



TOWN OF KITTERY

200 Rogers Road, Kittery, ME 03904
Telephone: (207) 475-1329 Fax: (207) 439-6806

TOWN COUNCIL

WORKSHOP AGENDA

WEDNESDAY, FEBRUARY 4, 2015

COUNCIL CHAMBERS

6:00 p.m. - The Town Council will meet with the Town Manager, CIP Committee and School Committee to discuss a possible infrastructure bond for the June Election.

7:15 p.m. - The Town Council will meet with the Town Manager to discuss the Foreside Forums Report.

Posted 2/3/15



TOWN OF KITTERY
Capital Improvement Program Committee
200 Rogers Road, Kittery, ME 03904

MEMORANDUM

TO: TOWN COUNCIL
FROM: CAPITAL IMPROVEMENT PROGRAM (CIP) COMMITTEE
SUBJECT: POTENTIAL BOND RECOMMENDATION 2016
DATE: FEBRUARY 2, 2015

Since our last workshop on August 18th, the CIP Committee has met eight times to fine tune its prior bond recommendation (which consisted of two options), determine if an adjustment should be made to the annual \$1.2 annual allocation in order to more adequately plan for capital improvements, and to finalize its FY 2016-2020 CIP program. Presented herein is a bond recommendation summarized as follows:

| | |
|--|--------------------|
| School Facility Improvements | \$821,817 |
| Shapleigh | 123,697 |
| Mitchell | 350,000 |
| Traip | 321,400 |
| School-wide | 26,720 |
| Municipal Facility Improvements | \$958,015 |
| KCC East Wing | 596,125 |
| Town Hall & PD | 361,890 |
| <i>Subtotal Facilities</i> | <i>\$1,779,832</i> |
| Kittery Land Trust | \$275,000 |
| Road Improvements | \$1,300,000 |
| GRAND TOTAL | \$3,354,832 |

Page 2 of the CIP FY 2016-2020 attached spreadsheet breaks down this recommendation into further detail. The road program funding recommended herein addresses approximately 7 miles of mill and overlay work at an estimated \$125,000/mile, to be further detailed upon completion of an inventory and evaluation of all our roads.

Kittery Land Trust approached the CIP Committee with their intent to put a request for funding before the voters this June. We have incorporated their request here, in order to fully estimate what the overall taxpayer impact might be.

As discussed at both the August and the May 2014 workshops with Council, the CIP Committee annually receives requests for funding that far exceed its annual limit of \$1.2 million.¹ Upon

¹ A separate memo describes the Committee's thoughts on the adequacy of the annual \$1.2 million figure.

examination of the debt retirement schedule, it appeared to the Committee that in the near term there may be an opportunity to address the backlog of deferred maintenance through a bond, which would have a modest impact on the taxpayer. On the following page is a summary of the impact to the average taxpayer, using FY 2015 valuation. The combined impact is estimated 3 ways:

- a. using the combined debt retirement of both the Town and the School Department,
- b. projected *without* factoring in projected savings from retired debt; and
- c. using only the School Department's side of the equation, using its debt retirement and its proposed portion of the overall bond. Due to the imminent retirement of the lease payments on the Traip HVAC system, the School Department's cumulative debt capacity exceeds the proposed bonding amount.

Table 1: Estimated Impact on the Taxpayer of Proposed Bonding*

| Debt Retirement Schedule | 2016 | 2017* | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Adjust for Shapleigh State Share | -342285 | | | | | | | | | | |
| Total Debt Service | 1,524,688 | 1,462,060 | 1,325,305 | 1,293,027 | 1,269,602 | 1,245,502 | 1,220,952 | 1,195,727 | 957,040 | 934,427 | 910,240 |
| Town Retirement | (6,895) | (42,500) | (11,825) | (21,644) | (11,506) | (11,572) | (11,616) | (11,681) | (16,634) | (12,253) | (12,406) |
| School Retirement | (25,175) | 0 | (124,930) | (10,634) | (11,919) | (12,528) | (12,934) | (13,544) | (222,053) | (10,359) | (11,781) |
| Difference from Prior Year (adjusted for Shapleigh) \$ | (17,006) \$ | (62,628) \$ | (136,756) \$ | (32,277) \$ | (23,425) \$ | (24,100) \$ | (24,550) \$ | (25,225) \$ | (238,688) \$ | (22,613) \$ | (24,188) \$ |
| New "Capacity" Cumulative \$ | (17,006) \$ | (79,633) \$ | (216,389) \$ | (248,666) \$ | (272,091) \$ | (296,191) \$ | (320,741) \$ | (345,966) \$ | (584,654) \$ | (607,266) \$ | (631,454) \$ |

* Estimated retirement yr. 2017 due to Shapleigh adj.

| | | | | | | | | | | | |
|--|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Recommended Bond Scenario - \$3,500,000 debt - 10 yrs | \$ 35,000 | \$ 416,500 | \$ 409,500 | \$ 402,500 | \$ 395,500 | \$ 388,500 | \$ 381,500 | \$ 374,500 | \$ 367,500 | \$ 360,500 | \$ 353,500 |
| Estimated IMPACT | \$ 17,994 | \$ 336,867 | \$ 193,111 | \$ 153,834 | \$ 146,834 | \$ 116,409 | \$ 85,309 | \$ 53,759 | \$ 21,534 | \$ (224,154) | \$ (253,766) |
| On Average Tax Payer - ANNUAL | \$ 4.03 | \$ 75.47 | \$ 43.26 | \$ 34.46 | \$ 32.89 | \$ 26.08 | \$ 19.11 | \$ 12.04 | \$ 4.82 | \$ (52.53) | \$ (56.85) |
| Cost w/o debt retirement calculation | \$ 7.84 | \$ 93.31 | \$ 91.74 | \$ 90.17 | \$ 88.60 | \$ 87.03 | \$ 85.47 | \$ 83.90 | \$ 82.33 | \$ 80.76 | \$ 79.19 |
| School Only Scenario - \$825,000 debt - 10 yrs | \$ 8,250 | \$ 98,175 | \$ 96,525 | \$ 94,875 | \$ 93,225 | \$ 91,575 | \$ 89,925 | \$ 88,275 | \$ 86,625 | \$ 84,975 | \$ 83,325 |
| School Retirement | \$ (10,111) | \$ (9,650) | \$ (124,930) | \$ (10,634) | \$ (11,919) | \$ (12,528) | \$ (12,934) | \$ (13,544) | \$ (222,053) | \$ (10,359) | \$ (11,781) |
| Cumulative Capacity | \$ (10,111) | \$ (19,761) | \$ (144,691) | \$ (155,325) | \$ (167,244) | \$ (179,772) | \$ (192,706) | \$ (206,250) | \$ (428,303) | \$ (438,663) | \$ (450,444) |
| Debt Impact on School Only | \$ (1,861) | \$ 78,414 | \$ (48,166) | \$ (60,450) | \$ (74,019) | \$ (88,197) | \$ (102,781) | \$ (117,975) | \$ (341,678) | \$ (353,688) | \$ (367,119) |
| On Average Tax Payer - ANNUAL | (\$0.42) | \$17.57 | (\$10.79) | (\$13.54) | (\$16.58) | (\$19.76) | (\$23.03) | (\$26.43) | (\$76.54) | \$ (79.24) | \$ (82.24) |
| Debt Reserve Needed for \$0 Impact | \$ 8,250.00 | \$ 78,414 | \$ 96,525 | \$ 94,875 | \$ 93,225 | \$ 91,575 | \$ 89,925 | \$ 88,275 | \$ 86,625 | \$ 84,975 | \$ 83,325 |
| Remainder | \$ 1,861 | \$ (78,414) | \$ 48,166 | \$ 60,450 | \$ 74,019 | \$ 88,197 | \$ 102,781 | \$ 117,975 | \$ 341,678 | \$ 353,688 | \$ 367,119 |

* Assumes 2% interest on 10 year payback. Highlighted items denote years of significant debt retirement.



TOWN OF KITTERY
Capital Improvement Committee
200 Rogers Road, Kittery, ME 03904
Telephone: 207-475-1329 Fax: 207-439-6806

MEMORANDUM

TO: TOWN COUNCIL
FROM: CIP COMMITTEE
SUBJECT: REVIEW OF ANNUAL CIP FUNDING - CURRENTLY \$1.2 MILLION
DATE: FEBRUARY 2, 2015

Early last fall, the CIP Committee met with Town Council in a workshop to discuss the option of presenting projects for bond financing before the voters, in light of the trend of the Committee receiving requests for funding that far exceed its annual funding limit and the Council has increasingly heard from residents who are concerned about deferred maintenance. One of the questions posed to the Committee was: **what does the Committee recommend as a more appropriate funding level to best maintain the Town's capital assets?**

As the Committee considered this question, we reviewed our mission and the process used in evaluating funding requests.

