: Planning Board Recommendation + 15' setback for single family residential (Anderson)

- RF & R2: 100 ft setback
- VR4: 15 ft setback from municipal/school and single family residential; all other uses 100 ft

Option 3 (Not in Memo): RF & R2 with 25' setback for single family homes (Anderson)

- RF & R2: 25 ft setback for Single Family residential; 100 ft all other uses
- VR4: Option 1 or 2 recommendation.

Council Next Steps and Recommendations:

(TO BE RECORDED LIVE)

Part 3: TIF and CEA Changes (~30 minutes)

1. Considering the two actions separately, are there any particular concerns or considerations to be addressed as potential amendments this evening?
 - a. CEA
 - i. Should the Council direct the Finance Committee to apply the [Economic Development TIF/CEA Policy](#) before making the amendment?
 - b. TIF
 - i. Would the Council like to defer the TIF changes to make the appropriate adjustments to include Enterprise Business Park and Cottages at Sawyer parcels?
 - ii. Do we want a third party validation of the TIF/CEA Financial Impact beyond the work done by the Finance Committee and SEDCO?

MEMO

To: Town Council

From: Autumn Speer, Director of Planning and Codes

Date: November 8, 2023

Re: Proposed CPD Buffer Amendments

BACKGROUND

The CPD District requires a 100' setback to be treated as a buffer for all adjacent residential districts or natural resource districts regardless of use in the CPD. The eastern boundary of the CPD abuts three residential zoning districts (VR4, R2, RF). The CPD does not currently abut any natural resource districts.

Planned Developments:

All buildings and related parking and access drives must be setback from the boundary of the CPD District in accordance with the following standards and the minimum required setback area shall be treated as a buffer in accordance with Section VIII, if applicable. This requirement shall not preclude the construction of streets or utilities that cross the buffer strip. (Amended 05/16/18)

<i>Adjacent Zoning District</i>	<i>Minimum Setback</i>
<i>A "Residential District" or "Natural Resource District"</i>	<i>100 feet</i>

The 100' setback is a physical barrier that must maintain the district boundary in its natural state to provide a visual screen between districts. When natural buffering is unable to be maintained, landscaping must be provided to create a visual screen between districts. Streets and utilities may cross the buffer. (Section VIII).

Planning & Code Enforcement

The CPD currently permits heights up to 75', however, it also includes a maximum building height of 35' for any portion of a building located within 150' of a residential district for Planned Developments in the CPD.

2. Planned Developments

The space and bulk standards applicable to planned developments and the individual lots and buildings within an approved planned development shall be the development standards set forth in the approved Master Plan for the planned development subject to the following limits:

Maximum Building Height *75 feet, except that any portion of a building located within 150 feet of a residential district shall be limited to 35 feet in height.*

The adjacent VR4, R2 and RF districts all limit heights to 35' or three stories.

Setback Summary:

District	Side & Rear Yards			Buffer Required	Maximum Height
	Single Family	Multi-Family	Non-residential		
CPD	Per Master Plan	Per Master Plan	Per Master Plan	100' for Residential Adjacency	75; 35' for Residential Adjacency for 150'
RF	15'	15'	15'	NA	35'
R2	15'	15'	15'	NA	35'
VR4	15'	25'	15'	NA	35'

PROPOSED AMENDMENT

To address potential use issues, this amendment would maintain the required 100' setback and buffer to abutting residential districts for all non-residential uses in the CPD.

PROPOSED BUFFER AMENDMENT			
Adjacent Zoning District	Land Use in CPD	Minimum Setback	Results
Residential Districts or Natural Resource District	Municipal Buildings or Uses; Elementary and secondary schools; Residential Uses	15'	REDUCE 85'
	All Other Land Uses	100'	NO CHANGE

PLANNING BOARD RECOMMENDATION

The Board was generally supportive (3-2 straw poll) on the reduction of the buffer between residential uses in the CPD and abutting residential districts to 15 feet, particularly for single family and lower density residential development. They did have concerns about higher density uses.

The Board was also in favor of an additional text amendment requiring a 100' buffer for all uses in the CPD District from the Rural Farming District (in this area the parcel containing Warren Woods) and they were in favor of the addition of a caveat for lots developed prior to the adoption of this change to maintain the 100 foot buffer, starting October 31, 2023.

REQUESTED WITH PLANNING BOARD AMENDMENTS			
Adjacent Zoning District	Land Use in CPD	Minimum Setback	Results
Rural Farming District or Natural Resource District	All Land Uses	100'	NO CHANGE
Residential 2 District	All Land Uses	100'	NO CHANGE
Village Residential 4 District	All Land Uses Developed prior to October 31, 2023	100'	NO CHANGE
	Municipal Buildings or Uses; Elementary and secondary schools; Residential Uses Developed after October 31, 2023	15'	REDUCE 85'
	All Other Land Uses Developed after October 31, 2023	100'	NO CHANGE

TOWN COUNCIL DISCUSSION OPTIONS

At the first reading, Town Council had a great deal of discussion concerning the CPD buffer amendment. One option included increasing the 15' proposed setback to 25'. Other discussion included addressing the buffer by type of residential uses. The following options are two potential amendments addressing those concerns.

