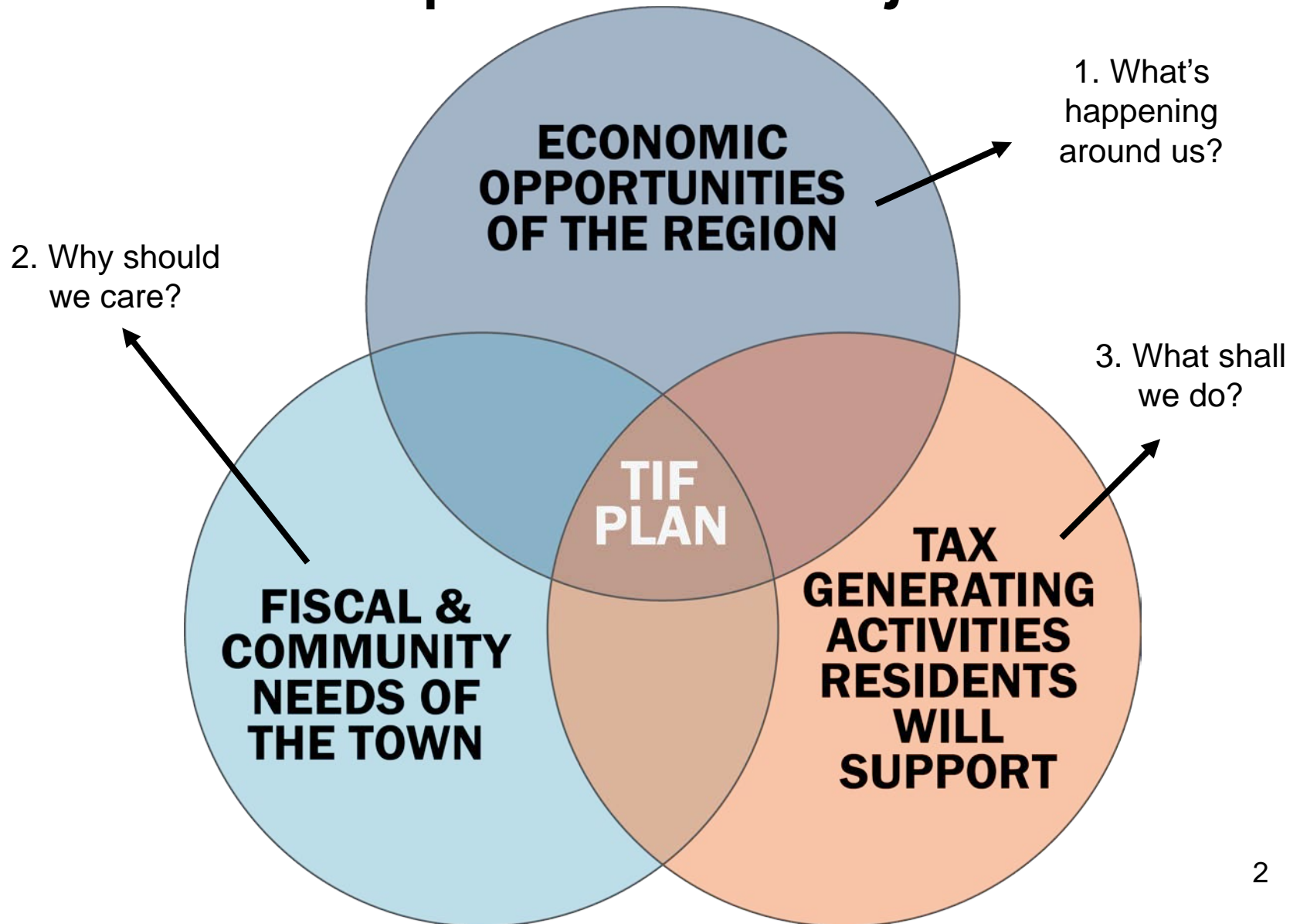


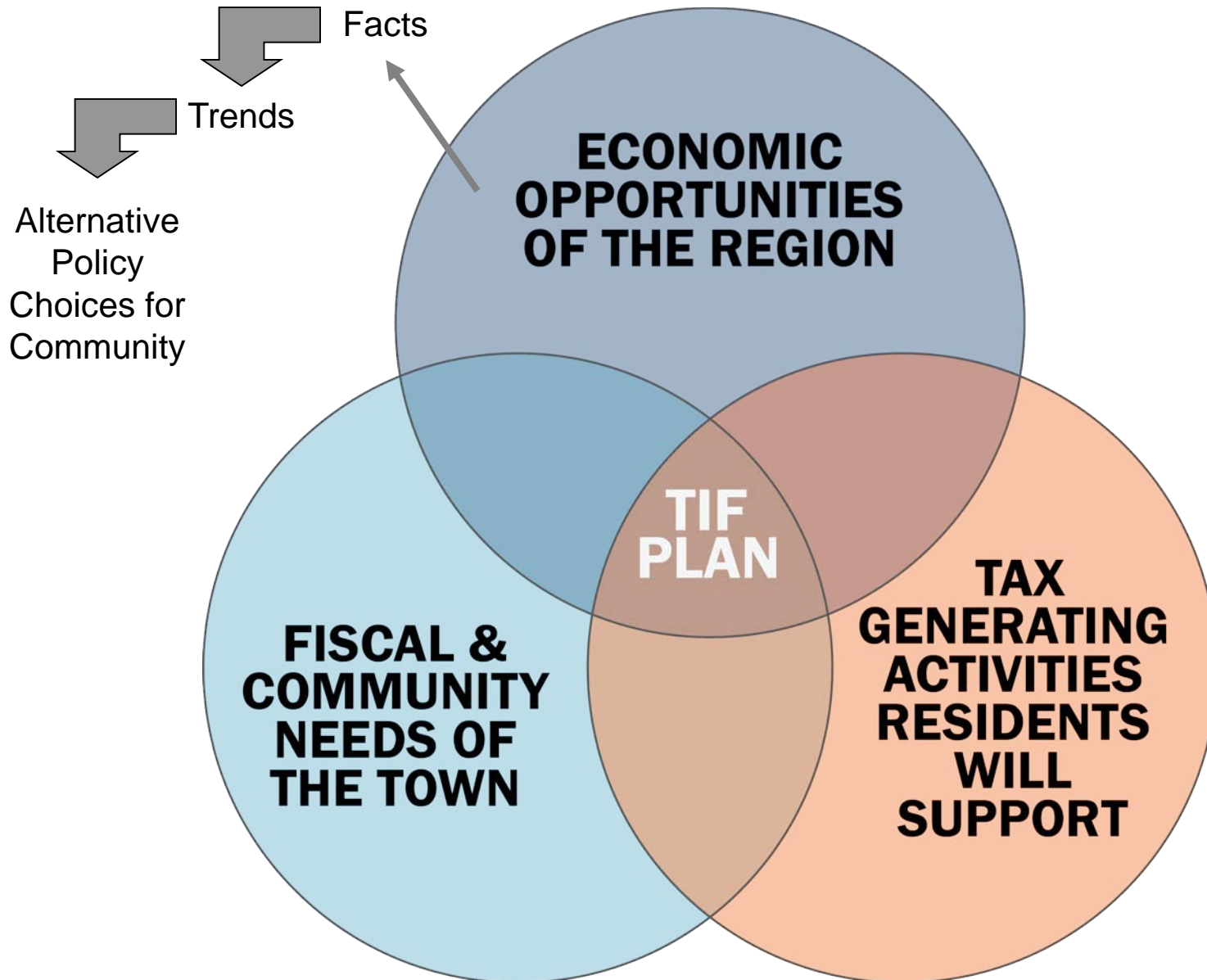
Eliot TIF Alternatives Committee

Progress Report #3