The Town's Capitalized Fixed Assets include:

- Buildings (roofs, HVAC, floors, windows, etc.)
- Roads (incl. sidewalks and drainage)
- Rolling stock
- Equipment
- Technology
- Other
 - Municipal records & databases – (e.g. GIS, written records)
 - Waterfront facilities
 - Historic and art resources
 - Major re-occurring costs – (e.g. Valuation and Comprehensive Plan Update)
 - Sewer (addressed separately via Enterprise Fund)

Next, in determining how to appropriately assess whether current \$1.21M CIP is adequate, we looked at three different approaches:

- **APPROACH #1 - ANNUAL DEPRECIATION OF FIXED ASSETS**
- **APPROACH #2 - EMPIRICAL APPROACH – WHAT HAS CIP FUNDED AND HOW FAR BEHIND IS REHABILITATION**
- **APPROACH #3 – ADJUSTMENT OF CIP FOR OBSERVED ANNUAL DEFICIENCIES**

APPROACH #1 - ANNUAL DEPRECIATION OF FIXED ASSETS

When the CIP was first begun, the Committee spent time looking at the Town’s depreciable asset inventory as reported in our annual audit pursuant to the Governmental Accounting Standard Bureau Financial Statement # 34 (GASB 34). We projected asset depreciation by category, roughly evaluated CIP need as follows:

| | |
|--|---|
| Kittery’s Capitalized Fixed Assets ¹ | \$100,000,000+ (incl. roads, sewer and land) |
| Estimated Capital Replacement Value ² (a.k.a. “depreciable value”) | \$50,000,000 to \$70,000,000 (excludes sewer, land and other non-depreciating assets) |
| Average Annual Depreciation rate | 3% - 7% of Replacement Value ³ |
| Estimated Annual Depreciation | \$2,500,000 to \$5,000,000 per year |

The Committee learned early on that the operating budget could not fund depreciation at replacement values used in this scenario. ⁴

Using this approach, the question arose as to what might be an “acceptable” accumulated depreciation to provide an adequate level of service and preserve the town’s assets? In general 30% to 50% was considered an appropriate target. The accumulated “tax depreciation” listed in the latest GASB 34 is \$35,493,720 (excluding sewer and land)

¹ GASB 34 (FYE 6/30/14) lists “tax cost” as: Town and School \$75.1M, and Sewer \$20.8, however “tax cost” is the cost at time of purchase and current replacement value which will be higher.
² The Fixed Asset and Depreciation Report from 2010 did not appear complete. The current “assets valuation” should be updated and include an assessment of the current condition of capital (i.e. the useful life remaining)
³ Range of the annual deprecation rate is based on the useful life for the various assets. Examples of annual depreciation: buildings 2%, fire truck 4%, pavement 7%, police cruiser 50%.
⁴ All values above are estimated based on limited data and need further investigation, but the purpose is to present an “order of magnitude” level of annual depreciation.

APPROACH #2 - EMPIRICAL APPROACH – WHAT HAS CIP FUNDED AND HOW FAR BEHIND IS REHABILITATION

The Town has funded CIP for several years at \$1.21 M/ year, but funding has accumulated an apparent deficiency of roughly \$3M (additional need for rehabilitation of roads and buildings):

| | |
|---------------------------------|---|
| CIP funding | \$8.47M cumulative (\$1.21M/yr for 7 year assessment period) ⁵ |
| 2015 Bonds | \$3M (portion catching up for deferred capital replacement) ⁶ |
| Net Funding over 7 years | \$11.47M = \$1.64 M/ year⁷ |

APPROACH #3 – ADJUSTMENT OF CIP FOR OBSERVED ANNUAL DEFICIENCIES

A third approach to determine the adequacy of \$1.2 million CIP funding is to begin with the annual CIP in its present form and adjust for observed deficiencies:

| | |
|---|---|
| Capital & Dept. Reserve Accounts: | \$800,000 /yr. (average CIP allocation to date) |
| Adjustment for depreciation not supported by current reserve accounts | \$500,000+/ yr. (placeholder estimate) ⁸ |
| New fixed assets ⁹ | \$500,000/ yr. (placeholder estimate) |
| <u>Depreciation of new fixed assets</u> | <u>\$50,000/ yr.</u> |
| Total | \$1,850,000 per year |

RECOMMENDATIONS AND CONCLUSIONS:

- The three approaches demonstrate a deficiency of current CIP funding.
- Addition research needed:
 - Update of Capitalized Fixed Assets
 - Capital replacement value (depreciable value)
 - Annual depreciation
 - Accumulated depreciation of current fixed assets (what condition are our assets?)
 - How much is needed annual to catch up with the deferred replacement (e.g. roads)
- Update the approaches using generally accepted municipal accounting methods as additional information becomes available.

⁵ How many years of deferred rehabilitation is the \$3M actually catching up for (5-7-10 years)?

⁶ Does not include \$275,000 Kittery Land Trust bond proposal

⁷ This approach is “historic” only and may not be addressing full depreciation of all fixed assets.

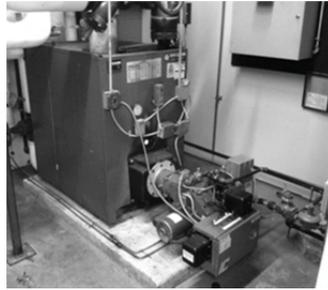
⁸ Compared to annual depreciation noted in Approach #1, \$500k is probably only a portion of amount required for full funding,

⁹ Future town projects funded through CIP.

TOWN OF KITTEERY



CAPITAL IMPROVEMENT PROGRAM 2016-2020



CIP Committee

Town Councilor Charles Denault

School Committee Member, Patti Ayer

Citizen Representative, Jeff Clifford, Chair

Citizen Representative, Chris Perkins

Town Planner, vacant

Finance Director, Cindy Saklad

Town Manager, Nancy Colbert Puff

200 ROGERS ROAD
KITTEERY, ME 03904

CAPITAL IMPROVEMENT PLAN (CIP)

EXECUTIVE SUMMARY

Established in 2008, the Town is in its seventh year of a formal Capital Improvement Plan. Appointed by town Council, the CIP Committee is charged with evaluating all capital (>\$25,000 in value with an expected life exceeding 5 years) and replacement of assets (\$5-25,000+) project requests and developing a five-year plan to recommend to the Town Manager for incorporation into the fiscal year budget request.

This year, the CIP Committee was comprised of:

- Town Councilor Charles Denault
- School Committee Member, Patti Ayer
- Citizen Representative, Jeff Clifford
- Citizen Representative, Chris Perkins
- Town Planner, vacant¹
- Finance Director, Cindy Saklad
- Town Manager, Nancy Colbert Puff

As it developed the FY2015 CIP with level funding (\$1.2 million), the Committee expressed concern over deferring projects due to the limitation of the annual appropriation amount. The Committee discussed this concern with Town Council on May 28, 2014, who then asked the Committee to make a recommendation for possible bonding via a referendum vote in November. In addition, Council asked the Committee to analyze whether the annual appropriation should be adjusted to better address capital needs. The Committee's work included examination of the Town's debt, and its retirement schedule in seeking to moderate the impact of capital expenses on Kittery's taxpayers.

At the end of the summer, the Committee and Council convened to discuss two options: Option 1 which listed projects for bond financing totaling \$4.74 million and Option 2 which proposed \$2.8 million of spending. At that time, projects at each school building plus the Memorial Fieldhouse, the Kittery Community Center, and Town Hall were considered, in addition to a substantial amount of work to the Town's road network. The Council concluded that it remained open to the amount of bond financing recommended by the Committee, but asked that more work be done on the project list in order to present a more thorough package to the voters in the spring of 2016.

The Committee met eight times from September – January to consider over \$6 million in requested funding for both potential bond financing and for FY 2016.

The Committee carefully considered its recommendations, and voted by consensus to present for adoption the following FY 2016 plan:

¹ Due to the accelerated schedule of the Committee process this year, the Town Planner Chris DiMatteo (appointed permanently as of December, 2014) was not asked to participate in the FY 2016 evaluation.

CIP FY 2016-2020

TOWN OF KITTYRY

| ITEM # | FUND YEAR CODE EST | Project Name | Department | Balance as of | | FY16 Recommended | FY17 Plan | FY18 Plan | FY19 Plan | FY20 Plan | 5 YR Totals |
|--|--------------------|--|------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | | | | 12-31-14 | FY15 Approved | | | | | | |
| CAPITAL HOLDING DEDICATED RESERVE | | | | | | | | | | | |
| 1 | 4037 | 2013 SCBA's (FY13 \$150K) (Reimb) | FD | \$ (58,007) | \$ 30,000 | \$ 30,000 | \$ - | \$ - | \$ - | \$ - | \$ 60,000 |
| 2 | new * | Municipal Facility Reserve: PW/FD/IPD/TH | GG | \$ - | \$ - | \$ - | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 800,000 |
| 3 | SCH | School Facility Reserve | ED | \$ - | \$ - | \$ 47,300 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 847,300 |
| 4 | 4051 | KCC Facility Reserve | KCC | \$ 25,500 | \$ 32,000 | \$ - | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 200,000 |
| 5 | * | KPA Facility Reserve | | \$ - | \$ - | \$ - | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 100,000 |
| 6 | 4026 | Town Hall Records Preservation | GG - TC | \$ 7,912 | \$ 6,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 50,000 |
| 7 | NEW | Comprehensive Plan Update | PLNG | \$ - | \$ - | \$ 100,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 140,000 |
| 8 | 2053 | Frisbee Wharf Town Pier (Reimb) | KPA | \$ (138,820) | \$ 35,646 | \$ 35,646 | \$ 35,646 | \$ 35,646 | \$ 31,882 | \$ - | \$ 138,820 |
| 9 | 2057 | Open Space Reserve | TW | \$ 84,047 | \$ - | \$ - | \$ 62,500 | \$ 62,500 | \$ 62,500 | \$ 62,500 | \$ 250,000 |
| 10 | 4027 | Roof Maintenance Reserve** | TW | \$ 174,575 | \$ 240,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 250,000 |
| | | subTOTAL | | \$ 30,702 | \$ 343,646 | \$ 272,946 | \$ 673,146 | \$ 643,146 | \$ 639,382 | \$ 607,500 | \$ 2,836,120 |