25' SETBACK WITH PLANNING BOARD AMENDMENTS			
Adjacent Zoning District	Land Use in CPD	Minimum Setback	Results
Rural Farming District or Natural Resource District	All Land Uses	100'	NO CHANGE
Residential 2 District	All Land Uses	100'	NO CHANGE
Village Residential 4 District	All Land Uses Developed prior to October 31, 2023	100'	NO CHANGE
	Municipal Buildings or Uses; Elementary and secondary schools; Residential Uses Developed after October 31, 2023	25'; 15' for emergency access only	REDUCE 75'; 85'
	All Other Land Uses Developed after October 31, 2023	100'	NO CHANGE

SINGLE FAMILY ONLY WITH PLANNING BOARD ADJUSTMENTS			
Adjacent Zoning District	Land Use in CPD	Minimum Setback	Results
Rural Farming District or Natural Resource District	All Land Uses	100'	NO CHANGE
Residential 2 District	All Land Uses	100'	NO CHANGE
Village Residential 4 District	All Land Uses Developed prior to October 31, 2023	100'	NO CHANGE
	Municipal Buildings or Uses; Elementary and secondary schools; <u>Single-Family</u> Residential Uses Developed after October 31, 2023	15'	REDUCE 85'
	All Other Land Uses Developed after October 31, 2023	100'	NO CHANGE




Option Agreement Rezoning, TIF, CEA, Buffers

October 18, 2023

Executive Summary

- As part of the **Option Agreement** approved in September 2023, the Town agreed to closing conditions that **modify the zoning of existing land owned by the Down's to be consistent with the CPD District.**
- The agreement contemplates **updating the economic TIF boundary** to include the land, and incorporate the rezoned land as part of the **CEA for tax reimbursements** to the Downs for the new value generated, if they meet the performance standards outlined in the contract
- The School site in the Option is currently located between two zones, and also needs to **reduce the existing buffer to make the school fit on the site.** If the school passes, the net difference of the rezone is **~15 acres from VR4 to CPD**, going from 4 units/acre to up to 20 units/acre.
- These items were offered by the Town in coordination with legal counsel to the Down's in January 2023 as consideration for the **Option Agreement** to acquire 22 acres of land for a school site. The terms were incorporated into **the Letter of Intent** approved by the Council in May 2023.
- The Option Agreement contemplates that the Town will take **reasonable efforts by 10/31** to make these changes to ensure the Council who approved the Option agreement is responsible to approve terms the terms within



Overview of Changes Contemplated by Nov 8th

- ▶ Proposed Zoning Adjustments
 - ▶ Rezone Down's 37 acre parcel from **VR4 to CPD**
 - ▶ Rezone Down's 9 acre parcel from **HP to CPD**
 - ▶ Amend the buffer required from 100' for **all uses** adjacent to a residential district to 15' for **residential and municipal uses** adjacent to a residential district and **maintain the 100' buffer for non-residential uses**
- ▶ Proposed TIF and CEA Adjustments
 - ▶ Incorporate Down's owned acreage into the Downtown Tax Increment Financing District
 - ▶ Incorporate rezoned 35 acres into Credit Enhancement Agreement, of which 12 acres is part of the School Site

Timeline

Town to act on 10/18 for 1st read for TIF Boundary, CEA Amendments and Zoning map changes

	Planning Board	Public Hearing	1st Read	2nd Read/Action
TIF Boundary		October 4 th	October 18 th	November 8 th
CEA Amendment		October 4 th	October 18 th	November 8 th
Zoning Map Change	Sept 18 Public Hearing		October 18 th	November 8 th (incl. Public Hearing)
CPD Buffer	October 10 th – Review and Comments		September 20 th & refer to Planning Board	November 8 th (incl. Public Hearing)