May 31, 2016

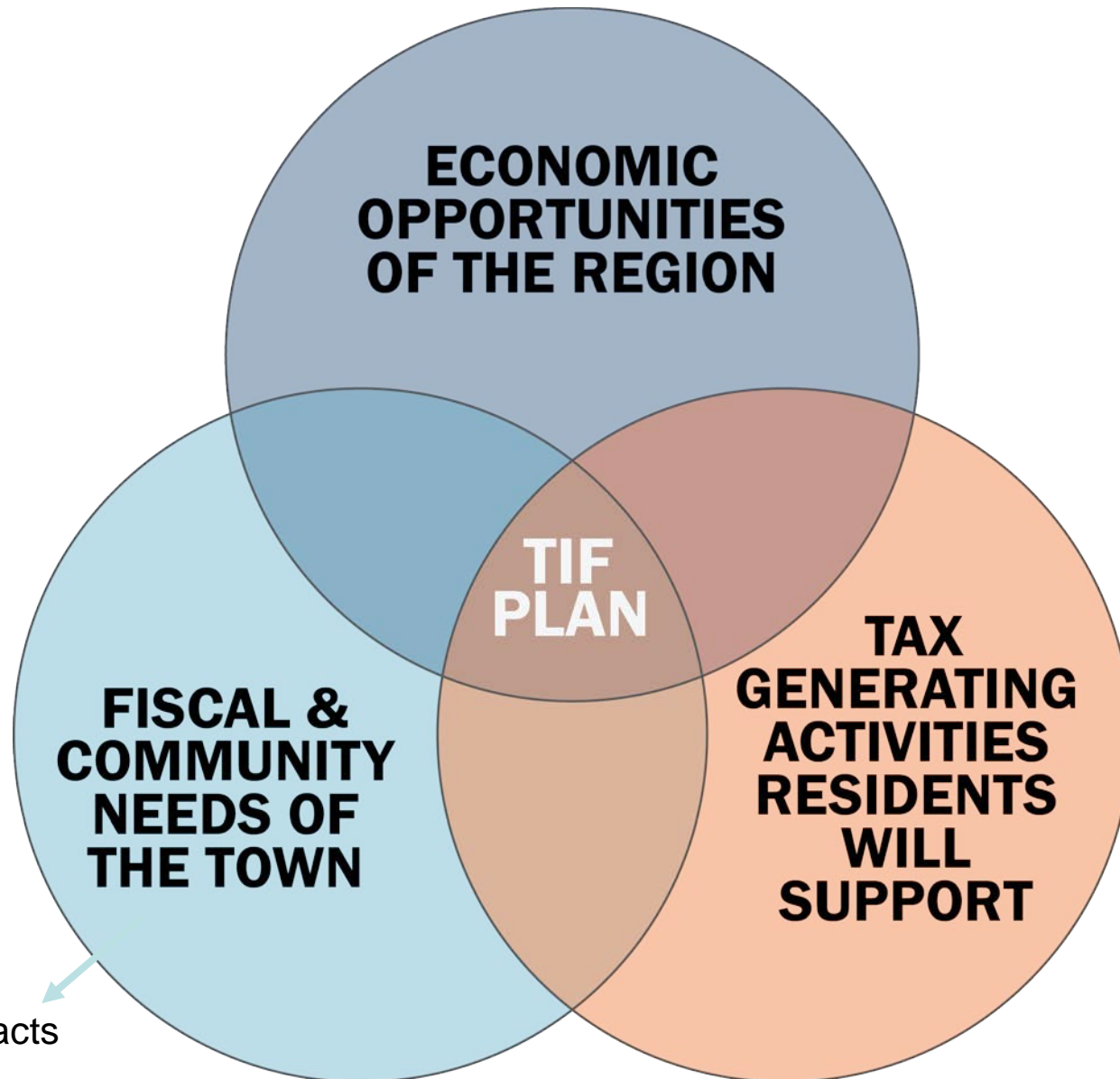
Purpose of Project



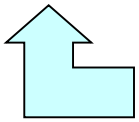
Process #1