| ITEM # | FUND YEAR CODE EST | DEPARTMENT DEDICATED RESERVE | Department | Balance as of | | FY16 Recommended | FY17 Plan | FY18 Plan | FY19 Plan | FY20 Plan | 5 YR Totals |
|--------|--------------------|---|--------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | 12-31-14 | FY15 Approved | | | | | | |
| 11 | SCH | Fleet - Maintenance Utility Truck | ED | \$ - | \$ - | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 18,750 |
| 12 | SCH | School Equipment Reserve | ED | \$ - | \$ - | \$ 47,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 247,000 |
| 13 | 4013 | Apparatus - Fire Reserve (Reimb) | FD | \$ 103,849 | \$ 46,000 | \$ 144,750 | \$ 144,750 | \$ 144,750 | \$ 144,750 | \$ 144,750 | \$ 723,750 |
| 14 | 4056 | Equipment Reserve | FD | \$ 19,630 | \$ 33,630 | \$ 42,667 | \$ 42,667 | \$ 42,667 | \$ 42,667 | \$ 42,667 | \$ 213,335 |
| 15 | 4055 | 2014 Harbormaster Equipment Reserve | KPA | \$ 24,815 | \$ 10,000 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 6,900 |
| 16 | 4018 | 2014 Harbormaster Boat | KPA | \$ 21,003 | \$ - | \$ 5,520 | \$ 5,520 | \$ 5,520 | \$ 5,520 | \$ 5,520 | \$ 27,600 |
| 17 | 4052 | 2014 Float and Ramp Program | KPA | \$ (3,010) | \$ 8,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 50,000 |
| 18 | 4022 | Police Vehicle Reserve | PD | \$ 73,352 | \$ 52,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 225,000 |
| 19 | * | Police - Equipment Reserve | | \$ - | \$ - | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 20,000 |
| 20 | 4017 | GIS Mapping / MS4 Compliance | PW - Hwy | \$ 58,442 | \$ 10,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 175,000 |
| 21 | 4015 | Hwy Equipment - Central Facilities Mgmt Reserve | PW - CFM | \$ 189,306 | \$ 244,381 | \$ 52,500 | \$ 54,708 | \$ 56,966 | \$ 58,276 | \$ 59,616 | \$ 282,066 |
| 22 | 4002 | Drainage Improvement Program | PW - Hwy | \$ 60,674 | \$ 20,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 40,000 |
| 23 | 4012 | Hwy Fleet Depreciation Reserve | PW - Hwy | \$ 318,101 | \$ 114,736 | \$ 170,000 | \$ 170,000 | \$ 170,000 | \$ 125,000 | \$ 125,000 | \$ 760,000 |
| 24 | 2015 | Local Streets & Parking Lots | PW - Hwy | \$ - | \$ - | \$ 10,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 410,000 |
| 25 | 4006 | Sidewalk Replacement & Installation | PW - Hwy | \$ 12,955 | \$ 10,000 | \$ - | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 40,000 |
| 26 | 4014 | Parks Fleet Depreciation Reserve | PW - Parks | \$ 82,778 | \$ 26,040 | \$ 27,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 91,000 |
| 27 | 4043 | Parks Equipment Reserve | PW - Parks | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 28 | 4009 | Parks Improvements to Buildings & Grounds | PW - Parks | \$ 16,259 | \$ 5,000 | \$ 17,500 | \$ 17,500 | \$ 17,500 | \$ 17,500 | \$ 17,500 | \$ 87,500 |
| 29 | 4009 | Equipment - SWF Reserve | PW - SWF | \$ 195,188 | \$ 45,900 | \$ 35,644 | \$ 36,713 | \$ 37,815 | \$ 38,685 | \$ 39,575 | \$ 188,432 |
| 30 | 4023 | 2014 Baler | PW - SWF | \$ 320,820 | \$ - | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 75,000 |
| 31 | 4020 | 2015 Computer Hardware & Software Upgrades | GG - All | \$ 9,426 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 175,000 |
| 32 | 4019 | 2014 KCC Equipment Reserve Fund | KCC | \$ 3,841 | \$ 2,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 25,000 |
| 33 | 4011 | 2014 KCC Fleet Depreciation Reserve - Truck | KCC | \$ 3,000 | \$ 3,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 30,000 |
| | | subTOTAL | | \$ 1,510,428 | \$ 665,697 | \$ 716,711 | \$ 816,988 | \$ 820,348 | \$ 777,528 | \$ 779,758 | \$ 3,911,333 |
| | | CAPITAL/DEPT RESERVE | TOTAL | \$ 1,541,130 | \$ 1,009,343 | \$ 989,657 | \$ 1,490,134 | \$ 1,463,494 | \$ 1,416,910 | \$ 1,387,258 | \$ 6,747,453 |

| ITEM # | FUND YEAR CODE EST | PROJECTS | Department | Balance as of | | FY16 Recommended | FY17 Plan | FY18 Plan | FY19 Plan | FY20 Plan | 5 YR Totals |
|--------|--------------------|--|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | 12-31-14 | FY15 Approved | | | | | | |
| 34 | SCH | 2016 New Vehicle- Vocational Transport | ED SS | \$ - | \$ - | \$ 34,000 | \$ - | \$ - | \$ - | \$ - | \$ 34,000 |
| 35 | | Carietena Floors | ED SS | \$ - | \$ 14,320 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 36 | | Restroom Renovations' | ED TRAIIP | \$ - | \$ 62,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 37 | | SNP Kitchen Equipment | ED SNP | \$ - | \$ 75,495 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 38 | 4013 | 2015 Brush Truck (Rescue 8) | FD | \$ - | \$ - | \$ 46,000 | \$ - | \$ - | \$ - | \$ - | \$ 46,000 |
| 40 | NEW | 2016 Replace Oil Fired Boiler - Option 2 | FD | \$ - | \$ - | \$ 33,990 | \$ - | \$ - | \$ - | \$ - | \$ 33,990 |
| 41 | | Rte 1 Bypass & Two Way Plan | PLNG | \$ - | \$ 2,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 42 | NEW | 2016 Sign Storage Shed | PW - Hwy | \$ - | \$ - | \$ 25,000 | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| 43 | NEW | 2016 Railing & Lighting @ Pepperrell Cove | KPA | \$ - | \$ - | \$ 22,457 | \$ - | \$ - | \$ - | \$ - | \$ 22,457 |
| 44 | 4053 | 2014 Pepperrell Cove Paving & Pump Out Station | KPA | \$ - | \$ - | \$ 12,552 | \$ 9,250 | \$ - | \$ - | \$ - | \$ 21,802 |
| 45 | 4031 | 2014 P.S. Base Station Radio Rplmnt | PS | \$ 90,636 | \$ 45,317 | \$ 45,319 | \$ - | \$ - | \$ - | \$ - | \$ 45,319 |
| | | ALL PROJECTS | TOTAL | \$ 90,636 | \$ 199,632 | \$ 219,318 | \$ 9,250 | \$ - | \$ - | \$ - | \$ 228,568 |
| | | CIP 5-YEAR PLAN GRAND TOTAL | TOTAL | \$ 1,631,766 | \$ 1,208,975 | \$ 1,208,975 | \$ 1,499,384 | \$ 1,463,494 | \$ 1,416,910 | \$ 1,387,258 | \$ 6,976,021 |