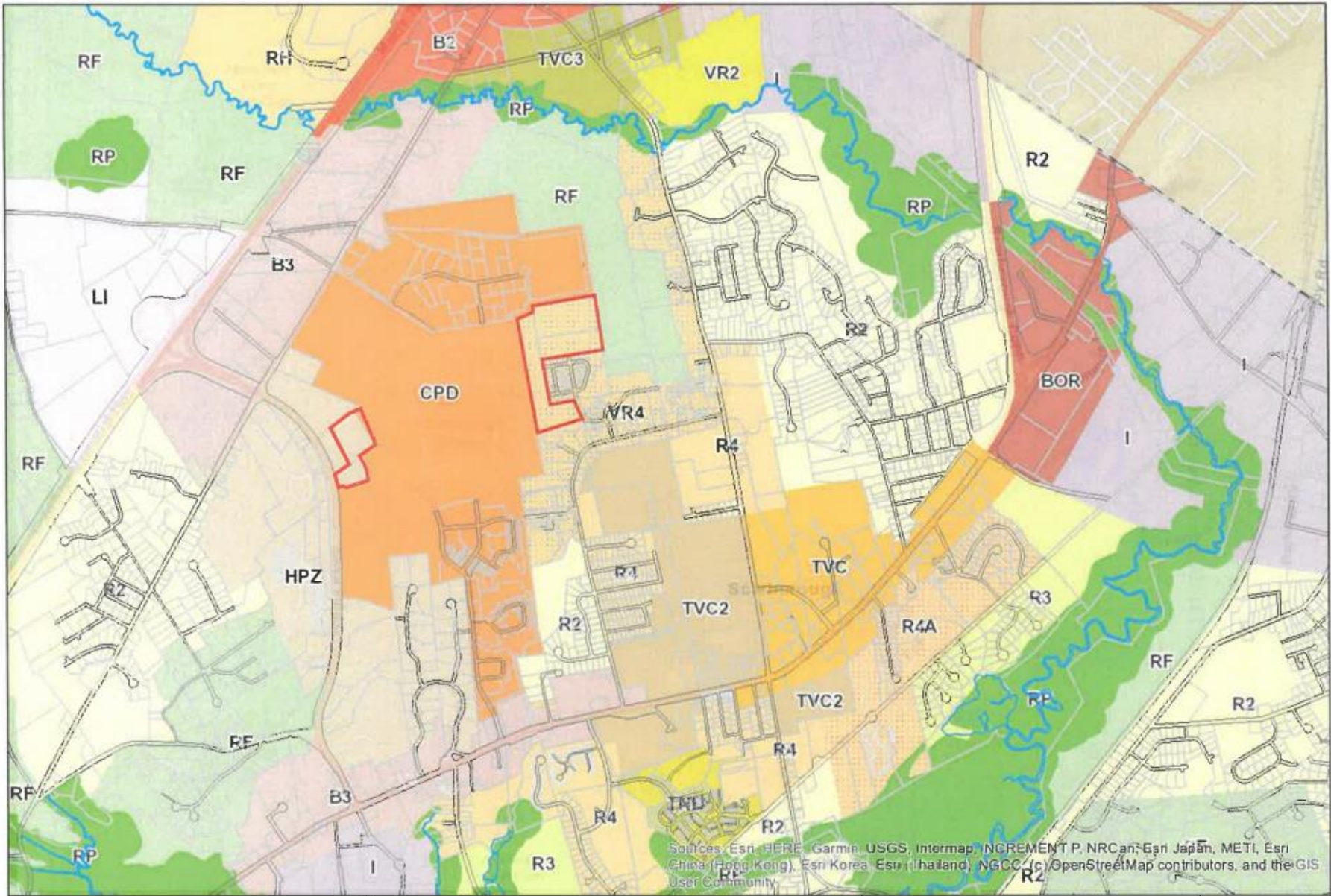


Zoning Adjustments Key Points in Option Agreement

- Proposed parcels for rezoning consideration are owned by the Seller
- Both rezonings are in compliance with the Comprehensive Plan
 - Both locations designated as Regional Activity Center
- Amend the CPD buffer from 100' to 15' for municipal and residential uses adjacent to residential districts (VR4 zone and RF zone are affected)
 - Enables the proposed school location
- Partial consideration for closing
- Changing zoning back prior to closing may lead to a termination of the option agreement

Expressed Concerns:

- Does not bind future Councils
- Legally Permissible
- No housing exemptions, Rate of Growth Ordinance impacts permitting



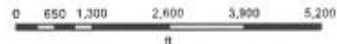
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Italy), NGCC, c/ OpenStreetMap contributors, and the GIS User Community

The Downs - Proposed Zone Changes

EXHIBIT C

- Current Crossroads Planned Development (CPD) District
- Proposed Additions to CPD

1 in = 3,000 feet



Both locations are compliant with the Comprehensive Plan and are designated as Regional Activity Center

CPD Zoning vs. HP Zoning

	CPD Existing	HP
Buffer Required	100' for <u>all uses</u> adjacent to residential districts	50' for <u>all uses</u> adjacent to residential districts
Residential Density	20 units/acre	5 units/acre
Use Difference	Similar non-residential and residential Uses to HP, with exception of single family	No single family allowed

No buffer adjustments to occur in 9 acres; change is to land uses only

Planning Board Review – HP Rezone (Sept 10th)



Planning Board Recommendation

Jonathan Anderson
Chair, Scarborough Town Council
259 U.S. Route 1
P.O. Box 360
Scarborough, ME 04070

RE: Rezoning of a portion of R052006 and a portion of U056001 being approximately 9.4 acres from HP to CPD.

Chairman Anderson and members of the Town Council,

On September 18, 2023, in accordance with the Town of Scarborough Zoning Ordinance, the Planning Board reviewed the rezoning request for a portion of R052006 and a portion of U056001 being approximately 9.4 acres from HP to CPD located off Haigis Parkway. The Ordinance requires that the Planning Board give its recommendation to the Town Council regarding the land use implications of the request. After consultation with the Board Chair, the recommendation is as follows:

1. The Board finds the mix of permitted uses permitted in both the HP and CPD zoning districts is similar in nature, making the change reasonable from a land use perspective.
2. The CPD district allows a higher residential density than the HP district (20 units per acre in the CPD compared to 4 units per acre in the HP). If the parcels will be used for any type of residential project, the Board has concerns on impacts to natural resources as a result of a possible larger scale development.

If you would like further clarification or discussion on these items, the Planning Department would be happy to provide any requested information in consultation with the Planning Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Autumn Speer".

Autumn Speer
Director of Planning & Code Enforcement

- CPD and HP land use is similar, Planning Board found this to be a reasonable land use change
- Higher Density is a concern for impacts on natural resources

CPD Zoning vs. VR4 Zoning

	CPD Existing	CPD Proposed	VR4
Buffer Required	100' for <u>all uses</u> adjacent to residential districts	15' for <u>municipal & residential uses</u> adjacent to residential districts (Planning Board recommended this apply to VR4 and not RF) Keep 100' for all <u>non-residential uses</u> adjacent to residential districts Keep 100' setback for all <u>uses adjacent to RF</u> (Planning Board recommendation)	15' - 25' based on residential type and adjacent development
Residential Density	20 units/acre		4 units/acre
Use Difference	Single Family, Multi-family, Commercial *Industrial limited to Innovation District		Predominantly Single Family



DRAFT/CONFIDENTIAL

Existing
VR4
Lot

12 acres

Of the 35 acres being rezoned in VR4, approximately 12 acres is part of the K-3 School Solution

Rev	Date	Revision

Issued For	Date	By

Scale: 1" = 100' (1" = 100')

This plan shall not be graded without written permission from Gorilla Palmer. Any alterations, authorized or otherwise, shall be at the user's sole risk and without liability to Gorilla Palmer.