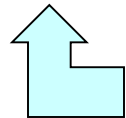
Process #2



Alternative
Policy
Choices for
Community

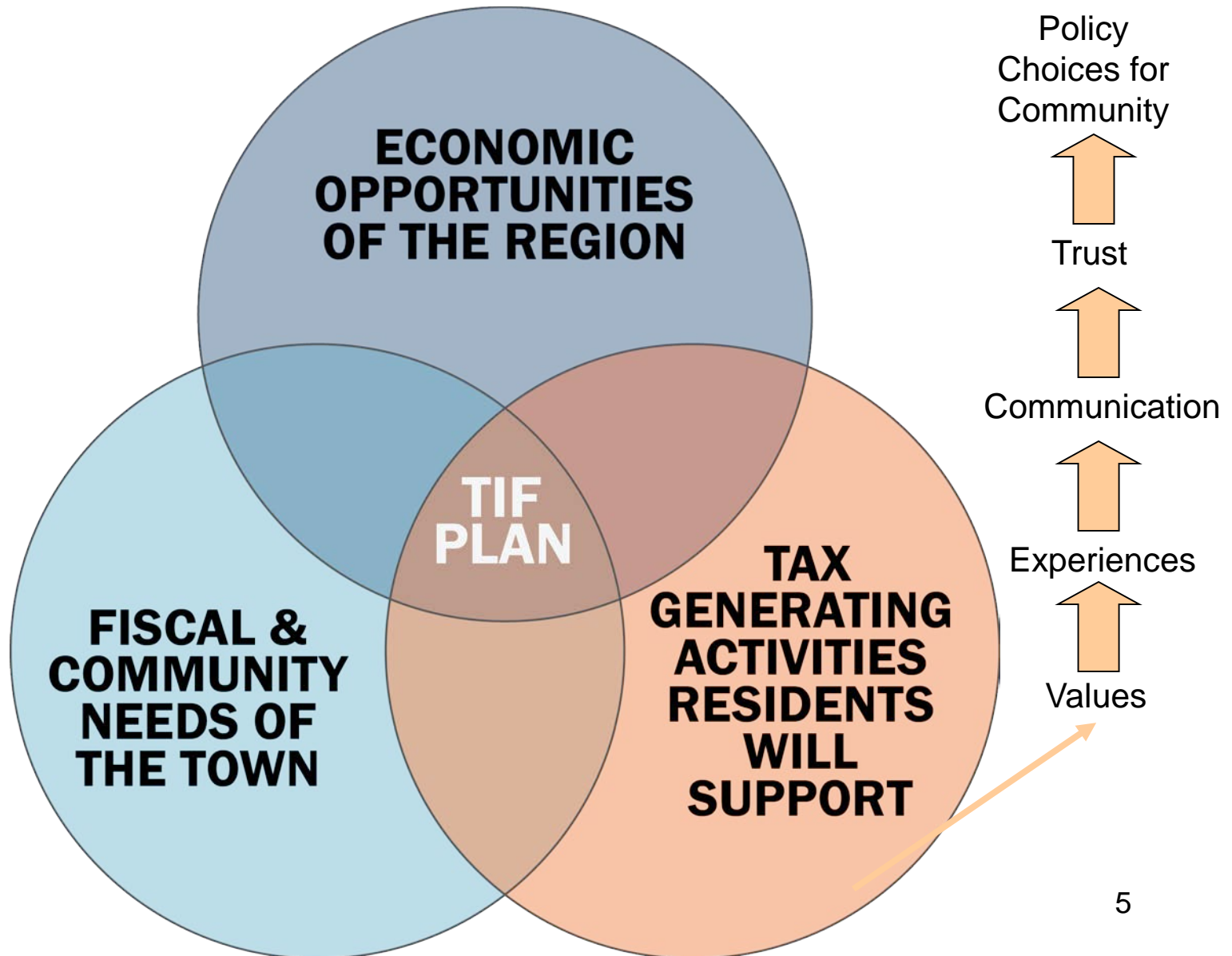


Trends



Facts

Process #3



Elements of Step #3

- a. Think about history.
- b. Define the term “alternatives.”
- c. Articulate community choices.