* = Reserve accounts created by CIP for future planning

CIP FY 2016-2020

| POSSIBLE BOND ITEMS | | | | | |
|---------------------|------|--|--------------------|--------------------|---------------------|
| 46 | 2015 | Central Generator - Muni Complex | GG | Subtotal TH | \$ 50,000 |
| | | | | | \$ 50,000 |
| 47 | SCH | Heating Boiler to LP Gas | ED - Mitchell | Subtotal Mitchell | \$ 350,000 |
| | | | | | \$ 350,000 |
| 48 | SCH | 2016 Cafeteria & Kitchen Flooring | ED - Shapleigh | | \$ 23,210 |
| 49 | SCH | Restrooms Shapleigh - Sect. A | ED - Shapleigh | | \$ 14,227 |
| 50 | SCH | Shapleigh Ballated Roof Section | ED - Shapleigh | | \$ 75,000 |
| 51 | SCH | Shapleigh Music Room Renovation | ED - Shapleigh | Subtotal Shapleigh | \$ 11,260 |
| | | | | | \$ 123,697 |
| 52 | SCH | Computer Svr & Admin Area Air Conditioning | ED - Traip | | \$ 27,560 |
| 53 | SCH | Fire Door & Door Hardware Replacement | ED - Traip | | \$ 43,843 |
| 54 | SCH | Traip Staff Restrooms | ED - Traip | | \$ 14,700 |
| 55 | SCH | Traip Attic Insulation | ED - Traip | | \$ 9,382 |
| 56 | SCH | Traip Flooring/Carpeting | ED - Traip | | \$ 84,105 |
| 57 | SCH | Traip Generator - IT Related | ED - Traip | | \$ 116,000 |
| 58 | SCH | Traip Heat Pump | ED - Traip | | \$ 9,000 |
| 59 | SCH | Traip Robotics Space Renovation | ED - Traip | Subtotal Traip | \$ 16,810 |
| | | | | | \$ 321,400 |
| 60 | SCH | 2016 Kitchen Equipment | SNP | | \$ 19,470 |
| 61 | | Maintenance Storage Replacement | Maint | | \$ 7,250 |
| 62 | NEW | 2015 Interior Police Station Dispatch Upgrades | PD | | \$ 311,890 |
| 63 | 4051 | 2016 KCC East Wing (Annex) Air Conditioning | RD | | \$ 168,000 |
| 64 | 4051 | 2016 KCC East Wing (Annex) Bathroom Upgrade #4 | RD | | \$ 31,500 |
| 65 | 4051 | 2016 KCC East Wing (Annex) Exterior Door Replacement | RD | | \$ 27,000 |
| 66 | 4051 | 2016 KCC East Wing (Annex) Floor Replacement | RD | | \$ 80,000 |
| 67 | 4051 | 2016 KCC East Wing (Annex) Roof Replacement | RD | | \$ 131,125 |
| 68 | 4051 | 2014 KCC East Wing (Annex) Window Replacement | RD | Subtotal KCC | \$ 158,500 |
| | | | | | \$ 596,125 |
| 69 | | Kittery Land Trust | KLT | | \$ 275,000 |
| 70 | | Road | PW-Hwy | | \$ 1,300,000 |
| | | | | | \$ 3,354,832 |
| BOND TOTAL | | | | | \$ 3,354,832 |
| BOND SUMMARY | | | | | |
| 74 | | Buildings- School/ KCC / PD / TH | Schools | | \$ 821,817 |
| 75 | | | KCC | | \$ 596,125 |
| 76 | | | PD / TH | | \$ 361,890 |
| 77 | | | sub-total | | \$ 1,779,832 |
| 78 | | KLT | | | \$ 275,000 |
| 79 | | Roads | | | \$ 1,300,000 |
| | | | GRAND TOTAL | | \$ 3,354,832 |

CIP BACKGROUND INFORMATION

MANDATE

Section 6.05 of the Town Charter mandates a capital program as follows:

- (1) Submission to manager. The town council shall prepare and submit to the manager a 5-year capital program at least 90 calendar days prior to the final date for submission of the proposed budget. (Amended by vote of the people 6-11-02)
- (2) Contents. The capital program shall include:
 - (a) A clear general summary of its contents;
 - (b) A list of all capital improvements which are proposed to be undertaken during the 5 fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;
 - (c) Cost estimates, method of financing and recommended time schedules for each such improvement; and
 - (d) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.”

CAPITAL PLANNING²

A capital improvements program is a blueprint for planning a community's capital expenditures and is one of the most important responsibilities of local government officials. It coordinates community planning, financial capacity and physical development.

A capital improvements program is composed of two parts -- a capital budget and a capital program. The capital budget is the upcoming year's spending plan for capital items (tangible assets or projects that cost at least \$5,000 and have a useful life of at least five years). The capital program is a plan for capital expenditures that extends five years beyond the capital budget.

A complete, properly developed CIP has the following benefits:

- Facilitates coordination between capital needs and the operating budgets.
- Enhances the community's credit rating, control of its tax rate, and avoids sudden changes in its debt service requirements.
- Identifies the most economical means of financing capital projects.
- Increases opportunities for obtaining federal and state aid.
- Relates public facilities to other public and private development and redevelopment policies and plans.
- Focuses attention on community objectives and fiscal capacity.
- Keeps the public informed about future needs and projects.
- Coordinates the activities of neighboring and overlapping units of local government to reduce duplication.
- Encourages careful project planning and design to avoid costly mistakes and help a community reach desired goals.

² Adapted and taken from Developing a Capital Improvements Program, prepared by the MA Municipal Data Management and Technical Assistance Bureau March 1997

Under the Governmental Accounting Standards Board (GASB) Statement No. 34, the town is required to capitalize and depreciate long-term assets, including such items as equipment, real property, infrastructure, and computer software; and report this information in the town's Annual Financial Report. These requirements have a significant impact on each department's accounting and reporting for long-term assets.

The Committee divides its recommendation into three categories: 1) Capital Holding Dedicated Reserve, 2) Department Dedicated Reserve, and 3) Projects.

1. Capital Holding Dedicated Reserve includes items that may benefit/span multiple departments. This year the Committee has included a recommendation on preparation of the Town's Comprehensive Plan, which is included in both the FY 2016 funding plan and is also part of the 5-year plan as a reserve account to plan for preparation of an updated plan every 10 years.
2. Department Dedicated Reserve includes planned funding for vehicle and equipment replacement reserves based upon depreciation schedules.
3. Projects include recommended funding for one-time improvements and/or purchases as well as items that have not yet been included as part of an asset depreciation schedule.

CIP ANNUAL SCHEDULE & PROCESS

| | |
|------------------|--|
| Oct. – Nov. | <p><i>Inventory of Existing Facilities</i> Department Managers take inventory of current equipment and facilities, use reserve account sheet to budget for existing projects.</p> <p><i>Status of Previously Approved Projects</i> CIP Committee surveys status of previously approved projects. CIP Committee prepares summary inventory of current facilities.</p> |
| December | <p><i>Solicitation, and Compilation of Requests</i> The CIP Committee request each Department Head submit their capital budget and plan requests to the Committee by the end of December.</p> |
| January-February | <p><i>Evaluation, Prioritization, and Financing Plan</i> CIP Committee meets with Department Heads to review requests for funding. Committee evaluates and prioritizes requests for funding. With advice from the Town Manager and Finance Director, the Committee assembles an FY funding recommendation and five-year capital plan report.</p> |
| April* | <p><i>Town Council Holds Public Hearing on CIP Items for Voter Approval³</i> *If the CIP Committee's recommendation includes bonding as a method of financing capital projects, the Town Council must hold a public hearing and vote to approve language to be placed on the ballot.</p> |
| Mid-May* | <p><i>Absentee ballots are available.</i></p> |

³ Voter approval may also take place at a November election; in this case Council must vote on moving the bonding question to the ballot by early-September, with absentee ballots available by mid-October.

June Election* *Voter approval of bond request(s)*

June *Town Council approves FY Budget with CIP funding*

** Items noted with an asterisk only occur if borrowing is requested - the CIP is typically funded with cash.*

CIP COMMITTEE POLICIES⁴

- The town will make all capital improvements in accordance with an adopted capital improvement program, except as may be necessary under the emergency provisions of the town charter.
- In forming its recommendations, the Committee shall, at a minimum, take into consideration Department Head prioritization, project readiness, and cost-efficiency (including availability of matching funds, the potential to generate revenue, effect on operating and maintenance costs, etc.).
- The town will develop and enact an annual capital budget based on the multi-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development or changes in economic base will be calculated and included in capital budget projections.
- The town will maintain all its assets at a level adequate to protect the town's capital investment and to minimize future maintenance and replacement costs.
- The town will determine the least costly financing method for all new projects.
- The town will maintain an unencumbered surplus at a minimum equal to two and a half months of current fiscal year operating budget.
- The town will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to June Election Voters for approval.
- Departments will coordinate development of the capital improvement budget with development of the operating budget. Future operating, repair and maintenance costs associated with new capital improvement will be projected and included in operating budget forecasts.
- Departments, as part of their capital planning process, will project equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection, a schedule will be developed to establish/maintain budget reserve accounts for replacement of fixed assets less than \$25,000 in original cost and five years life cycle expectation.
- Departments are to address annual operating, repair and maintenance costs in operating budgets.

⁴ Taken and adapted from “Handbook 4, Financial Performance Goals”, Evaluating Local Government Financial Condition, International City Management Association.

DEBT POLICIES

- The town will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When the town finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- Total general-obligation debt will not exceed that provided in the state statutes.
- Where possible, the town will use special assessment, revenues or other self-supporting bonds, instead of general obligation bonds.
- The town will not use long-term debt for current operations.
- The town will retire bond anticipation debt within six months after completion of the project.
- The town will maintain good communications with bond rating agencies about its financial condition.
- The town will follow a policy of full disclosure on every financial report and bond prospectus.

CIP REPORT

The CIP Committee report shall meet the requirements enumerated in the Charter, but will also endeavor to include attachments that:

- Include copies of all original requests as submitted by Department Heads;
- Summarize the Town's current debt schedule; and
- List depreciable assets and their values per the most recent GASB 34 statement.



The Foreside Forums

Listening Sessions on the Future of Kittery Foreside, 2014

Initiated by the Town Council on January 6th, the Forum held five sessions to ask the community for its assistance in envisioning how the Foreside should evolve into the future, and how to implement that direction.

The Foreside Forums

Listening Sessions on the Future of Kittery Foreside, 2014

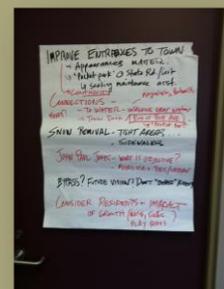
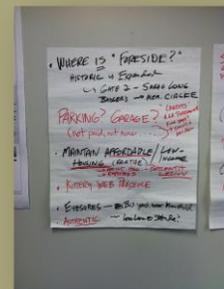
Executive Summary

In recent years, historic Kittery Foreside has experienced an influx of new businesses, non-profit arts and culture organizations, and residents who together have turned the area into a vibrant place to work, live, and visit. In January of 2014, Town Council established the “Foreside Forums” to learn how town government could best extend its assistance to the community in supporting the area’s ongoing success, and to provide the community with an opportunity to share ideas,

The first forum solicited public opinion on what was going well in the Foreside as well as what things might need improvement. Consensus quickly developed around support for the “organic” growth occurring now, protecting against perceived “overgrowth” across the river in Portsmouth, and taking care of basic infrastructure needs (e.g. parking), while improving the overall appearance of the area and keeping it well-maintained. Participants felt passionate about keeping Foreside walkable, affordable, and retaining its authentic character, while enhancing the area’s gateways, connections to the waterfront connections, and parks spaces.