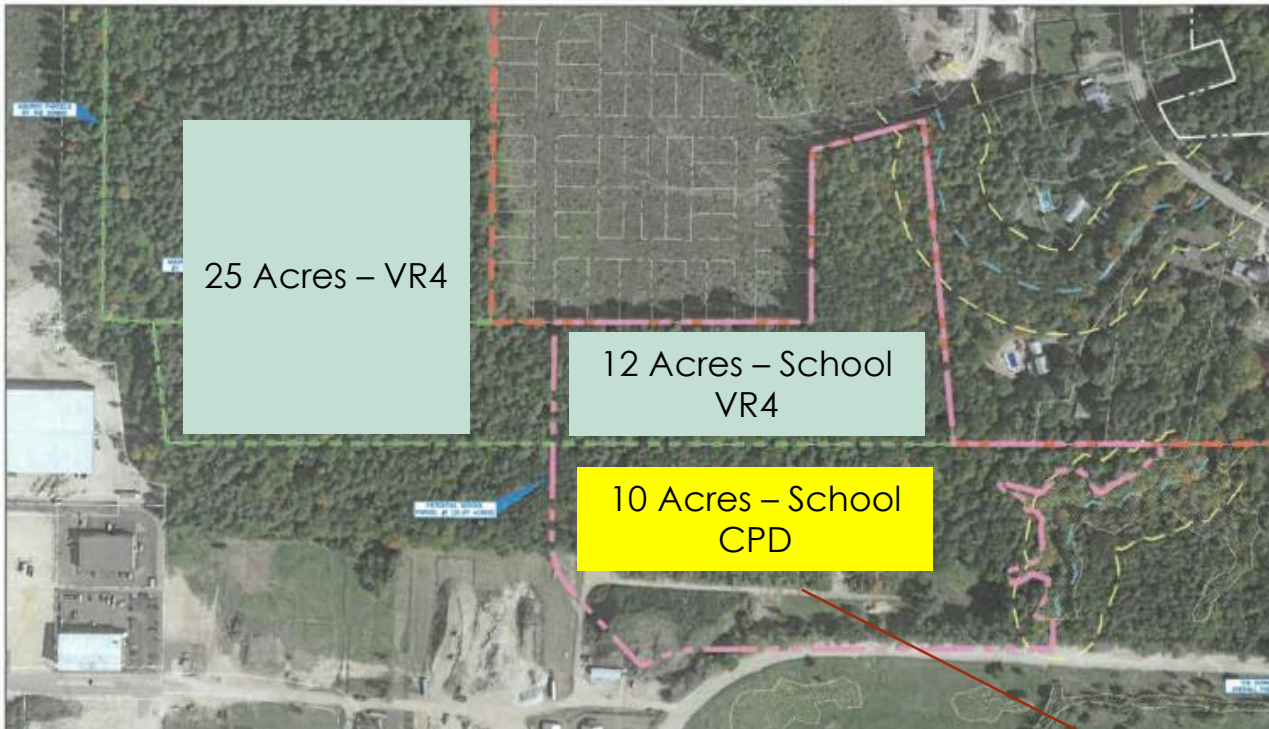
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Drawing Title: School Base Plan
Project: The Downs
Southport, Maine
Client: Crossroads Holdings, LLC
PO Box 100, Southport, ME 04070

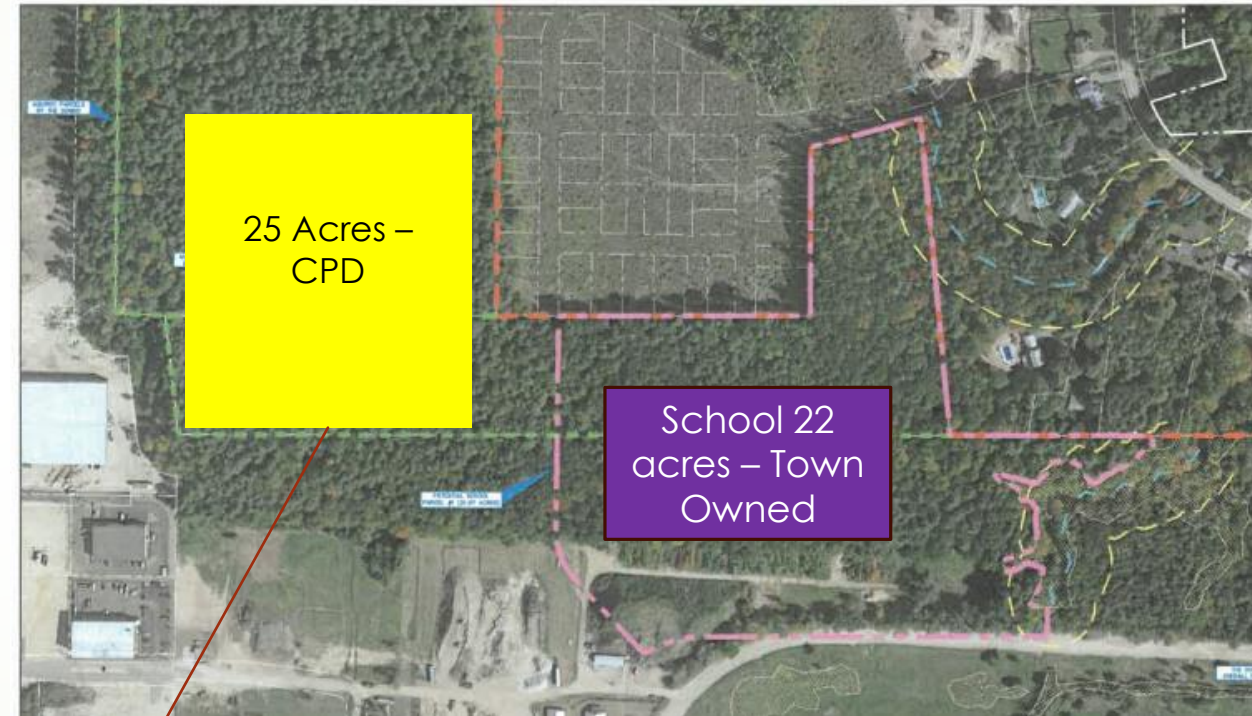
Drawing No. 1

Current Situation vs. Future State

Current State – Existing Zoning



Future State School Passes; Close on Option Agreement



Net Zoning Change = **+15 acres** for CPD from VR4
~2.5% land increase for CPD District Acres for CEA Reimbursement

Planning Board – VR4 Rezoning (Sept 10th)



Planning Board Recommendation

Jonathan Anderson
Chair, Scarborough Town Council
259 U.S. Route 1
P.O. Box 360
Scarborough, ME 04070

RE: Rezoning of a R053004 being approximately 35.8 acres from VR-4 to CPD.