What did citizens vote on?

Vote #	Date	Event	Question	Financing	Yes	No
1	Feb. 11, 2009	Open Meeting, Show of Hands Vote	Approve Route 236 Municipal Development & TIF District and its boundaries & Development Plan.	not applicable	197 (72%)	75 (28%)
2	June 12, 2012	Annual Town Meeting, Secret Ballot	Approve the design, construction and equipping of the proposed Route 236 Municipal TIF Sewer Expansion Project.	\$6.5 million bond	634 (49%)	650 (51%)
3	June 11, 2013	Annual Town Meeting, Secret Ballot	Approve the design, construction and equipping of the proposed Route 236 Municipal TIF Sewer Expansion Project.	\$1.0 million from TIF Reserve Fund & \$5.5 million bond	648 (45%)	806 (55%)
4	Nov. 5, 2013	Special Town Meeting, Citizen Initiative, Secret Ballot	Approve the design, construction and equipping of the proposed Route 236 Municipal TIFD Sewer Expansion Project.	\$1.0 million from TIF Reserve Fund & \$5.5 million bond	615 (41%)	886 (59%)
5	June 10, 2014	Annual Town Meeting, Citizen Initiative, Secret Ballot	Remove sewer project and funding for sewer projects from the Route 236 TIF, and approve an alternative project within 18 months or terminate this TIF.	not applicable	515 (46%)	610 (54%)

What have citizens said they want?

Comprehensive Plan:

Preservation of “rural character” and “high quality of life for residents,” p. 4.

Ensure that “new development is carefully integrated into the Town’s rural landscape.” p. 4

Future of Eliot “**could** include a village area where a community center, municipal buildings and small businesses could co-exist along with increased density of housing.” p. 4, p. 178.

Commercial demands on Rt. 236 “**seem** to be growing and are **likely** to continue,” but will require zoning change and sewer. P. 30.

No mention of types of commercial/industrial development desired or of strategy to create it; closest is p. 178 reference to decreased lot size, need to control access and p. 30 “preferably on sewer.”

What have citizens said they want?

Citizen surveys re economic development

Very strong support for at least some business growth.

Questions	Responses	%	
Q.1 Favor Business Growth?	937	100%	
Modest business growth	662	71%	84%
No business growth	145	15%	
Robust business growth	118	13%	
No opinion	12	1%	
Q.3 Favor Business / Commercial Development?	933	100%	
Yes, but limited	546	59%	74%
Not really	141	15%	
Yes, very much	138	15%	
Not at all	108	12%	
No opinion	4	0%	

Strong support for spending money for economic development.

Q. 18 Support TIF funds for capital spending in support of economic development?	930	100%
Yes	540	58%
No	299	32%
No opinion	91	10%

What have citizens said they want?

Citizen surveys re jobs & location

Job creation is not so important.

	Responses	%
Q.2 Importance to Create Jobs?	947	100%
Quite important	413	44%
Not important	381	40%
No opinion	130	14%
No response?	23	2%

Strong support for economic development along Rt. 236.

Q. 4 Where would you support economic development?	1,205	100%
Along the Rte 236 Corridor	694	58%
Within the Village	214	18%
Outside the Village	149	12%
Not at all	125	10%
No opinion	23	2%

What have citizens said they want?

Citizen surveys re use of TIF funds

Very strong support for infrastructure.

Q.8 Use TIF funds for infrastructure?	923	100%
Yes	679	74%
No	180	20%
No Opinion	64	7%

Very strong opposition to funding private entities.

Q. 10 Support using TIF funds for incentives to private developers?	913	100%
No	607	66%
Yes	211	23%
No opinion	95	10%

What have citizens said they want?

Citizen surveys re type of activity

Q. 12 to 15 Cumulative Scores (Capital for:___)	Score	% 5 (hi)	% 1 (lo)
Eco Tourism	2,897	32%	26%
Transit Oriented Development	2,687	25%	29%
Commercial District	2,209	14%	41%
Arts District	2,115	13%	47%

Note: the only reference to “eco-tourism” in the Comp Plan is in the section about recreation, the boat basin and the village; not on Rt. 236.