“I’ve lived here for 30 years and I’ve never been more excited about my town than I am right now.”

Faith Harrington



The remaining forums asked participants to form into four distinct focus groups concentrating on issues concerning 1) parking, transportation, and circulation, 2) housing, 3) business uses, and 4) public land and infrastructure¹. Their detailed findings are at the core of this report.

The contents contained herein is intended to inform various community leaders and decision makers of the public's vision and desire for Foreside's future. In addition, this information is a good starting point for the Town to use in soliciting more technical advice as it seeks to carry forth recommendations made herein (e.g. regulatory adjustments, streetscape improvements, expanded parking, enhanced bicycle routes, etc.).

Participants

Following is a partial list for Forum participants:

| | | |
|--------------------|---------------------|--------------------|
| Amanda Stevens | Milton Hall | Ed Golden |
| Barbara McGaughey | Peter Lamb | Faith Harrington |
| Julie Sudderth | Seth Gooby | Gail Barrington |
| Lucy Schlaffer | Stephanie Oeser | Gary Reiner |
| Molly McPherson | Stephen Sauter | Henry Ares |
| Rich Swietek | Susan Tuveson | Holly Roberts |
| Stephen Kosacz | Tess Schneier | Holly Zurer |
| Alexis Hallisey | Tina Trevino | Indie Kehl |
| Brendan Hallisey | Tom Holbrook | Jennifer Moore |
| Connie Williams | Mary Ellen Dunham | Kaitlin Lemoine |
| David Lincoln | Megan Zottoli-Breen | Kim Sanborn |
| Lee Rutz | Tom Emerson | Kimberly Dahlman |
| Deane Rykerson | Bruce Wiggan | Kristi Fellows |
| Mariah Tom Roberts | Mary Oplinger | Melissa Paly |
| George Whitney | Matt Gladd | Michael Landgarten |
| Gillian Carter | Marshall Gaffney | Judie Kehl |
| Paul Bonacci | Drew Rice | Lee Perkins |
| Brad Hirst | Eleanor Majewski | Ann Grinnell |
| David Batchelder | Fran Alarmia | Chris Perkins |
| Debbie Driscoll | Jon Bailey | Christine Bennett |
| Diane Dean | Donald Gray | Cyndy Schadler |
| D. Allan Kerr | Drika Overton | Cynthia Otton |

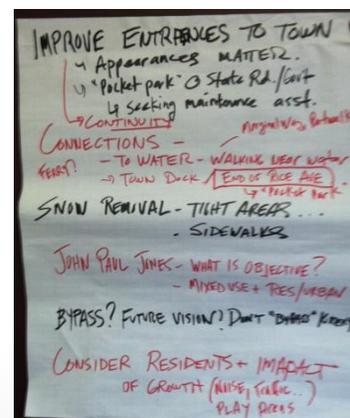
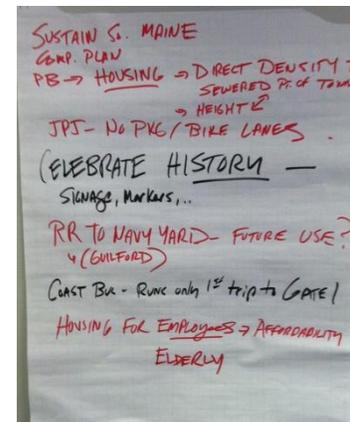
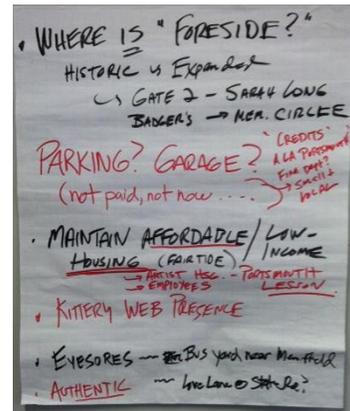
¹ The fourth did not sustain its membership throughout the process.

Forum Summaries

Forum 1 – January 6, 2014

Ideas from the public in attendance were written up and posted on display paper –

- Where Is “Foreside”?
 - Historic vs. Expanded
 - Gate 2→Sarah Long Bridge
 - Badger’s→Memorial Circle
- Parking Garage?
 - Not paid, not now
- Maintain Affordable/ Low Income Housing(Portsmouth Lesson)
 - Artist’s housing
 - Employees, Elderly
- Improve Kittery Web Presence
- Eyesores-
 - Bus yard near Memorial Field
 - Love Ln/ State Rd. abandoned home
- Authentic
- Improve Entrances To Town
 - Appearances Matter
 - “Pocket Park” State Rd./ Gov’t
 - Seeking maintenance asst.
- Continuity -
- Connections
 - Marginal way portwalk
 - Walk near water
 - Ferry across river
 - Town dock-end of Rice Ave. “Pocket Park”
- Snow Removal In Tight Areas(sidewalks)
 - Problem for several years and has not improved
- What is the objective of John Paul Jones Park?
- Maybe mixed use + residence/urban
- Bypass? Future Vision? Don’t “Bypass” Kittery
- Consider Impact On Residents With Increase In Noise/Traffics
 - Long term residents want to continue living in Kittery
 - Residents are more important to Kittery than the tourists
- Map Exists Already, Enhance It
 - Walking circuit? Transportation options
 - Temporary bus during closure was huge help
 - Connect a bus to Portsmouth and Malls

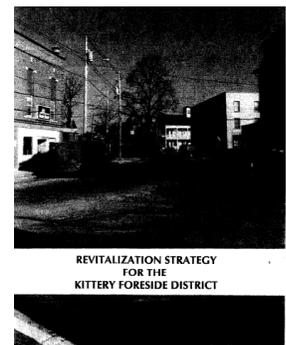


- Learn Lessons of What Not To Do From Portsmouth
 - Parking, Large Buildings, etc.
- Walking Community ≠ Driving Community
- Water Dept. Parcel → Mixed Use + Park
- Where To Fit Parking?
 - Dennett School, St. Marks Methodist Church, York Hospital
- Library Bldg. to Remain But Not w/ Library Function
- Handle Cyclists
 - Create a race event where cyclists wear numbers and businesses can profit

Forum 2 – February 3, 2014

A review of past Foreside planning efforts was summarized as follows:

1. The Stafford Consulting Group in association with Sasaki Associates produced a [“Revitalization Strategy for the Kittery Foreside District.”](#) Many of the recommendation of the report seem to have come to fruition, via the work of the work of the former Foreside Committee (9 members, including representatives from the Planning Board, Historical Society, Conservation Commission, Kittery Garden Club, Rice Public Library, a professional landscape architect, and local business owners) and others.



2. [Sustain Southern Maine](#) worked in Kittery on a pilot project to envision development at the corner of Walker and State Street (aka “the Water District site”). Mixed use of the site was envisioned, with retail at the street frontage and townhouse style housing developed at the rear of the site

Forum 3 – March 3, 2014

Groups were formed with four areas of focus and asked to consider the following questions, while adding and subtracting per their own discussions:

Housing:

- Inventory and location of housing units: # of units, by type, in area
- Identify cost of housing: rental & purchase trends based upon recent sales/rental data
- Identify "edges" where residents are abutters to other uses
- Identify and suggest mitigation for impacts of mixed use



- Identify how many people live in Foreside?
- Identify areas & types of residential growth
- What is affordable?
- What affordability exists and how can it be preserved?
- Where should affordable units be located?
- What type/size of units are needed?
- Who should live in the units?
- What should the housing “look like?” (design)
- How and/or should public arts and cultural opportunities be considered here?



Business Use

- Inventory of businesses - by #, s.f., type, assessed value, sales volume (?), customer base
- Survey of residents for desired services
- Analysis of market area demand (may need to purchase information)
- Survey of businesses for opportunities and constraints to success
- Identify locations for expansion of businesses
- How and/or should public arts and cultural opportunities be considered here?



Parking Transportation and Circulation

- Inventory of Parking Spaces by Location - Public & Private
- Parking Distribution - distance to destinations
- Parking Need - by S.F. of uses
- Opportunities for Shared Parking (e.g. St. Raphael's, banks, etc.)
- Paid Parking Pilot Project/Trial - where, how much?
- Identification of sites for parking structure?

- Traffic counts (single-occupancy vehicles (SOVs), trucks) by hour
- Turning movements
- Inventory of vehicle movement regulations (stops, signage)
- Alternates to vehicular travel - bike routes, pedestrian routes
- Inventory of sidewalks & paths
- How and/or should public arts and cultural opportunities be considered here?

Public Land and Infrastructure

- Inventory of parcels that are publicly owned?
- What is the infrastructure in this location (water pipes & capacity, sewer, natural gas, etc.)?
- What are desired public amenities (parks? Walking paths? etc.)?
- Where should public connections and amenities be located?
- Assess feasibility of desires
- Evaluate existing conditions for opportunities and constraints - e.g. ROW width prevents parking for John Paul Jones Park
- Inventory historic assets
- How and/or should public arts and cultural opportunities be considered here?