Chairman Anderson and members of the Town Council,

On September 18, 2023, in accordance with the Town of Scarborough Zoning Ordinance, the Planning Board reviewed the rezoning request for R053004 being approximately 35.8 acres from VR-4 to CPD located off Preservation Way. The Ordinance requires that the Planning Board give its recommendation to the Town Council regarding the land use implications of the request. After consultation with the Board Chair, the recommendation is as follows:

1. The CPD district allows a significantly higher residential density than the VR-4 district (20 units per acre in the CPD compared to 4 units per acre in the VR-4). The Board discussed that since this area of Crossroads property has not been included in any master plan or subdivision for The Downs, the town does not know which of the wide range of permitted CPD uses may be proposed. With this parcel so close to existing low density residential housing, from a land use perspective it does not recommend approval of the zoning change.
2. Similarly, with light industrial uses to the North in the Innovation District, this parcel and its uses must be carefully regulated such as to not impact the abutting, lower density residential uses that exist to the South.
3. The Board has concerns regarding permitted CPD uses adjacent to potential municipal uses.
4. With the parcel bordering a Scarborough Land Trust owned conservation area with significant natural resources (wetlands, etc.), the Board has concerns on impact to those resources from potential uses of the parcel. This includes with respect to stormwater runoff, lighting and sound.

If you would like further clarification or discussion on these items, the Planning Department would be happy to provide any requested information in consultation with the Planning Board.

Sincerely,

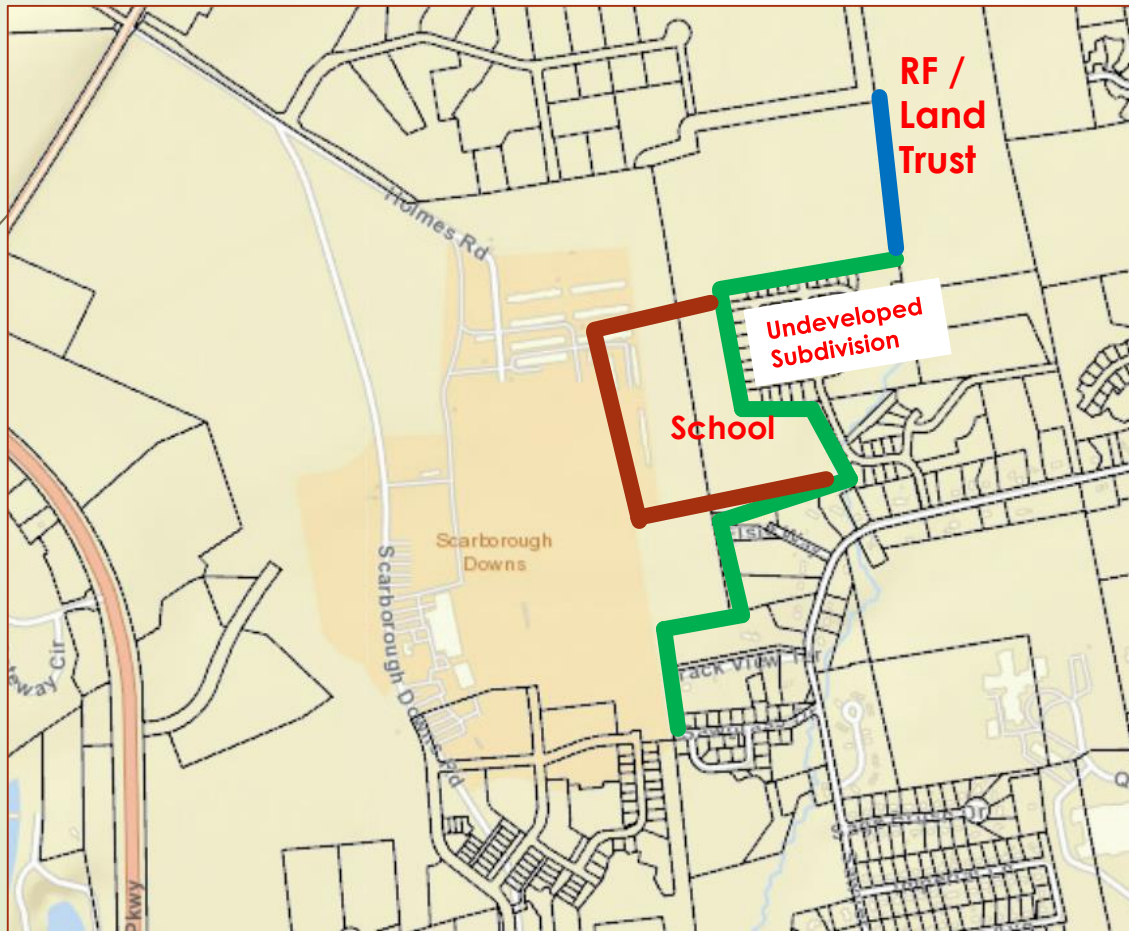
Autumn Speer
Director of Planning & Code Enforcement

Planning & Code Enforcement

259 US Route One | PO Box 360 | Scarborough, ME 04070 | P: 207.730.4040 | scarboroughmaine.org

- Unknown use without a plan
 - Limited to residential and commercial; industrial not allowed except in Innovation District
 - Down's stated at 9/20 meeting focus will mostly be on residential with potential for some light commercial near the Innovation District.
- Potential impact to lower density residential to South
 - Currently undeveloped to the South
 - Likely residential bordering VR4; Proposed 15 ft buffer residential, maintain 100ft non-residential
- CPD near municipal uses
 - Less than ¼ of school boundary at risk, back of the school; School comfortable
 - Roadway will separate school from any residential or commercial space
- Land Trust nearby
 - 100 ft buffers will still apply with Planning Board recommendation included
 - New ordinances for stormwater mitigation require proper treatment

What's the impact of the Buffer Change?