The only reference to transit oriented development in the Comp Plan is in reference to tying Eliot Commons to the Village by intersection, bike/pedestrian and signage improvements.

i.e., very little definition of these choices.

What have citizens said they want?

Citizen surveys re village

Q. 17 Support kinds of businesses in Village Center?	4,740	100%
Restaurant	559	12%
Bakery / Coffee Shop	558	12%
Small Business (Mom & Pop)	514	11%
Small Retail	356	8%
Office/Professional /Medical	324	7%
Pharmacy	323	7%
Salon / Barber	319	7%
Farm/Agricultural	310	7%
Supermarket	300	6%
Entertainment/Recreation	256	5%
High Tech	240	5%
Industrial (light)	187	4%
Manufacturing/Warehousing	150	3%
Convenience Store	100	2%
None	86	2%
Larger Retail	68	1%
Gas Station	53	1%
No opinion	37	1%

Committee Exercise

Q. 23 Rank the relative importance of each of the following factors in explaining Eliot's five TIF Votes	1 (Low)	2	3	4	5 (High)
Anti-business growth attitude.					
Opposition to sewer on Rt. 236.					
Fear/reluctance to spend money.					
Failure to perceive any overall economic development strategy.					
Lack of confidence in the Town's ability (leadership and/or staff capacity) to execute an overall economic development strategy.					

Observations

Even the vote to define alternatives or abolish the TIF was rejected.

The Eaton Peabody study in 2012 was largely a restatement with more regional examples of the potential development to be achieved on Rt. 236. “Eliot possesses critical developmental assets and can correct for some of its deficiencies.” But there is no mention of any specific industry or implementation strategy.

The idea that some “correct alternative”--a use, a location, an amount--can somehow be found, like the missing piece to a puzzle, that will be immediately obvious and thus pass muster with the voters is mistaken.

The votes reflect a lack of confidence and involvement in an open and coherent development process accompanied by a clear assignment of responsibility and measurable metrics of success.

- See numbers supporting “moderate” business growth;
- See interviews expressing skepticism re Eliot commons (no hotel, convenience store draining the village) and dislike of existing development trends along Rt. 236 (dirty, fire hazard, lots of curb cuts, lots of traffic).

In short, the planning process can’t be avoided!

Central Message

Economic development is more a planning process than a legal or engineering process. Voters need confidence that whatever body is coming up with development plans:

- Understands what they want:
 - Rural character of neighborhoods;
 - Scenic beauty of roadways;
 - Easy access to surrounding workplaces;
 - Relatively affordable housing & taxes.
- Have procedures in place to protect what they want.
- Understand why planned development is necessary to to keep what they want.
 - Sprawling rural development;
 - Traffic congestion along Rt 236;
 - Aging population & rising cost of services.

Define Alternatives

1. Do Nothing:

- Let existing TIF's exist as legislation in place available for anyone who chooses to apply to use them;
- Review any proposals on an ad hoc basis;
- Let existing trends on Rt. 236 continue;
- Let existing demographic & fiscal trends continue.

2. Prepare a long-term implementation plan for Rt. 236 development:

- Appoint implementation committee;
- Do subdivision and zoning ordinance review (include lot size, curb cuts, design standards, signage, traffic flow);
- Conduct survey of existing businesses along Rt. 236;
- Set “target” sectors and identify their expansion/relocation criteria;
- Prepare 10-year *pro forma* absorption schedule.

3. Prepare an “omnibus, downtown, transportation-oriented” TIF for a defined Village Area:

- Define geographic area;
- Reduce lot size with water & sewer;
- Ensure a variety of housing types (elderly, singles, young families);
- Allow receipt of Rt. 236 and Eliot Commons TIF funds;
- Appoint implementation committee.