Forum 4 – June 16, 2014

The Parking, Transportation, and Circulation group presented its findings to the forum.

Forum 5 – September 29, 2014

Housing and Business Use group presented their findings to the forum. The groups were asked to formalize their findings for use in a written summary report.

Report from the Housing Group

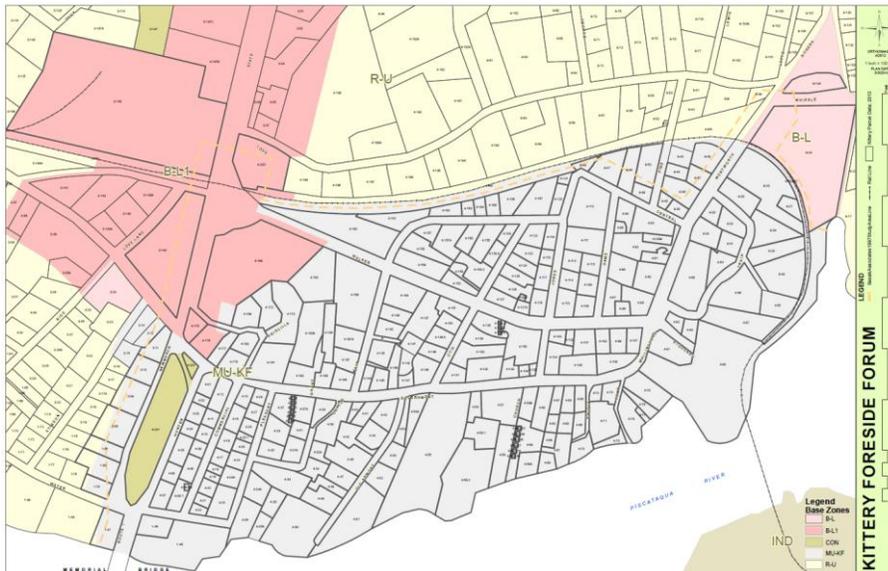


The Kittery Foreside will be a neighborhood that is safe, clean, walk-able, and has a small town welcoming sense of community. The Foreside will attract newcomers, without becoming gentrified, to the extent of Boston's North End. The Foreside will emphasize the feeling of an urban neighborhood while reflecting its historical roots, and history of a working waterfront. The Foreside will celebrate the growing arts and culinary scenes, and encourage growth of small, locally owned

shops and businesses that employ and support local resident investment in the community. Foreside housing will continue to be diverse in style, ownership and residents, maintaining affordable rents. Mixed use (housing and commercial space) will be developed in the Walker/State area, transforming this entryway to Kittery. Kittery Foreside will continue its tradition of diversity where new-comers, lifelong residents, renters, owners, workforce members, and retirees live, shop, worship, enjoy the convenience of consumer services, and share in the pride of being a part of the full service neighborhood.

Area

Love Lane to waterfront--State Rd to Wentworth---four corners of State / Walker intersection



Key Issue: What Does the Town Want the Foreside to Be?

- a. the study did not document need for "affordable housing" in current residential area

- b. area has potential to become a classical urban neighborhood, with complete array of commercial, cultural and personal care services
- c. many housing structures have absentee ownership
- d. many housing structures are of significant historical age
- e. Walker/State intersection has potential for variety of several positive developments

Findings

1. of 383 parcels, 301 are housing: 68% single family, 27% multiple family, 6% condos
2. 40-50% of structures are 50 yrs old, 20% from 1800's
3. many (but not all) of desirable consumer services exist
4. pedestrian foot traffic and parking elements are antiquated/inadequate
5. current residents find existing environment adequate but in need of improvement
6. many properties appear in need of cosmetic or structural improvement
7. Dennett School property could be developed into an "Artist Colony"
8. Water Dept. property could be developed into cluster housing, mixed use properties and green-space area emphasizing a modern Town approach to developing the property's current gravel pit appearance
9. Mixed-use structures primarily exist only in Wallingford Sq.

Unknowns

1. demographic of current residents
2. range and average of current rents
3. feasibility to add commercial activities to first floors of housing units
4. owner motivation to make suggested changes and or modifications
5. interest of Town bodies to pursue change in regulations allowing development of Foreside to its full potential as a Southern Maine landmark--i.e. change in zoning, codes and ordinances

Report from Business Use Group

The business group met in February /March, June and September/October of 2014.

After attending the last public forum, all groups were asked to provide some recommendations for consideration. The business group has met during the past nine months of this town process and has gathered input from both businesses and residents in Kittery Foreside. It is of note, that the boundary of the area of focus has been fuzzy throughout this process. Other forum sub-groups as well as the business group has found this lack of a clear physical boundary to be a challenge to collecting meaningful data.

The business group has worked with a larger boundary of the Town of Kittery to include other adjacent zoning areas abutting Kittery Foreside. LB1, Local Business 1 and BI, Badgers Island, are important. Members of the business group are located outside of Kittery Foreside and still participated in the process to further improvements and growth of the town. See attached area that the business group believes to be the appropriate area for planning purposes.

In general, if this study is to be further developed by a consultant as was described in the September forum, the first step of this effort should be a clear definition of the area to be studied. Most if not all of the sub-groups felt a larger boundary beyond the zoning district “Kittery Foreside” was important to capture the shared goals and potential improvements of the area.

A different name could be chosen for the study, so that it is inclusive and representative.

General recommendations/ observations follow:

1. Town scale

Kittery is a small town. The efforts to support the diverse business/ residences should remain inclusive and cohesive. It is not necessary or even productive to sub-divide so narrowly.

2. Study Boundary Unclear

Current zoning map subdivisions create business hardships. Zoning is contrary for like businesses in very close proximity to each other. Local Business 1 and Kittery Foreside have very different parking requirements that make locating a business in LB1 cost prohibitive compared to a site across the street in Kittery Foreside. Consideration to align these zones or merge is recommended.

3. Clarify Direction/ Guidance/ Rules

Provide clear direction for those wanting to open new businesses, develop property or renovate existing properties both business and residential.

- Provide clear checklist of steps to obtain a building permit
- Provide clear checklist of steps to obtain business licenses
- Coordinate checklist with all town departments (groups) such as Economic Development, Parks, Planning, CEO office, York County, State of Maine, etc.
- Provide consistent evaluations of business related to property tax assessment and equipment tax assessment. Kittery assessment should be in line with adjacent communities such as York. Currently Kittery assessment of business equipment results in businesses playing at a disadvantage to similar business in York. Kittery should review method of assessment and criteria for assessment and depreciation so that businesses are allowed to plan efficiently and grow.
- Coordinate planning with the new FEMA flood maps and wetland setbacks. The water district property is impacted.

4. Sustainable Design

Sustainable design is important. Remove barriers from Town ordinance that are contrary to sustainable design and building efficiency. Add section to ordinance to waive barriers if sustainable design is pursued. Zero Net Energy is a goal worthy of Town of Kittery Adoption for Town owned structures.

5. Favorable Community Impression

Most surveyed **like** the current development of the “Foreside” area. Words such as gritty, eclectic, vibrant are commonly heard. The general development trend has been occurring through market forces and has been well received. Businesses / residences have been able to support one another informally. There is a strong negative reaction to the Town making policy to “codify” what should or should not occur. Concern is that homogenous growth is not in the spirit of what has been successful.

6. Walkable Cities

Encourage “walkable cities” through improvements in sidewalks, cross-walks, lighting. Safe walking at night would be improved by additional lighting and repairing sidewalks.

7. Parking

Parking has been discussed by all groups as well as the transportation group. Parking is affected in the Foreside by several factors. As abutters to gate 1 of the Portsmouth Shipyard, various parking related concerns have been noted. These include, daytime shipyard employee parking in 2-hour posted street parking. This tends to happen in spurts. When the parking limit is not enforced, the street parking gets occupied all day by yard personnel. Currently, if shipyard staff is not in the street spots, the daytime is generally not a problem for parking. It is in the late afternoon and evening that parking becomes an issue. This is when residents are home from work and the local restaurants, performing arts groups are most active. Efforts to share existing parking lots that are from daytime uses primarily such as banks has worked well. The nearby

library lots are not marked for use at nights and could be helpful to provide spots when the evening crunch occurs. Clear signage and lighting to identify these two lots would be helpful in the short run as other longer-term options are explored. Also, related to walkable city strategies, improving sidewalks, lighting, bike parking opportunities will mitigate the evening parking issue as well. Striping all available spots on Walker and Government to maximize potential spots is a simple first step. This striping should happen in advance of a broader planning study as it would be a readily achieved and low-cost measure.

8. Traffic/ Transportation

The business group did not find supporters of the idea to changing the traffic flow on Government to one-way the opposite way. Further, the group felt it would be detrimental to business and residents. It is the recommendation that this should not be further studied by the Town and any money available from the recently obtained grant, should be used for other more pressing concerns such as sidewalks, fixing raised curbs, lighting, striping etc.

9. Speed of Traffic

Concern has been expressed that the posted speed on Route 1 is dangerous and is disadvantageous to business and residents. Most shipyard traffic in and out of the yard does not turn on Route 1. It has been said that the speed is necessary to prevent back up on the road. Traffic must slow once you get to Memorial Bridge, so the logic is unclear to the group. It is a strong recommendation to have Kittery work with the State DOT to lower the posted speed. Further, street parking/ landscape improvements would make the town more accessible.