Reduction to 15 ft buffer required to support the school on the site (**green**)

Remaining setbacks support roadway infrastructure to support school for potential easterly access way via Trackview Terrace

Planning Board recommendation to maintain existing built buffers and RF (**blue**)

Planning Board – Buffer Amendment (October 10th)



Planning Board Recommendation

Jonathan Anderson
Chair, Scarborough Town Council
259 U.S. Route 1
P.O. Box 360
Scarborough, ME 04070

RE: Proposed Amendments to Chapter 405 Zoning Ordinance Section XX.C Crossroads Planned Development (CPD), Subsection D.2. Planned Developments. Council Order No. 23-104.

Chairman Anderson and members of the Town Council,

On October 10, 2023, in accordance with the Town of Scarborough Zoning Ordinance, the Planning Board reviewed the proposed text amendments to the CPD Zoning District relating to buffers between municipal uses, schools, and residential uses. The Ordinance requires that the Planning Board give its recommendation to the Town Council regarding the land use implications of the request. After consultation with the Board and Chair of the meeting, the recommendation is as follows:

1. The Board was generally supportive (3-2 straw poll) on reduction of the buffer between residential uses in the CPD and abutting residential districts to 15 feet, particularly for single family and lower density residential development. In this assessment, the Board discussed that a smaller buffer is sufficient for single family development in this area given the surrounding uses in the VR4 district, but that the Council should carefully consider larger buffering for multifamily uses. Additionally, the Board noted the importance of a larger buffer for the town's students and outdoor learning opportunities, as well as allowing for connectivity between neighborhoods.
2. The Board was unanimously in favor of an additional text amendment requiring a 100 foot buffer for all uses in the CPD District from the Rural Farming District (in this area the parcel containing Warren Woods).
3. The Board was unanimously in favor of the addition of a caveat for lots developed prior to the adoption of this change to maintain the 100 foot buffer, starting October 31, 2023.

If you would like further clarification or discussion on these items, the Planning Department would be happy to provide any requested information in consultation with the Planning Board.

Sincerely,

Autumn Speer
Director of Planning & Code Enforcement

Planning & Code Enforcement

259 US Route One | PO Box 360 | Scarborough, ME 04070 | P: 207.730.4040 | scarboroughmaine.org

- Generally supportive on reduction of the buffer between residential uses in the CPD and abutting VR4 districts to 15'
- Concerned about impacts from multifamily uses adjacent to VR4
- Concerned about a small buffer for the town's students and outdoor learning opportunities, as well as allowing for connectivity between neighborhoods
- In favor of an additional text amendment requiring a 100 foot buffer for all uses in the CPD District from the Rural Farming District (in this area the parcel containing Warren Woods)
- In favor of the addition to protect existing 100' buffers



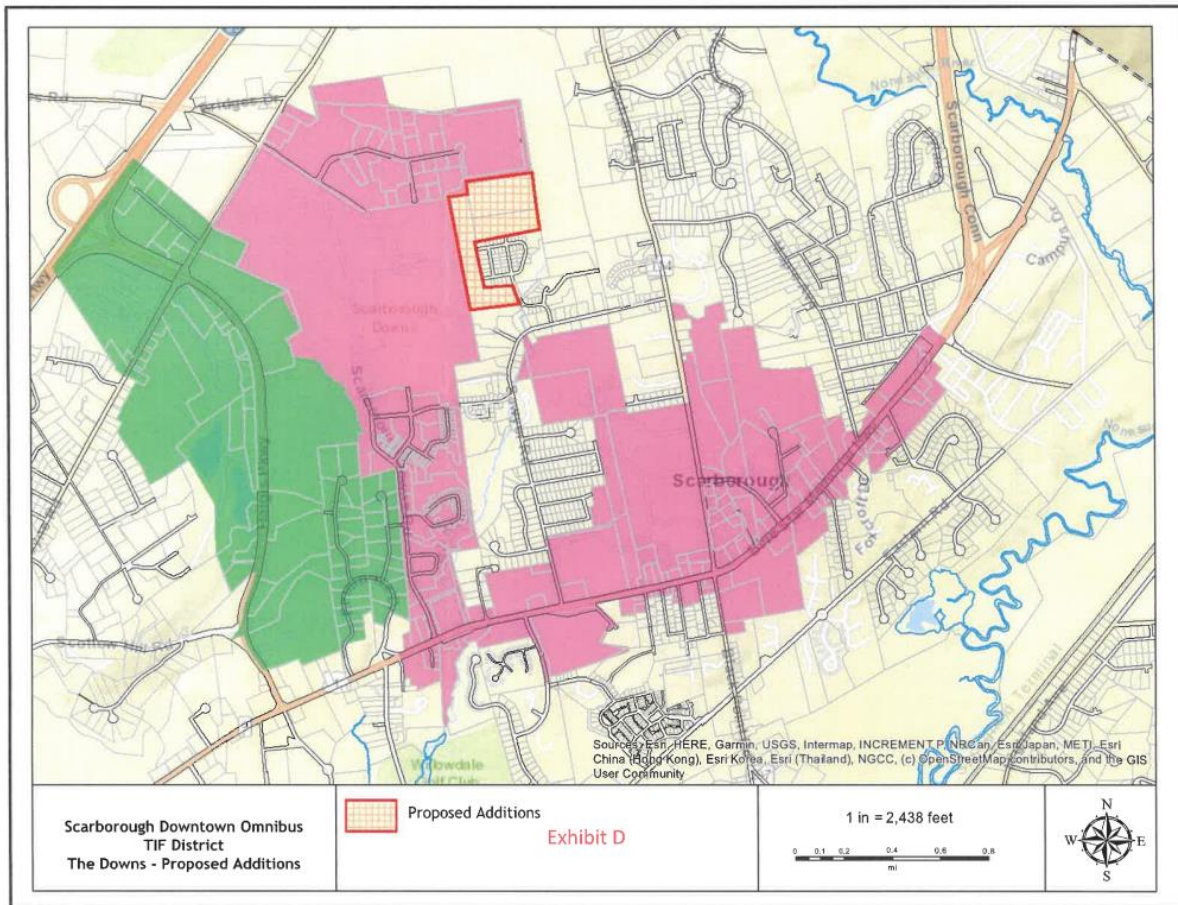
Summary of Terms

- Include VR4 rezoned land as part of the Scarborough Downtown Omnibus TIF District
- Include rezoned land into CEA Agreement to allow for reimbursement to tax increment revenue paid by seller
- If changed before closing, Option Agreement can be canceled