Overarching Rationale

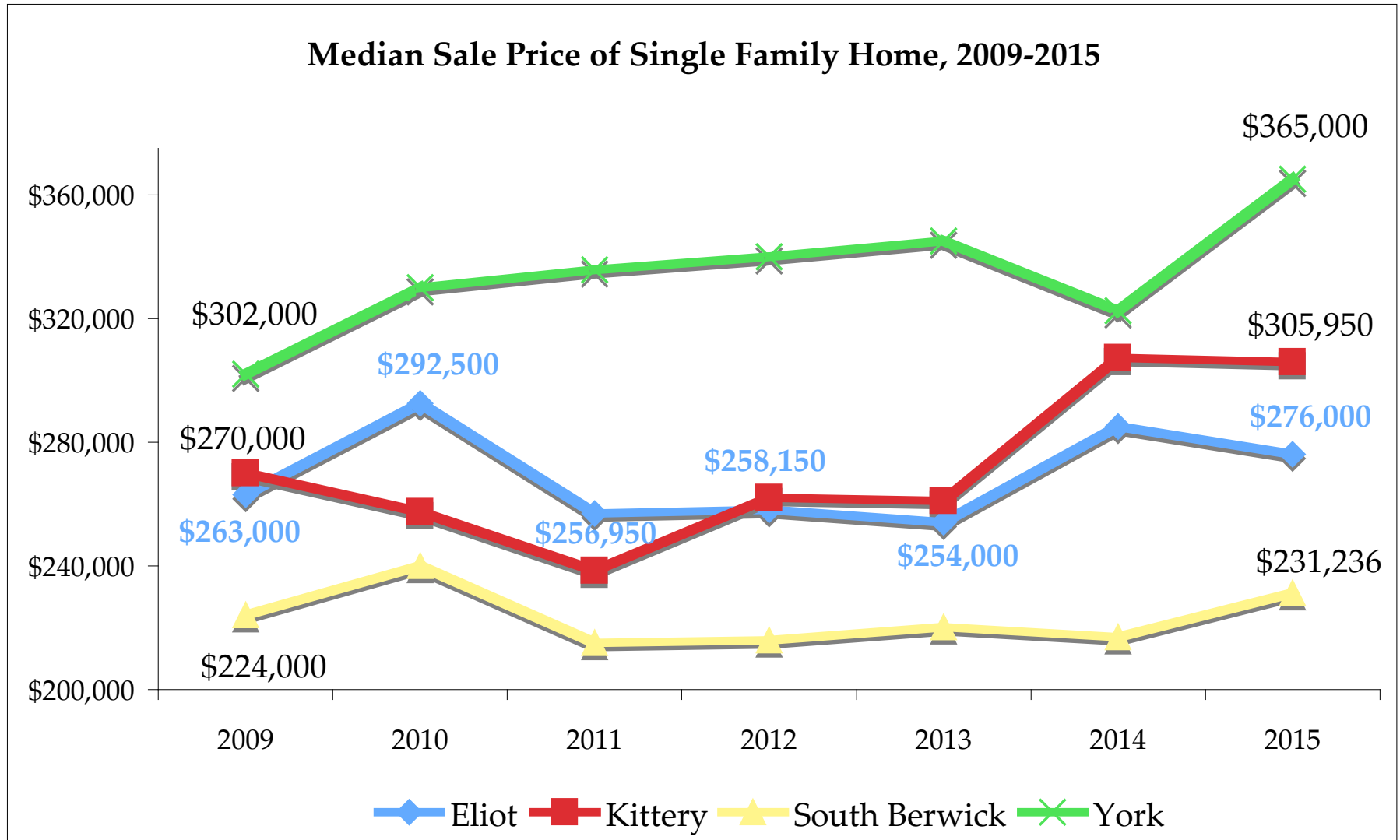
1. Rt. 236 is a **commercial/industrial strategy**; it is based on Eliot's natural advantage as an accessible space that "could" be developed to meet any number of regional business needs.
2. Village Development is a **quality of life strategy**; it is based on Eliot's natural advantage as a beautiful place to live and play combined with easy access to regional employment opportunities; it depends on utility and zoning changes to allow greater density and the mutual supporting interplay between more people living in a concentrated area and small businesses designed to sell to those people.
3. Both are based on taking advantage of and trying to shape trends that are already in progress.
4. Both require intensive people power--citizen volunteers, town staff, consultants; meeting this human labor (research & communication) need should be the first priority use of any TIF funds.