10. Services (Existing and Potential)

Although a formal survey was not in the scope of this group, many expressed contentment with the current services available and type of shops/ businesses. Many are proud of the progress Kittery has made in attracting young families, new entrepreneurs and creative arts entities. There are diverse types of restaurants now available in the walkable area and differing price points.

11. Anchor services

Route 1 grocery businesses, York Hospital and Rice Library are key to success of the neighborhood. These three services represent anchors to the community. They make it possible to keep your car at home and walk for groceries, healthcare and learning opportunities. They represent informal community gathering spots. During the course of the period of the study, the library potentially may relocate to the Town Community Center campus. Many have been vocal that this service would be missed in the immediate walkable area.

12. Housing

Affordable housing is more available in Kittery than in adjacent Portsmouth NH. It is a concern by some that if Kittery continues to evolve into an even more desirable place to live and work, housing cost will increase and will make affordable housing less available. There is a housing group reporting to the Town separately and in addition to their recommendations, it is the important for businesses that their workforce can live nearby. Encouraging mixed-use development throughout Kittery zone classifications would remove a barrier that now discourages integration of housing with businesses. The town of Kittery may want to meet with area successful housing developers relative to the Water District Site and the ambulance yard site and discuss what are the true obstacles for making housing happen. The York hospital second floor remains un-occupied and at one time was considered to be a location for more workforce housing. Adaptive re-use to encourage housing by providing relief of other zoning restrictions may help incentivize housing.

13. Historic Preservation

The housing group presented some recommendations to identify in a historical survey structures of importance. This is certainly a worthy effort. However, there is concern if structures that are in poor condition and are in fact not historic are not allowed to be torn down, it may put even more economic pressure for developers to provide higher end housing. Kittery does have some buildings of merit including the Rice Library. These structures should be encouraged to remain.

14. Water Access

The open space and parks group did not come together as part of this forum effort. It remains of interest to the business group to maximize both the historical nature of the working waterfront in Kittery and provide access to the waterfront for sitting, boating, etc. The town dock should be improved and made safe with clear signage for residents and visitors to enjoy. Much like Portsmouth has at Prescott Park.

15. Connectivity

It is critical that Kittery is connected with walks, signs, lighting, parking concepts. Shuttles have been brought up by several members of the business group as well as the transportation group to encourage connecting to outlying areas of Kittery, Portsmouth, transit etc.

16. Communication

It is important for the Town of Kittery to engage and communicate regularly with groups that have a big impact on daily life. The Portsmouth Naval Shipyard should be actively engaged and participate in planning that will strengthen the success of the community. Similarly, the Town of Kittery should remain engaged with the State DOT and keep dialog open so that opportunities to improve state roadways with landscape, walks, crosswalks, lighting, and parking are not missed.

Points from initial meetings remain pertinent:

1. **Badgers Island** is the **gateway** to Kittery.
2. Route 1 is the **primary artery** linking major entry directions to Kittery. (Portsmouth-South to the Traffic Circle- North.)
3. **Gourmet alley** businesses provide an **anchor** to the community local businesses. (Similar to seeing people at the town transfer station, many meet and great daily at these unique and valued local food shops).
4. **Foreside loop** (Government to Walker) is the **historic business zone** with much current activity by new entrepreneurs and has been developed organically during the period since the planning study. Early business investment occurred in the area without direct town support. The thriving arts and performance scene has evolved by local creative individuals making their spaces unique and offerings dynamic.
5. **Continuity in Kittery** is seen as very important rather than many distinct artificially created zones. That continuity focus has led those in the business group to a more holistic approach to be inclusive of the business community that exists and those who are choosing to locate in Kittery. The route 1 corridor from Portsmouth to the Traffic Circle is important to review holistically. The group feels it is important to have visitors feel they have entered Kittery (as a single town) and not a lot of little villages in an already small town with different names and identities. It was noted that in past efforts sometimes areas are pitted against one another and this stifles initiatives and growth. Related- signage and lighting and bike stalls should be incorporated, so area is safe and connected and welcoming to walkers and cyclists and other visitors. It is NOT desired to be static with these efforts but to come up with flexible concepts that continue to promote the organic and creative growth. Locations for pop-up sculpture/ signage with innovative lighting could be identified. (A framework...) Then changing events could be spotlighted and would continue to foster the desire to come see what's happening in Kittery....

In summary, it is agreed that there are a number of beneficial steps that could be taken to enhance the community growth and success of local business. The Town of Kittery is encouraged to implement as many of the low-budget improvements in the next six to twelve months. A longer view study if undertaken, can then build upon the framework of ideas developed by the forums.

Report from the Parking, Transportation, and Circulation Group:

Paul Bonacci, Gillian Carter, Ann Grinnell, Chris Perkins, Deane Rykerson, Steve Workman

Area

For the purpose of our work as a committee, we defined the boundaries of the Foreside District as:

- Piscataqua River (including Badger's Island)
- Route 1 Bypass (Bypass District)
- Memorial Circle
- Rogers/Shapleigh/Rte 103 (Kittery Center District)

Perfect Vision of the Foreside District

- Peaceful
- Gateway
- Downtown Center
- Unique
- Foreside is focused on serving Kittery
- Community (residents)
- Transportation system provides safe & logical connection between Foreside District areas/sections
- Transportation system provides safe & logical connections between Foreside District & other parts of town
- Easier/more effective flow (circulation) of vehicles
- Accessible
- Walkable & Bike-able
- Plenty of bicycle parking
- Link(s) to public transportation
- Ample parking
- Paid parking (meters)
- Well lighted
- Simple branding – less names
- Clear identity & branding
- Diversity of commercial & residential uses
- Balance between affordable & higher end housing
- Maintain ample housing stock (building not converted to only commercial use)
- Neighborhood layers (sections) between commercial & residential areas
- Diversity of scale (building heights, etc.)
- Outdoor public space (seating, tables, landscaping, art, etc.)
- Places to rest (benches, etc.)
- Greenspace
- Public Art
- Seasonal/theme decorations
- Public events held in Foreside District (block party, etc.)
- Awareness of river
- Improved public access (including scenic views) to river
- Maintains continuum of history

Force Field Analysis

In order for a transportation plan for the Foreside District to be strategic rather than just a list of tasks to be undertaken, developers should take time to consider what forces are working to support or restrain intended outcomes. The group undertook a brainstorming activity to begin to capture such forces in order to begin developing strategies to work with positive forces or shift restraining forces.

Using the vision for the Foreside that the group brainstormed above as a basis the group was asked to answer the following two questions:

1. What forces are supporting the group vision?
2. What forces are restraining or opposing the group vision?

Forces That Support

Existing density of both commercial & residential buildings

- Existing diversity of business & residential uses
- Desirability of location (proximity to Piscataqua River)
- Existing development opportunities on outskirts of District
- Organic efforts/buy-in to date to develop Foreside
- Support for vibrant Foreside includes people within and outside the District
- People new to town often driving change (business & resident)
- Consumers want access to services/businesses located in District
- Ongoing public & stakeholder planning efforts
- Existing building stock is robust
- Lack of parking encourage alternative types of transportation
- Private/commercial money to support development/improvements
- Government financing tools available to support infrastructure improvements/development

Forces That Oppose/Restrain

Existing density of business & residential buildings

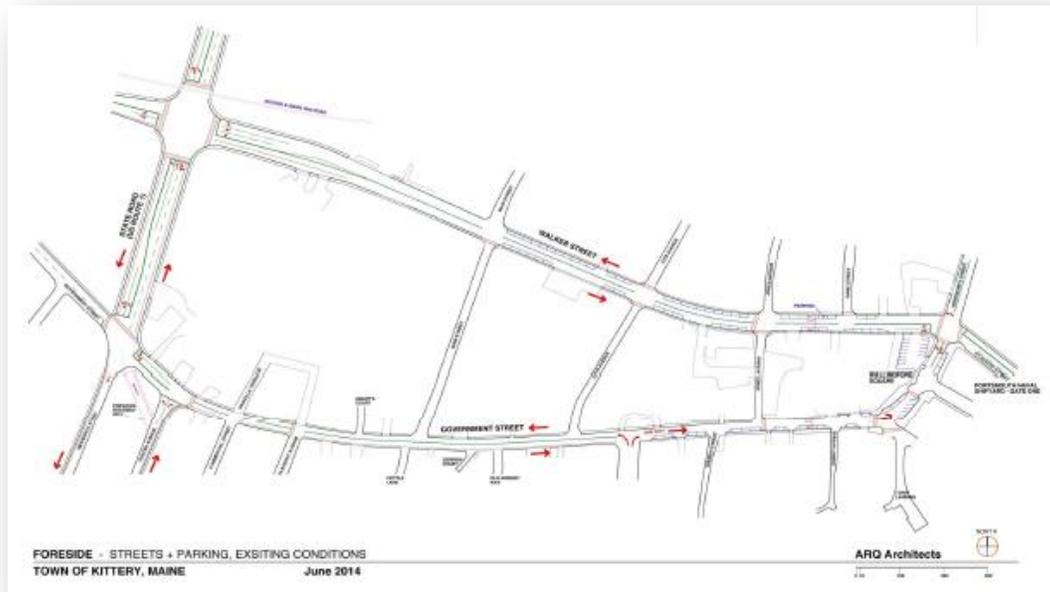
- Lack of diversity of retail options (potential for too much of same type)
- Small physical foot print of District (specifically Wallingford Sq)
- River is an immovable boundary
- District boundaries can limited ideas
- Existing zoning and ordinances can limit options
- Self interest verse commercial interest
- Resistance to change
- Loss of balance between government & stakeholder vision/efforts

- Lack of adequate parking
- Desire to use parking to promote non-motorized transportation can create a backlash
- Negative opinion of parking garages
- Limited bicycle parking facilities
- Sprawl from Portsmouth
- High property tax burden in Kittery (can limit timely infrastructure investments)
- Depressed economy
- Seasonal nature of tourist population
- Cold/inclement weather impacts on infrastructure design (less willingness/ability to walk/bike, etc.)