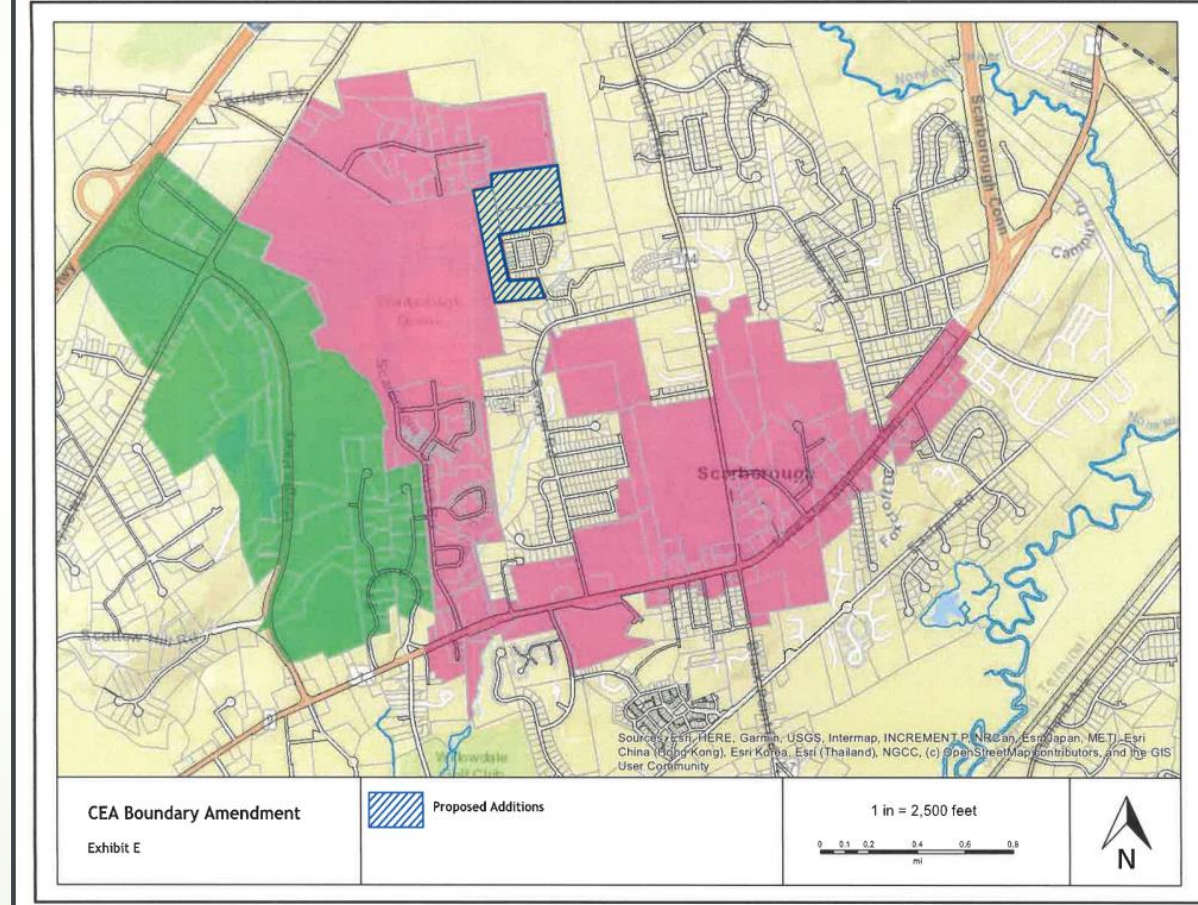
If the school is approved at the ballot, this change will result in only 13 net acres of CPD land as part of the TIF and CPD

TIF & CEA Adjustments

TIF Boundary Adjustment



CEA Boundary Adjustment





TIF Changes

- ▶ TIF = Tax Increment Financing; tool allows the Town to offer tax credits to incentivize economic development
- ▶ Adds ~25 acres to the TIF District
- ▶ Shields new tax revenue developed that improves likelihood of reducing county taxes and improving state subsidy = tax rate stabilization
- ▶ Shielded revenue can only be applied to qualified projects

Key Points

- ▶ Town is the only beneficiary from this change
- ▶ If School is approved, Town will work with DECD to pursue having the school as a qualified use for TIF Revenues

Between 1st and 2nd Read, the Town may elect to include the Cottages at Sawyer as part of the TIF to shield additional revenue

CEA Changes

- CEA = Credit Enhancement Agreement; allows developer to receive tax reimbursements based on meeting performance criteria
- Entered into CEA for Down's to take on the risk of **enabling infrastructure**; lessons learned from **HP TIF. Performance criteria** focused on **new value creation and sf from non-residential construction.**
- CEA Reimbursement of **\$2.6M** to date, while developer has implemented in **\$65M+** of enabling infrastructure in the development
- Adds **+35 acres to the TIF District**; after development taxes collected eligible for reimbursement pending performance requirements in the CEA
 - **12 acres dedicated to new school** would be **tax exempt** and not contribute to the CEA
- As of Year 5, performance currently is **\$178M of new value** and **1,370,000 sf of “nonresidential” construction** completed, underway or permitted; performing ahead of schedule in the CEA.