Industrial Commercial Values

Commercial Industrial	Eliot	Kittery
Acres	837	1,409
Assessed Value (\$ million)	\$56.1	\$624.7
Value per Acre	\$67,059	\$443,364
Acres per Parcel	8.1	4.5
< 1 acre parcels	16	45
Value per Acre	\$467,114	\$942,662

Eliot has **the potential** to increase its tax base by extending utilities, subdividing suitable areas & recruiting selected companies.

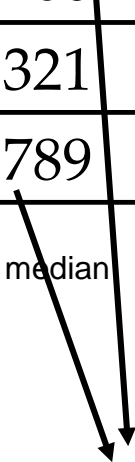
Housing Prices



Potential Regional Demand for Housing in Eliot

Town	Median Price	Median HH Income	HH below Affordability*
Eliot	\$276,000	\$80,366	1,203
Kittery	\$305,950	\$55,457	3,160
South Berwick	\$231,236	\$78,170	1,321
York	\$365,000	\$67,847	3,789

*Ratio of Home Price Affordable at Median Income to Median Home Price. A household earning area median income could not cover the payment on a median priced home (30 year mortgage, taxes and insurance) using no more than 28% of gross income.



Potential demand for
housing in Eliot

The Housing-Retail Link 1

	Total Retail Sales (\$1,000)			
Year	Eliot	Kittery	South Berwick	York
2010	\$12,368	\$241,349	\$11,479	\$143,566
2011	\$11,661	\$252,796	\$12,267	\$145,574
2012	\$11,423	\$260,206	\$13,411	\$150,000
2013	\$11,961	\$264,746	\$14,203	\$156,191
2014	\$12,529	\$265,680	\$15,927	\$173,466
2015	\$13,833	\$261,733	\$16,645	\$186,458
2010-15	12%	8%	45%	30%

Vastly greater regional sales in Kittery & York.

The Housing-Retail Link 2

	Total Retail Sales to Personal Income			
Year	Eliot	Kittery	South Berwick	York
2010	\$313	\$8,257	\$384	\$4,297
2011	\$290	\$8,130	\$390	\$3,955
2012	\$288	\$8,028	\$428	
2013	\$330	\$7,792	\$443	\$3,915
2014	\$366	\$7,912	\$488	\$4,058
2010-14	17%	-4%	27%	-6%

More local sales growth in smaller towns.

The Housing-Retail Link 3

	Total Restaurant Sales (\$1,000)			
Year	Eliot	Kittery	South Berwick	York
2010	\$3,332	\$35,347	\$5,281	\$35,451
2011	\$3,346	\$37,175	\$5,959	\$36,001
2012	\$3,463	\$40,765	\$6,588	\$36,660
2013	\$3,453	\$42,182	\$6,969	\$38,711
2014	\$2,887	\$45,416	\$7,733	\$44,020
2015	\$2,781	\$48,769	\$8,128	\$45,696
2010-15	-17%	38%	54%	29%

Need for restaurant in Eliot.

The Housing-Retail Link 4

	Total "Other" Retail Sales (\$1,000)			
Year	Eliot	Kittery	South Berwick	York
2010	\$338	\$65,691	\$537	\$16,983
2011	\$315	\$67,477	\$488	\$17,300
2012	\$412	\$70,197	\$611	\$18,849
2013	\$486	\$74,890	\$547	\$18,797
2014	\$572	\$72,106	\$521	\$18,581
2015	\$970	\$69,595	\$762	\$18,647
2010-15	187%	6%	42%	10%

"Other retail" includes a wide selection of taxable sales not covered elsewhere. Examples are dry goods stores, drug stores, jewelry stores, sporting goods stores, antique dealers, morticians, book stores, photo supply stores, and gift shops.