Group-Identified Short Term Priorities

- Identify conditions and gaps in the existing transportation infrastructure/services
- Identify simple, cost effective ways to make walking and biking safer for the coming summer season
- Explore & implement if appropriate, changing the one-way flow of traffic through Wallingford Square/Government St.
- Foreside Parking:
 - Identify opportunities to expand available parking now (public/private partnership, etc.)
 - Research emerging approaches to parking
 - Identify long-term parking infrastructure improvements/expansions

Existing Conditions



Recommendations for Consideration and Implementation

Parking

- Negotiate public (town) – private parking agreements for existing lots in the dense area of the Foreside (banks, etc.)
- Explore viability/feasibility of constructing a large parking facility at the Water District, library and Walker Street (ambulance) station properties
- Add street parking to Walker and Government
- Explore pay-to-park options

Walker/Government/Bridge Intersection

- Existing crosswalk puts pedestrian in traffic flow with reduced visibility for too long
- Relocate crosswalk so that pedestrians are only crossing Walker Street
- Add in-street crossing warnings

Love Lane Traffic Calming

- Add 3-4 seasonal speed bumps or tables to help reduce vehicles traveling



significantly above the posted speed limit

Route 1/Walker St. Intersection

- Enlarge the existing width of crosswalks at each intersection point to a minimum of 10-ft to improve pedestrian safety
- Use colored paint to designate crosswalks in addition to existing textured overlay

Hunter Ave & Newmarch Street

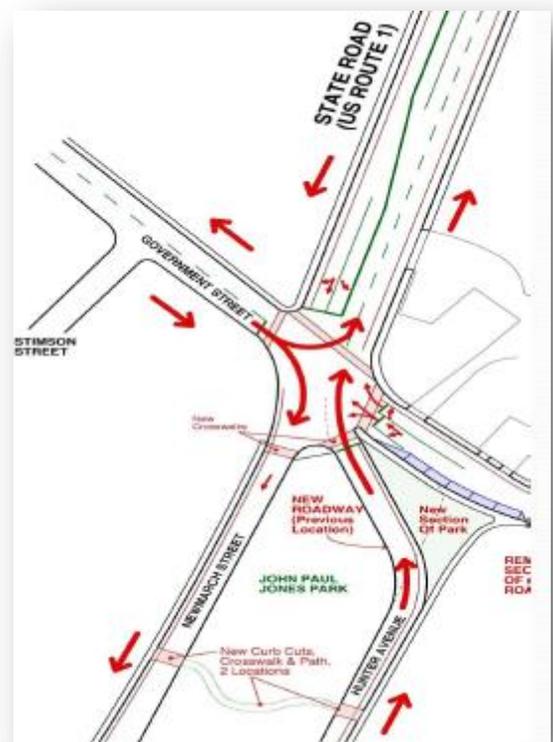
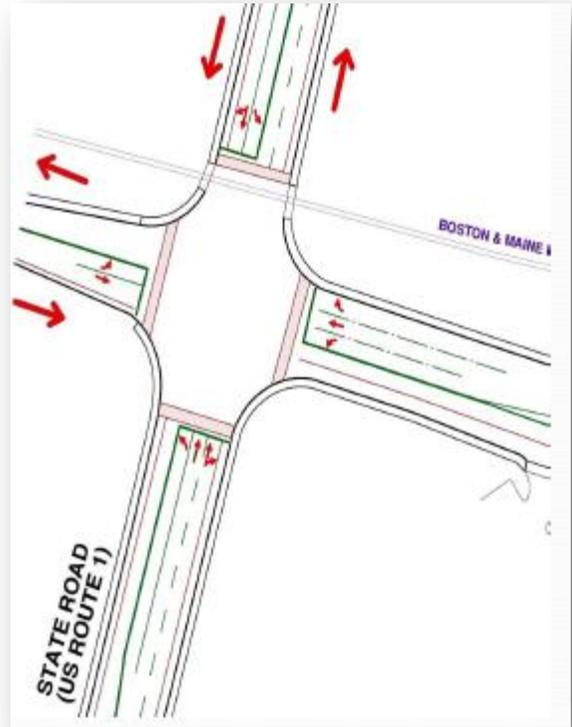
- Add crosswalk on Route 1 just before one-way split & park begins (near Warrens)
- Recommend NOT adding street parking on either Hunter or Newmarch
- Expand existing 3-ft shoulder on both roads to a minimum of 4-ft for bicycles & include bicycle pavement marking (continuity from M. Bridge)

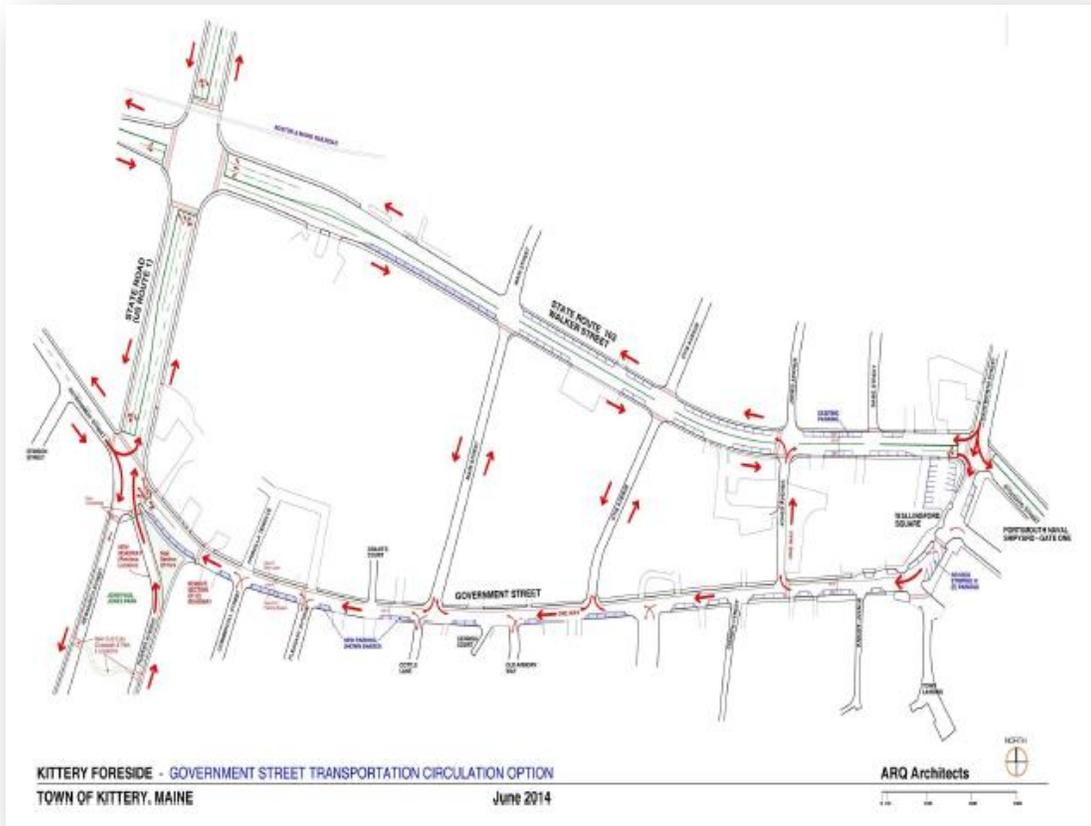
John Paul Jones Park

- Add 2 sets of crosswalks on Hunter & New Marche to be located near each end of the park to improve safe access
- Install 4-ft stone dust pathways to connect benches, memorials & designated road crossings
- Add benches & other appurtenances to improve the functionality of the park

Route 1/Government Intersection

- Make Government one-way from Wallingford to intersection
- Terminate Hunter – Government connection using green space buffer
- All traffic on Hunter enters intersection on restored roadway
- Add wide crosswalks at each intersection point with walk signals as needed
- Add turn lanes & markings to assist bicycle travel through intersection





Government Street Walker/Gov to Gov/Route 1 Intersections

- Reverse the existing flow of one-way traffic starting at Walker/Government intersection
- Extend one-way traffic flow on Government St all the way to the Route 1 Intersection (no changes to existing traffic flow on side streets)
- Retain contiguous sidewalk on north side of Government
- Add 4-ft shoulder for use as a bike lane on the north side of Government (next to sidewalk)
- Add 22 new street parking spaces on the south side of Government
- Eliminate direct Government/Hunter connection (merger)
- Add sidewalk on south side of Government from Hunter to Route 1 Intersection

Benefits of Government One-way

- Right turn onto Government from Walker is more intuitive for those unfamiliar with the area
- Additional 22 parking spaces
- Space for a 4-ft bicycle lane (shoulder)

- Addresses early morning traffic issues caused by shipyard commuters using Government to bypass Walker Street
- Eliminates safety problems with Hunter/Government traffic merger
- Improves way-finding (with appropriate signage) by simplifying the Route 1/Hunter intersection and current partial one-way