CEA Payments

- ▶ Change essentially keeps the Down's CPD district consistent with 22 acres of a tax exempt school site as part of the Option Agreement.
- ▶ Capped at \$55M through Year 20 for general tax reimbursements
- ▶ Year 21-30 eligible for \$2M per year if Developer has achieved the cap and met other valuation targets outlined below
- ▶ Eligible for \$2M bonuses per year prior to Year 21 if both conditions are met:
 1. Built
 - \$615 million of new value and there is a Downtown and a Community Center are constructed, OR
 - Built \$500 million of new value and no Downtown and a community center, and
 2. Built 1,500,000 sf of "nonresidential"

Down's currently ahead of schedule with \$178M of new value and 1.37M sf of non-residential constructed, underway or permitted

Financial Impact - Rezoning, TIFs and CEA

- Rezones contiguous parcel owned by Crossroads Holding LLC
- TIF boundary adjustment allows for additional tax shielding to build TIF Fund and potentially apply towards qualified project costs in the TIF development program
- Fiscal Benefit & Tax Rate Stabilization
- With CEA adjustment, Town has greater potential to be in a better financial position than without these adjustments
- At full development, Down's to potentially receive approximately \$300K to \$800K in reimbursements from rezoning in accordance with CEA

VR4 Analysis Only

Options with Zoning, TIF and CEA Adjustments	Annual <u>Net Benefit</u> (Revenue – Costs) at Full Build Out Potential	Margin Difference Compared to “Do Nothing”
Do Nothing – VR4	(1,200,000)	
Scenario 1: Current VR4 zoning with TIF and CEA	(1,057,000)	+143,000
Scenario 2: Mixed use residential at current density	(504,000)	+700,000
Scenario 3: Non-Residential	183,000	+1,383,000
Scenario 4: 50/50 Residential and Non-Residential	(41,000)	+1,159,000

Source Documents for Reference:
9/13/23 Finance Committee Revision

Housing Density Impacts

- Net **Potential** impact to CPD after the school closing is +15 CPD acres
 - **MAXIMUM** Residential Differences (excludes buffers, roads, stormwater management, etc.):
 - Current State; no school
 - VR4: Up to 148 single family homes (4/units per acre X 37 acres zoned VR4)
 - CPD: Up to 200 Multi-family units (20/units per acre X 10 acres zoned CPD)
 - TOTAL: 348 units
 - Future State; School passes
 - CPD: Up to 500 Multifamily units (20/units X 25 acres rezoned VR4 to CPD)
 - Total: 500 Units; Difference of ~152 potential multi-family units
 - **Rate of Growth Ordinance** will still dictate the pace of growth within CPD and will be reviewed annually and revised every 3 years.
 - **No Exemptions to Growth Permits provided**



Summary

- Zoning, Buffer Boundary and TIF and CEA changes part of Option Agreement to **acquire 22 acres of school land**.
- **Buffer Boundary changes are necessary for school** to fit on the 22 acre parcel and to support roadway network
- TIF and CEA changes essentially **keeps Down's "neutral"** with 22 acres of tax exempt land provided for a school, and 23 acres of CPD land available in the rezoned VR4 parcel.
- If the school passes, only **+13 acres (+2.5%) of Down's already owned land will be added to CPD** that would otherwise not have transpired
- The **rate of growth ordinance** will still dictate the pace of residential development
- The TIF, CEA and Zoning adjustments will result in a **lower subsidy** by the rest of Scarborough supporting **tax rate stabilization**



APPENDIX

Zoning Adjustments

- f. **Zoning Adjustments.** No later than October 31, 2023, Buyer shall have undertaken reasonable efforts to adopt any ordinances or ordinance amendments to include the Premises, the Property and other adjacent property owned by the Seller as shown on Exhibit C, (to be identified by the parties and incorporated herein on or before July 15, 2023) within the Crossroads Planned Development District. The zoning adjustments and ordinance amendments contemplated in this subsection shall include the reduction of the 100' buffer/setback requirement between the boundary of the CPD District and the adjacent VR4 District to a 15' setback for residential and school uses. The zoning adjustments identified herein are recognized by the parties as partial consideration for the purchase of the Premises and this condition of Buyer's obligation to close is recognized as a contractual obligation upon which Seller intends to rely in good faith and proceed with development accordingly. Once taken, any future zoning adjustments and/or ordinance amendments with the effect of reversing or undoing the actions of Buyer that are described under this provision shall be deemed a breach of Buyer's obligations hereunder for which Seller shall be permitted (at its option and after any required notice and opportunity to cure) to terminate this Agreement.

TIF & CEA Adjustments

- g. **TIF District Amendment.** No later than October 31, 2023, Buyer shall have undertaken reasonable efforts to approve and submit all applications necessary to include the Premises, the Property and other adjacent property owned by the Seller as shown on Exhibit D within the Scarborough Downtown Omnibus TIF District. Following approval of the amendment to the Scarborough Downtown Omnibus TIF District, Buyer shall undertake reasonable efforts to approve an amendment to the credit enhancement agreement between Buyer and Seller to allow for reimbursement of tax increment revenue paid by the Seller on the Property, and its adjacent land within the TIF District, as shown on Exhibit E, as agreed to by the parties. The amendments identified herein are recognized by the parties as partial consideration for the purchase of the Premises and this condition of Buyer's obligation to close is recognized as a contractual obligation upon which Seller intends to rely in good faith and proceed with development accordingly. Once taken, any TIF District adjustments and/or amendments with the effect of reversing or undoing the actions of Buyer that are described under this provision shall be deemed a breach of Buyer's obligations hereunder for which Seller shall be permitted (at its option and after any required notice and opportunity to cure) to terminate this Agreement.